STANDARD CHARGE MORTGAGE TERMS

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The Real Property Act (Manitoba)

These STANDARD CHARGE MORTGAGE TERMS shall be deemed to be included in and form part of every Mortgage which incorporates and refers to them by their filing number.

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1. THE MORTGAGE

1.1 The mortgage is taken as security on your property

(a) By signing the registered mortgage, you mortgage and charge your entire interest in your property to us. If you are a tenant or a lessee of your property, you charge and sublease your entire interest in your property to us for the entire term of the lease except the last day, including any renewals and any option or right of first refusal to purchase.

(b) In return, we make a loan to you for the principal amount, or any part of the principal amount as is advanced to you from time to time. Your interest in your property is security to us for repayment of the loan amount and your performance of all your obligations under the mortgage.

(c) All fees and costs, allowances and expenses are also secured by the mortgage, bear interest at the interest rate of the mortgage from the date incurred or calculated by us and are payable on demand.

1.2 What the mortgage secures

(a) If you have paid off part of the principal amount by regular payments or prepayments, we may, but have no obligation to, allow you to borrow additional amounts up to a maximum of the difference between the loan amount and the principal amount. You must meet our then current lending requirements. All additional amounts borrowed are secured by the mortgage in the same priority and bear interest at the interest rate of the mortgage in effect at that time.

(b) Our mortgage and charge of your property ends when you have repaid the loan amount in full and met all of your other obligations under the mortgage.

1.3 Who is bound by the mortgage

(a) The obligations under the mortgage are the responsibility of each person, corporation and other entity who signed it. Even if other persons, corporations or other entities have also signed the mortgage, each borrower and guarantor is responsible for meeting all obligations in the mortgage and paying the entire loan amount.

(b) Your legal and personal representatives and anyone else to whom your property is transferred must also meet the obligations in the mortgage.

(c) Our successors and anyone to whom we transfer the mortgage are also bound by it.

1.4 Notice of Obligations under Mortgages in Alberta

If the mortgage is a high ratio mortgage on a property located in Alberta with insurance by a mortgage insurer, the following applies:

> **This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law of Property Act (Alberta)* apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.**

1.5 **Changing the mortgage renewals and amendments including automatic renewals**

(a) We may, at our option and by agreement with you in writing, change any part of the mortgage. This change could include renewing the mortgage.

(b) The mortgage may also be automatically renewed where, before the balance due date, we send to you a notice offering to renew the outstanding loan amount at certain rates and terms and you do not respond in writing accepting one of the renewal terms offered, or you do not pay the loan amount in full or you have not made other arrangements for payment or extension with us on or before the balance due date. In that circumstance, you agree the mortgage will be renewed for the term and at the rate for automatic renewal we set out in the renewal notice we send you.

(c) We do not have to register any such written agreement with you on the title to your property to retain our rights under the mortgage against you or any other person including our priority over any other mortgage.

(d) If we make a new agreement with another borrower or person who is obligated to pay the loan amount, you will not be released from your obligations under the mortgage, even if you do not sign or are not advised of the new agreement.

(e) You do not have a right to renew the mortgage. Renewal of the mortgage is at our discretion.

2. INTEREST

2.1 **Interest for fixed rate loans**

(a) If you have a fixed rate, the interest rate payable by you is the rate shown in the registered mortgage.

(b) Interest is payable at the frequency shown on the registered mortgage and is calculated semi-annually, not in advance.

(c) Interest is payable on the loan amount at this rate until the loan amount has been paid in full, both before and after the balance due date, before and after default, and before and after we obtain any court judgment against you.

2.2 Interest for adjustable rate loans

If the rate on the registered mortgage refers to the prime rate, you have an adjustable rate mortgage and the following apply:

(a) The interest rate payable by you is the prime rate plus or minus the number of percentage points per annum, if any, shown on the registered mortgage. The interest rate is automatically adjusted with any change in the prime rate to the prime rate then in effect, plus or minus the number of percentage points, if any, as shown on the registered mortgage. Within a reasonable time after each change in the interest rate, we may mail to you, at your last known address according to our records, a notice of the changed interest rate and its effective date. The interest rate will vary in accordance with this section even if we fail to send this notice or you fail to receive it.

(b) Interest is payable at the frequency shown on the registered mortgage and is calculated monthly, not in advance.

(c) Interest is payable on the loan amount at the rate as determined in accordance with this section, until the loan amount has been paid in full, both before and after the balance due date, before and after default, and before and after we obtain any court judgment against you.

2.3 Interest on amounts advanced before the interest adjustment date

Interest on advances before the interest adjustment date will be calculated daily at the interest rate for the mortgage computed from the respective dates of such advances up to the interest adjustment date. At our option interest will be deducted from any part of the principal amount we advance or paid by you to us or debited by us to your bank account monthly with the final payment on the interest adjustment date.

2.4 Compound interest

If you do not make the regular payment or any other payment when required by the mortgage, we will charge interest (referred to as compound interest) on all overdue amounts, including unpaid interest. Compound interest is payable both before and after the balance due date, before and after default, and before and after any court judgment we obtain against you. If we demand it, you must pay us this compound interest immediately. Compound interest is calculated at the interest rate of the mortgage.

3. CONVERTING THE MORTGAGE

3.1 How you may convert from an adjustable rate loan

If the interest rate of the mortgage is an adjustable rate, you may convert the mortgage to another closed fixed rate mortgage then offered by us if: (i) you have always met your obligations under the mortgage and (ii) the term of the mortgage you are converting to is equal to or greater than the

remaining term of this mortgage. The mortgage will be converted when you send to us a request in writing. The request should be sent to our address as shown on the registered mortgage or to such other address as we may later advise you in writing. The interest rate for the converted mortgage will be our published interest rate in effect on the date the written request for conversion is received by us. The conversion will take effect on the next payment date, provided that we receive your request at least five (5) business days prior to that payment date. If we receive your request less than five (5) business days prior to a payment date, the conversion will take effect no later than the next following payment date. Once the mortgage has been converted, the prepayment privileges of the original mortgage will no longer apply. Any prepayment privileges will be contained in the converted mortgage. You will be responsible for the payment of our then current administration and processing fee for converting the mortgage.

4. YOUR REGULAR PAYMENTS

4.1 Currency and place of payment

You will pay the loan amount to us in Canadian dollars at the address shown on the registered mortgage or as you may be notified in writing. All payments received by us after 2 p.m. (Eastern Standard Time) or on a Saturday, Sunday or statutory holiday will be deemed to be received on the next business day.

4.2 Regular payments

(a) **If the interest rate of the mortgage is a fixed rate**, the amount of each regular payment, which includes principal and interest, is as shown on the registered mortgage.

(b) **If the interest rate for the mortgage is an adjustable rate**, the amount shown on the registered mortgage, which includes principal and interest, is the payment that has to be made based on the rate in effect at the time the mortgage is made.

Your regular payment amount will change with each adjustment in the interest rate to an amount sufficient to pay all interest that accrues, plus the amount of principal we determine is required to be paid to maintain the amortization of the mortgage, as adjusted for any prepayments you may have made. This amount will be your new regularly scheduled payment amount, beginning on the second payment date following an adjustment in the interest rate, until the payment amount is again changed following an adjustment in the interest rate.

(c) You must make these regular payments on the dates set out in the registered mortgage starting with the first payment date up to and including the balance due date.

4.3 Changing the frequency of your mortgage regular payments

(a) You may upon request and at our discretion, change your regular payment to a payment date and frequency then currently offered for your type of mortgage.

(b) On a change of payment frequency or change of regular payment date, an interest adjustment amount may be payable and we may charge an administration and processing fee. Such amounts are immediately payable or may at our option be added to the loan amount.

(c) In addition to any other remedy we might have under the mortgage, if you have changed your payment frequency to greater than or equal to twice per month and you are in default of payment of an amount which exceeds two (2) weekly payments, or one (1) bi-weekly or semi-monthly payment as applicable, your payment frequency will, at our option without prior notice to you, revert to the monthly payment frequency. Any interest adjustment amount will be immediately payable or, at our option, added to the loan amount.

(d) Amounts payable on account of taxes and insurance with your regular payment will at all times be payable at the same frequency and calculated in the same manner as your regular payments.

4.4 **Skip a Payment Option**

At our discretion you may, on at least five (5) business days notice to us, skip a regular payment under the mortgage, not more than once in any year; provided you have made prepayments on your mortgage such that the cumulative amount of such prepayments is greater than or equal to the requested skipped regular payment. You are required to pay any amount related to taxes or insurance due on the date such skipped regular payment was otherwise payable. The interest portion of the skipped regular payment will be added to the outstanding principal amount and will bear interest at the interest rate then in effect.

4.5 **Payment of loan amount on balance due date**

You must pay any outstanding balance of the loan amount on the balance due date shown on the registered mortgage or any agreement amending the mortgage.

4.6 **Payment method**

You must maintain a bank account with a bank, trust company or credit union in Canada and provide authorization in a form satisfactory to us to automatically debit each regular payment and any other payments when due. You must make sure that the account always contains sufficient funds to make each payment. If you do not maintain sufficient funds in the account, or if you cancel the authorization to debit payments, or if you close the account, we may declare you to be in default on your mortgage.

4.7 Application of your payments

If the mortgage is in good standing, we will apply the amount we receive from you on each regular payment date in the following order: (a) to pay life insurance premiums on the mortgage or other optional products or services you select (if applicable); (b) to bring into good standing any accounts

related to the mortgage in which we hold funds for payment to others or from which amounts are debited, including tax accounts (if applicable); (c) to pay any collection expenses and applicable administration and processing fees; (d) to pay interest accrued for the payment period; and (e) to reduce the principal amount. However, if you do not meet one or more of your obligations under your mortgage, we may apply any payments or any other money we receive in whatever order we choose.

5. EARLY PREPAYMENT OF THE MORTGAGE

5.1 Prepayment privileges without a prepayment charge

You may pay off some of the mortgage early without prepayment charges as follows:

(a) *Increase Regular Payments*. You may increase the amount of your regular payment at any time or times. The total of these increases during each year of the mortgage cannot be more than twenty percent (20%) of the original regular payment amount.

(b) *Annual 20% prepayment*. You may in each year of the mortgage prepay without penalty an amount not greater than twenty percent (20%) of the original principal amount of the mortgage. You may make more than one prepayment in a year, but the total of all prepayments cannot be more than twenty percent (20%) of the original principal amount and each prepayment must be for an amount no less than one hundred dollars ($100.00). Such prepayments must be made on a payment date. If you do not prepay 20% of the original principal amount in a year, you cannot carry forward any unused portion to a future year.

5.2 Prepayment charges that apply to certain prepayments in full

If you want to prepay the mortgage in full, you may do so only with payment of the prepayment charge set out below in section 5.3 or section 5.4, as applicable. You must ask us to provide you with a statement of the required payment amount. **You can specify the date you want to make the prepayment, provided that the date (i) must be at least five (5) business days after the date of your request for a statement, and (ii) must be no more than thirty (30) days after the date we prepare the statement**. The date you choose to make the prepayment is called the prepayment or payout date, the date we prepare the statement is called the statement preparation date and the period beginning the statement preparation date and the date ending thirty (30) days later is called the statement period.

All payments on the mortgage must be made as they become due during the statement period. The statement cannot be used for prepayment after expiry of the statement period.

5.3 Prepayment charge for fixed rate mortgage

The prepayment charge for you to pay out the mortgage in full before the balance due date is:

(a) the amount (as determined by us) that is the greater of

(i) the interest rate differential, and

(ii) the lesser of (A) three months interest at the interest rate of the mortgage, calculated on the principal amount being prepaid, and (B) the remaining interest to be paid on your mortgage, as calculated on the date of and set out on the payout statement, had prepayment not occurred; except that

(b) where the mortgage has a term of more than five years and the prepayment in full is being made at any time after the 5th year of the term, the prepayment charge will be three months interest on the outstanding principal amount calculated at the interest rate of the mortgage then in effect.

5.4 Prepayment charge for adjustable rate mortgage

The prepayment charge for you to pay out the mortgage in full before the balance due date is the lesser of:

(a) three months interest at the interest rate of the mortgage, calculated on the principal amount being prepaid; and

(b) the remaining interest to be paid on your mortgage, as calculated on the date of and set out on the payout statement, had prepayment not occurred.

5.5 Prepayments generally

In order to qualify for any of the early payment options set out in section 5.1, you must have met all your obligations under the mortgage. For these early payment options, a year means the twelve (12) month period that starts on the interest adjustment date and on each anniversary of the interest adjustment date. Each partial prepayment under any partial prepayment option (other than by increase in your regular payment amount) must be in a minimum of at least $100.00. We reserve the right to change the minimum payment amount.

After each partial prepayment is made, you must continue to make your regular payments.

Each partial prepayment you make is applied to pay down the outstanding principal and cannot be refunded.

5.6 Prepayment of Renewed or Extended Mortgages

The prepayment provisions set out in this Article 5 are only available during the original term of the mortgage (including as applicable the term that commences after a progress advance period). If the mortgage is renewed, converted or amended, you may only use the prepayment provisions set out in the renewal, conversion or amending agreement.

6. DISCHARGE

After you have paid us the loan amount in full, upon your request, we will sign a discharge and

send it to you within a reasonable time. Alternatively, if you ask us to, we will give an assignment or transfer of the mortgage instead of a discharge. You will pay our usual administration and processing fee for preparing, reviewing and signing any such documents and all legal and other expenses, if applicable. You will pay us these fees whether the discharge or assignment is prepared by your lawyer, by our lawyers or by us. It is your responsibility to register the discharge or assignment on the title to your property and to pay the registration fee. If electronic registration is available for your mortgage and we elect to register, or arrange to register, the discharge or assignment, you also agree to pay us the registration fee.

7. YOUR PROMISES AND OBLIGATIONS

7.1 Payments

(a) You agree to pay the loan amount as required by the mortgage, and to meet all of your other obligations under the mortgage. Should you make any claim against us for any matter relating to the mortgage or life insurance or other insurance for payment of all or any part of the loan amount, you will make such claim without abatement or set-off or otherwise diminishing your obligation to make all payments as they become due.

(b) You agree to pay us all of our costs, including any legal fees and expenses, for investigating the title to your property and registering the mortgage. You must pay these amounts to us immediately.

7.2 Your property and the mortgage

(a) You certify that you have the right to give us this mortgage.

(b) Unless you are a tenant of your property and section 7.3 applies, you certify that you are the lawful owner of your property.

(c) You certify that there are no encumbrances or limitations affecting title to your property (such as other mortgages, or construction or builders liens), except those that we have agreed to in our loan commitment document and except building and zoning by-laws that you have complied with.

(d) You agree that, at your expense, you will sign any other document or do what is necessary, in our opinion, to make sure that all of your interest in your property has been completely charged to us so that our loan to you is adequately secured.

(e) You agree that you will take any necessary action to protect your title to your property and will not interfere in any way with our interest in your property.

(f) You certify your property is free and clear of all taxes, all taxes have been paid in full to the date of the mortgage without subrogation in favour of any party.

7.3 Properties which you lease from others

If you are a tenant or a lessee of your property, you certify all of the following to us, and you agree that:

(a) Your property is leased to you under a valid lease, you have given us a complete copy of that lease, and you have good leasehold title to your property.

(b) All rents and other amounts payable under the lease have been paid up to the date you sign the mortgage.

(c) You have met all of your obligations under the lease up to the date you sign the mortgage.

(d) The term of the lease extends at least five (5) years beyond the amortization period of the mortgage, as identified on the mortgage commitment.

(e) Your landlord has agreed that you may mortgage your interest in your property to us. If we ask you to, you will provide us with evidence (in writing and satisfactory to us) that you have this consent, or that you have the right to mortgage your interest in your property without the consent of your landlord or the person who leases your property to you.

(f) There are no liens or limitations on your interest in the lease except those identified in the lease, or registered against the title to your property, or contained in building and zoning by-laws.

(g) You and your landlord have complied with all restrictions registered against the title to your property, and with all building and zoning by-laws.

(h) You will pay all rents and all other payments required by the lease when they are due.

(i) You will meet all of your other obligations under the lease.

(j) You will not surrender your lease or cause the lease to be terminated.

(k) You will not make any change in the lease without first obtaining our written consent.

(l) You will give us a copy of any notice, demand or request that you receive relating to the lease. You must give this to us immediately after you receive it.

(m) You will protect and indemnify us from all actions, claims, costs and demands if you default on the lease.

(n) You will hold the last day of the term of the lease of your property, or the last day of any renewal term of the lease, in trust for us. You will only deal with the last

day of the term or renewal term of the lease of your property in the way that we require. You will have the same rights and obligations with respect to the last day of the term or renewal term of the lease as you already have under the rest of the mortgage and under the law. You agree that we may remove you or any other person as trustee of this trust, and that we may appoint a new trustee.

(o) At our request, you will transfer to us the last day of the term of the lease, or the last day of any renewal term of the lease. You must pay all expenses related to this transfer.

(p) If we enforce our rights under the mortgage, including selling your property under power of sale, then you will hold the last day of the term of the lease, or the last day of any renewal term of the lease, in trust for any person to whom we sell your property, including that person's legal and personal representatives and successors.

(q) You appoint us as your attorney so that we may assign the lease and the last day of the term of the lease, or the last day of any renewal term of the lease, on your behalf and in your name. You also appoint us as your attorney so that we may transfer your interest in your property as required to enforce any of our rights under the mortgage, including our right to sell your property under power of sale.

7.4 **No other mortgages without consent**

You agree that you will not make another mortgage on your property and not use your property as security for any other debt without our prior written approval.

7.5 **Owner-occupied properties**

If the mortgage is approved by us for occupancy of your property by you and your family as your residence, you certify that no part of your property is rented or occupied by a tenant. You also agree not to rent or lease any part of your property, or enter into a tenancy agreement of any part of your property, or renew any lease (unless the renewal is provided for in a lease we have already approved), without first getting our written approval. We are under no obligation to approve your request to rent, lease, or enter into a tenancy agreement for any part of your property, or to approve the renewal of a lease on your property.

7.6 **Rental properties**

(a) If your property is a rental property, you must obtain our consent to any rental or any renewal.

(b) You transfer and assign to us all leases, lease agreements and renewals, all rents payable under the leases and agreements and all rights contained in the leases, lease agreements and renewals that affect your property.

(c) You mortgage, charge and grant to us a security interest in, all of your right, title and interest in and to the fixtures, equipment and other movable property or chattels relating to the rental property.

(d) Upon our request:

(i) You will obtain and provide for estoppel certificates, or an equivalent document, from tenants (i.e. written statements from the tenants certifying, among other things, the terms of the lease and any promises made to them about the lease).

(ii) You will execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by us to give effect to this section.

(iii) You will pay all of our expenses related to the assignments and additional security, including legal fees and registration costs.

(e) If you do not meet one or more of the obligations set out in this section, or if one or more of the certifications you made to us related to leasing or renting out your property is not true, then we may require you to pay the loan amount immediately and in full. If we do this, we may pay any tenants any amounts necessary to obtain their cooperation in showing and selling your property and to obtain possession of your property from the tenant. You agree that these payments will be a cost of enforcing our security, and that they will be added to the loan amount. You also appoint us as your attorney and agent to enforce the terms of any lease or agreement you entered into, and to cancel or terminate any lease or agreement.

(f) We are not obligated to collect any rent or income from your property nor to comply with any part of a lease or agreement related to your property. Furthermore, nothing we do under this section will be considered as us taking possession of your property.

(g) If you are not meeting one or more of your obligations under the mortgage and you lease or sublease any part of your property without our written approval, you will be considered to have done this to discourage us from taking possession of your property and/or be considered to have done this to adversely affect the value of our interest in your property.

7.7 **Property taxes**

(a) You will ensure property taxes are always paid on time. You will ensure such payment by enrolling, where available, in a local Tax Instalment Payment Program which includes preauthorized debit of tax instalments to your account. You must then each calendar year, after the last tax payment has been made, provide to us receipted tax bills or other satisfactory proof of payment of property taxes. This is your obligation unless we choose to pay taxes as set out in parts (b) and (c) of this section below.

(b) On or before the interest adjustment date, we may withhold from any advance

secured by the mortgage or require you to pay out of any advance of the mortgage any amount we feel necessary to pay current or anticipated future taxes.

(c) We may at any time on notice to you require that you pay to us on each regular payment date a tax instalment in an amount based on the estimated annual taxes (as determined by us) sufficient for us to pay the taxes for the ensuing year. In the event we require such tax instalments:

(i) You will pay the instalment on account of taxes on each regular payment date.

(ii) If the taxes on your property are more than our estimate, or if for any other reason the amount you have paid to us for taxes is less than the amount we have paid for taxes on your property, you will pay us interest at the mortgage rate on the difference and will immediately pay us the difference when we ask you to.

(iii) You agree to send us all tax bills and other notices or communications related to taxes as soon as you receive them. If you do not, you must repay to us the cost of obtaining these notices.

(iv) If you want to take advantage of any discount or avoid any penalty or interest in connection with the payment of taxes, you must pay us the appropriate amount in addition to the instalments we calculate.

(v) We do not have to hold any money you send to us to pay property taxes in trust for you and we do not have to pay you interest on the money you send us to pay property taxes. We do not have to pay property taxes more than once a year.

(vi) If you do not meet any one or more of your obligations under the mortgage, we may apply any money that we have received for property taxes to any portion of the loan amount.

(vii) You agree to repay to us any costs we incur in paying your property taxes, including amounts charged by the taxing authority for providing information about your property taxes, for sending us your property tax invoices or for accepting property tax payments from us on your behalf. You agree that we may add these amounts to your tax instalments.

(d) In the event that any amount estimated by us to make any tax payments pursuant to this section in any calendar year exceeds the taxes actually charged for that calendar year, the remaining amount may be retained by us on account of any pre-estimate of taxes for the following calendar year.

7.8 **Insurance (this section does not apply if your property is a residential condominium unit or strata lot)**

(a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than full replacement value in Canadian dollars. For certainty, co-insurance is not permitted. You must keep this insurance coverage in place at all times until the loan amount has been fully paid. Your insurance must include coverage for loss or damage caused by fire with extended perils coverage. At any time, we may require that you also obtain coverage for additional perils, risks or events. If a steam boiler or any other comparable equipment is operated on your property, then you must also have insurance coverage for loss or damage caused to the equipment, or by the equipment, or by the explosion of the equipment.

(b) All insurance policies must be carried with a company that is satisfactory to us, contain mortgage clauses approved by the Insurance Bureau of Canada, or by us, confirming that any loss proceeds will be paid first to us, and give us the first right to receive and to have a lien on the insurance proceeds.

(c) You must provide us with evidence of insurance that satisfies these requirements. You must also immediately inform us of any changes in your insurance including any change in insurance company or policy including any change in the amount or perils covered by your insurance and any notice of pending cancellation or cancellation of insurance. At least fifteen (15) days before any insurance policy expires, you must provide us with evidence that you have renewed or replaced the policy.

(d) If we ask you to, you must provide us with certified copies of all insurance policies.

(e) If you do not arrange for insurance or if you do not pay the premium for any insurance policy, we may arrange for insurance and pay the premium. However, we are not obligated to do this. If we pay any insurance premium or other amount of money for any insurance required pursuant to this section, you must repay us immediately. Alternatively, we may charge you an amount we may determine for our insurance for protection of our interest in your property.

(f) If any loss or damage occurs, you must immediately notify us and do everything necessary to enable us to obtain the insurance money payable to us under the mortgage. You must pay all expenses related to this. You agree that if we produce the mortgage, that will be sufficient authority for the insurance company to pay us any insurance money that is payable because of a loss. By signing this mortgage, you authorize and direct the insurance company to do so. We have the right to decide how to use the insurance money. For example, we may use part or all of the insurance money to repair or rebuild your property, reduce any part of the loan amount, whether it is due or not, including paying any prepayment charges that are payable, or pay you.

7.9 **Repairs**

(a) You must keep your property in good condition and in a good state of repair. You

must carry out all necessary repairs and you must not do anything, or let anyone else do anything, that lowers the value of your property.

(b) You must also comply with every present and future law, by-law, ordinance, regulation and order that affects the condition, repair, use or occupation of your property.

(c) If you do not keep your property in good condition and a good state of repair or if you do not carry out all necessary repairs, or if you do anything, or you allow anything to happen, that lowers the value of your property, or if you do not comply with all present and future laws, by-laws, ordinances, regulations and orders that affect the condition, repair, use or occupation of your property, we can make any repairs we think are necessary.

(d) You authorize us or any mortgage insurer to enter your property at all reasonable times to inspect and repair your property. By entering your property to inspect it or do repairs, we are not becoming a mortgagee in possession of your property.

(e) You are responsible for the costs of any repairs and any inspections done by us or on our behalf. You must pay us these costs immediately.

7.10 **Demolitions and alterations**

You agree not to demolish any building or structure, or part of any building or structure, on your property without first obtaining our written approval. You also agree not to make any substantial alterations, additions or improvements to your property (referred to collectively in this section as alterations) without first obtaining our written approval of your proposed plans. If we agree to let you make alterations, the following conditions apply:

(a) The alterations must be completed as quickly as is reasonably possible.

(b) The alterations must meet all government requirements and zoning and building by-laws and other standards that apply to your property. If we ask you to, you will give us proof that the alterations meet all government requirements and building standards.

(c) You will pay all costs associated with the alterations, and you will provide us with proof that all amounts that are owed for the alterations have been paid.

(d) You must retain all required holdbacks.

(e) We may obtain an order removing any construction or builders lien and may provide financial guarantees or other security to obtain this order. If we obtain an order, you must pay to us immediately all of our charges, costs and expenses related to obtaining it, if you do not pay them, we will add them to the loan amount and they will bear interest at the current rate of mortgage.

7.11 **Hazardous materials and illegal substances**

(a) You certify that you have made reasonable investigations and enquiries and that, to the best of your knowledge, no part of your property or any land next to your property is, or has been, or will be, used to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous materials or illegal substances, except as allowed by laws, regulations and orders. You also certify that you have made reasonable investigations and enquiries and that, to the best of your knowledge, no part of your property contains, nor has it ever contained, nor will it contain in the future, any hazardous materials or illegal substance, including without limitation, any underground or aboveground storage tanks, that may lower the value of your property or negatively affect the marketability of your property.

(b) You certify that if there is an underground or aboveground storage tank on the property it is in compliance with all laws, regulations, by-laws, orders and other legally binding requirements relating to underground and aboveground storage tanks, the protection of the environment, hazardous materials or public health and safety.

(c) You certify that you have made reasonable investigations and enquiries and that, to the best of your knowledge, you are not aware of any environmental condition affecting any of your property which would constitute a material breach of any environmental laws.

(d) You may not use your property to grow, manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous material or illegal substances, as allowed by laws, regulations and orders, unless you have first notified us in writing that you intend to do so, and you have received our written approval.

(e) We may require you to obtain an environmental audit, satisfactory to us, of all or any part of your property. However, we do not have to do so. If we do, you are responsible for all of the costs associated with conducting the environmental audit. Any environmental audit will not relieve you from your obligations under the mortgage. We can require as many environmental audits as we think necessary.

(f) If hazardous materials or illegal substances are found on your property, regardless of the source or cause, you must immediately carry out all work required to remove the hazardous materials or illegal substances from your property and repair the damage to your property. The plans and proposals for doing the work and repairs must be prepared in consultation with us and must be approved, in writing, by us in advance. When the work is completed, you must provide us with confirmation in writing that the work is completed. This confirmation must be in a form acceptable to us. You are responsible for all of the costs associated with this work, including providing evidence that the work has been completed.

(g) If you fail to meet one or more of your obligations under this section, you agree

that we may do all or any part of the work we feel is necessary. However, we are not obligated to do so. If we do, you will be responsible for all of the costs associated with this.

(h) In all cases, you will protect and indemnify us against all actions, claims, lawsuits, costs or other demands relating to hazardous materials or illegal substances on your property, and any breach of your obligations under this section.

7.12 **Property inspection, testing and investigation**

(a) We, or our agents, may enter and inspect your property and conduct any environmental testing, site assessment, investigation or study that we consider necessary. You are responsible for the costs of this testing, assessment, investigation or study, including interest at your mortgage rate. You must pay us these costs, including interest, immediately.

(b) If your mortgage has mortgage insurance, the mortgage insurer or its agents, may enter and inspect your property and conduct any environmental testing, site assessment, investigation or study that they consider necessary. You are responsible for the costs of any testing, assessment, investigation or study, including interest at your mortgage rate. You must pay us these costs, including interest, immediately.

(c) If we or the mortgage insurer enforce our rights under this section, we, the mortgage insurer or our respective agents will not be considered to have taken possession, management or control of your property.

7.13 **Illegal activities**

You certify that no part of your property is or will be used for any illegal purpose, including as a brothel, a gaming house, or for the cultivation or processing of marijuana or other illegal substances.

7.14 **Administration and processing fees**

You agree to pay to us, when due, our then current administration and processing fees for all aspects of the servicing of the mortgage and agreements including:

(a) dealing with each stop payment request and arrangement to hold or process any payment other than on its due date by preauthorized debit and with any late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment which does not clear as scheduled.

(b) preparing each assumption, arrears, port, reinstatement, discharge or other mortgage statement, and each amortization or revised amortization schedule whether provided to you, to your agents or solicitors or any other interested person.

(c) processing each application to obtain our consent to assume the mortgage or our approval or consent for any other matter required by the mortgage whether or not approval or consent is provided or the matter is completed.

(d) processing each payment frequency change, extension, renewal, conversion, restructuring, port or other amendment of the mortgage, the agreement, or amounts secured by the mortgage, whether or not completed.

(e) investigating the status of any insurance, administering insurance cancellations, paying insurance premiums and dealing with insurance claims.

(f) providing a copy or duplicate of documents from our file or an amortization schedule, a payment history, tax account history, audit verification and other services of a clerical nature including retrieval, copying, transmissions and other charges.

(g) investigating the status of realty tax payments and administering the account for the collection and payment of taxes.

(h) registering a financing statement or financing change statement or issuing or receiving any notice or information, security status or acknowledgement request and conducting any required searches.

(i) registering electronically or otherwise or executing and delivering any discharge or assignment of this mortgage (notwithstanding that the discharge or assignment may have been prepared by you or other person on your behalf).

(j) generally, any matter connected with the administration of the mortgage, the agreements and your property including inquiring into compliance, dealing with or enforcing any obligation contained in the charge or agreements and including, without limitation, with respect to preparation and administration of legal actions and enforcements, taxes, condominium fees and matters, insurance, repair and construction, environmental matters, leases and other encumbrances and managing or selling your property.

We may add our fees to the loan amount secured by the mortgage and we will charge you interest on these fees at the mortgage rate, from the date the fees are incurred.

We have the right to change the fees we generally charge borrowers from time to time. You may contact one of our client representatives to find out the fees in effect at any particular time.

7.15 **New home warranties**

If your property includes a newly or recently constructed house, you agree to meet all of the requirements to obtain and maintain the warranty in the new home warranty program applicable in the province or territory your property is located. You agree to provide to us copies of the New

Home Warranty Certificate and Certificate of Possession or other applicable certificates. You assign to us the right to receive and enforce all benefit of such warranty. You also agree to reimburse us for any costs that we incur in complying with the warranty program requirements, or enforcing your rights on your behalf if you fail to do so.

7.16 Assumption of mortgage

If you are not the original borrower, you agree to be bound by all obligations of the original borrower under the mortgage.

7.17 Expropriation

If your entire property is expropriated, the loan amount will immediately become due and payable together with applicable prepayment charges. If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not provide adequate security for the loan amount, then the loan amount, or any part of the loan amount as we determine, will immediately become due and payable together with applicable prepayment charges.

7.18 Spousal information

You certify to us that all information that you give us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made in the registered mortgage are true and accurate under the laws regarding spousal property rights in the province or territory in which your property is located.

7.19 Withholding taxes

You agree that we must receive interest payments free and clear of any withholding tax. If you are or become a non-resident of Canada for income tax purposes, the country where you reside may charge you withholding tax on the interest portion of your payments to us. You are responsible for paying any withholding tax and providing to us receipts issued by the foreign tax authority as proof that you have paid withholding tax. If you do not pay the withholding tax and the foreign tax authority makes us pay it, you promise to pay the withholding tax amount to us when we ask for it. The amount will be added to the loan amount until paid.

8. OUR RIGHTS AND REMEDIES

8.1 No obligation to make advances under the mortgage

We may, for any reason, decide not to advance you all or any part of the principal amount, even if you have signed the mortgage, the mortgage has been registered or we have already given you part of the principal amount. In this case, you will pay us, immediately when we demand, all of our costs and expenses including legal fees related to investigating title to your property and for registering the mortgage.

8.2 Releasing your property from the mortgage

(a) We may release our interest in all or part of your property, whether or not we receive any value. We will be accountable to you only for money that we actually receive. If we release our interest in only part of your property, the remainder of your property will continue to secure the loan amount and your obligations, and the obligations of any guarantor, under the mortgage will continue unchanged.

(b) If your property is subdivided, each part of your property will secure payment of the loan amount.

8.3 **Certain actions we can take**

(a) We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses that we incur in collecting any payment under the mortgage that you did not make when due and in enforcing your other obligations. You must immediately pay us these expenses.

(b) If you are a tenant or a lessee of your property, we can cure any defaults existing under your lease and you must immediately reimburse us for all payments and expenses that we incur in so doing. If you refuse or neglect to renew your lease when it gives you that right, we can do so. Every renewal will be subject to this mortgage.

(c) If you do not meet one or more of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. You must immediately reimburse us for all payments which we make and costs which we incur in taking these steps.

(d) You will pay all amounts we expend and costs we incur in defending or otherwise dealing with any action or proceeding in which we by reason of the mortgage may be a party or otherwise interested including without limitation any construction lien or similar matter, any seizure or prosecution by police or other authority, any foreclosure, sale, redemption, assessment or other action or proceeding by any other encumbrancer or any certificate of pending litigation or other title matter.

(e) Any payments we make under the mortgage will be added to the loan amount. We will charge you interest on these payments from the date we pay them at the mortgage interest rate.

(f) If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide a final report and certificate of title. You will be responsible for all costs associated with so doing.

(g) In the event of missed regular payments, we can, at our discretion, work with you to reschedule up to four (4) regular payments in a year subject to and in compliance with mortgage insurer guidelines.

8.4 Default and acceleration of the loan amount

The loan amount will become payable immediately, at our option, if:

(a) you default in making any regular payment, or any other payment you are obliged to make to us under the mortgage;

(b) you fail to comply with any of your other obligations under the mortgage;

(c) any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, utilities, unpaid condominium or strata maintenance fees, judgments, construction or builders liens or other similar encumbrances;

(d) your property is abandoned or is not visibly and consistently occupied;

(e) any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for fifteen (15) consecutive days;

(f) your property is used for any illegal purpose or is used for a business purpose without our consent;

(g) you sell or otherwise dispose of your property or mortgage your property to a person not approved in writing by us;

(h) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage is untrue;

(i) if the property includes a condominium unit or strata lot, a vote authorizes termination of the condominium or strata property or the sale of all or substantially all of the condominium corporation s or strata corporation s assets or its common elements or the condominium corporation or strata corporation fails to insure the unit or strata lot and common elements; or

(j) a petition in bankruptcy is filed against you, you make a general assignment for the benefit of your creditors, you make a proposal to your creditors, a receiver or a similar person is placed or is threatened to be placed in control of your affairs or your property, or in our opinion, you become insolvent.

If the loan amount so declared immediately payable is paid prior to the balance due date, you agree to compensate us by payment of a prepayment charge equal to three (3) months interest at the interest rate of the mortgage then in effect. Where default continues to or is made after the balance due date, the outstanding amount may only be paid upon payment of three (3) months interest on the loan amount or three (3) months written notice in place thereof.

8.5 Enforcing our rights

(a) If any of the events set out in section 8.4 occurs, we may, with or without declaring the loan immediately payable, enforce our rights by taking certain actions, which include:

(i) *Sue you*. We may take any action that is necessary to recover payment of all or any part of the loan amount and to make you perform any of your other obligations under the mortgage.

(ii) *Foreclosure or sale*. We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under the court's supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

(iii) *Lease your property or collect rents*. We may with or without entering on the property lease your property without notice to you. If we think it is reasonable, we may cancel or amend any lease or enter into new leases without being responsible for any resulting loss. We may apply the money collected under or in connection with any lease, after paying all costs and expenses, to any part of the loan amount. We will only be accountable for the money remaining after payment of all costs and expenses when we actually receive it. If the money remaining, after paying all costs and expenses, does not pay the loan amount in full, you must pay us the difference.

(iv) *Power of sale*. We may, where permitted by law and on the minimum period of written notice to you required by law, sell your property or any part of your property. We may sell your property for cash or on credit, or partly for cash and partly on credit. We may sell your property by private sale or public auction and for whatever terms we can obtain. If we think it is reasonable to do so, we may cancel or amend any contract of sale, or postpone any sale, without being responsible for any resulting loss. We may apply the money from any sale, after paying all costs and expenses, to reduce any part of the loan amount. We will only be responsible for the money remaining after we pay all costs and expenses when we actually receive it. If the money remaining, after paying all costs and expenses, does not pay the loan amount in full, you must pay us the difference.

(v) *Enter on your property*. We may enter your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. We will not be considered to be a mortgagee in possession of your property unless we actually take possession of it. While in possession, we will only be accountable for money actually received. We may take possession of your property without any encumbrances or interference.

(vi) *Appoint a receiver.* We can appoint, in writing, a receiver (which term includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for anything the receiver does or fails to do. We are not accountable for any money received by the receiver except for money that we actually receive. The receiver may use every available remedy or action that we have under the mortgage to collect the income from your property, take possession of part or all of your property, or to manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, insurance premiums and other expenses required to keep your property in good condition; its own commission as receiver; all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; interest owing under the mortgage; and all or any part of the loan amount, whether it is due or not.

(vii) *Cure any defaults.* We can cure any defaults under the mortgage.

(viii) *Other action.* We can take any other steps or proceedings against you that are permitted by the laws of the province or territory in which your property is located and the laws of Canada.

We have the right to take one or more of these actions at the same time or in any order we choose.

(b) If we take possession of your property to enforce our rights, you will not interfere with our possession or with the possession of your property by any receiver we appoint or with the possession of your property by any person we have leased or sold your property to. You will not make any claim against any person to whom your property has been leased or sold.

(c) If we take possession of your property, any equipment (which is not part of your property) or furniture or household or personal belongings which remain on your property for a period of more than six (6) days after we take possession of your property shall be deemed abandoned and we may remove, store, dispose of or otherwise deal with such abandoned goods in such manner as we see fit. Removal, storage and other costs may be added to the amount secured by the mortgage.

(d) If you have rented the property without our written approval as required by section 7.5 of these standard charge mortgage terms, we will have the same rights and remedies as if you had tried to discourage us from taking possession of your property if you had defaulted under the mortgage or adversely affected the value of your property. We can pay any amount we think is needed to any tenant, to obtain the co-operation of the tenant in selling your property, showing your property and obtaining possession of your property or any part of your property from the tenant. You agree that any amount we pay to a tenant will be added to the loan amount.

(e) You must pay all of our expenses related to our enforcing our rights (including

legal fees in any court proceedings on a solicitor and client or substantial indemnity basis). You must pay these amounts immediately when we ask for them. You must also pay all other costs we have to pay to protect our interests and to enforce any of our rights under the mortgage, as well as a reasonable allowance for the time and services of our employees.

(f) If we delay enforcing any of our rights or give you or any other person an extension of time, the delay or extension will not affect any of our other rights under the mortgage. If we delay or give an extension, we may still require you to make all payments on time and meet your obligations under the mortgage; require payment of the loan amount if you are in default; and require any other person who has obligations under the mortgage, including a guarantor, to meet those obligations.

(g) In some cases, we may not enforce our rights on a particular default. However, by doing so, we are not forgiving any other existing default, or any other defaults in the future.

(h) If we obtain a court order or judgment against you to enforce our rights, the judgment will not prevent us from pursuing our other remedies or rights to enforce your obligations under the mortgage.

8.6 Doctrine of consolidation

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

9. MOVING THE MORTGAGE TO ANOTHER PROPERTY (PORTABILITY)

9.1 Generally

If you have met all your obligations under the mortgage and you have agreed to sell your property and you subsequently purchase another property within thirty (30) days after the sale of your original property, we may provide financing for the purchase of the new property. You will be required to give us a mortgage on your new property.

We will not finance the purchase of a new property in situations where you have not yet sold your existing property.

9.2 Conditions

In order for us to provide financing for the purchase of the new property, the following conditions must be met:

(a) You must apply to us in writing for financing of the new property.

(b) The sale of your original property must be to a bona fide arm's length purchaser.

(c) On the date you complete the sale of your original property, the loan amount must be paid in full, including all applicable prepayment charges.

(d) If the principal amount of the new mortgage is the same as or greater than the amount that was owing on the date of prepayment and the new mortgage is advanced to you on the closing of the new property within thirty (30) days of the prepayment, we will refund the prepayment charge to you.

(e) If the principal amount of the new mortgage is less than the principal amount that was owing on the original mortgage on the date of prepayment, we will refund to you that portion of the prepayment charge which relates to the portion of the principal amount that was owing on the original mortgage on the date of prepayment which is equal to the principal amount of the new mortgage.

(f) Our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage must be met. This includes the requirements of the mortgage insurer, if applicable.

(g) You must pay all applicable processing or administration fees, all legal and appraisal fees and other expenses incurred in connection with the new mortgage.

(h) You acknowledge we are under no obligation to consent to allowing you to borrow the transferable principal amount or any additional amount or extend the term with respect to the new mortgage.

9.3 Term and interest rate of new mortgage

The interest rate and the balance due date of the original mortgage will apply to the new mortgage.

10. ASSUMPTION OF THE MORTGAGE IF YOUR PROPERTY IS SOLD

(a) If you transfer title, or agree to transfer title, to your property to anyone without first obtaining our written approval, we may require you to pay the loan amount immediately in full. If we accept any payment from any person who we have not first approved in writing, this does not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount immediately in full.

(b) You agree to give us sufficient information to enable us to decide whether we should give our written approval. Once we receive this information, we will make our decision as soon as possible. We will not unreasonably withhold our approval.

(c) If you exercise this privilege, there may be an administration and processing fee. You must pay us these fees immediately.

(d) We release you from your obligations under the mortgage and to pay the loan

amount, and, if applicable, we release any guarantors from their guarantee, if: (i) we give our written approval to you to transfer title to your property; (ii) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer of title takes place; and (iii) you provide us with proof of registration of a Transfer/Deed of Land to the approved person or persons, and, if we request it, an assumption agreement or one or more guarantee agreements.

11. IF YOUR PROPERTY IS A CONDOMINIUM UNIT OR STRATA LOT

If your property is a condominium unit or strata lot you must also comply with this section in addition to all other provisions of the mortgage. In this section, condominium also means strata, condominium unit also means strata lot and condominium corporation also means strata corporation.

In this section, *Condominium Act*, *Strata Property Act* or similar legislation governing a condominium or strata property in the province or territory in which your property is located, is called the Act. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression condominium property has the same meaning as the word property in the Act.

(a) Compliance with the Act

You will comply with all of the requirements of the Act and the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.

(b) Payment of common expenses and other amounts

You must pay common expenses and any other amounts charged by the condominium corporation on or before they become due. If we ask, you must give us proof that you have paid all of these amounts.

(c) Notices and demands

You will forward to us, copies of all communications of the condominium corporation related to your condominium unit or the common elements, including notices, assessments, claims or demands for payment, rules or regulations, requests or demands of us to consent to any matter. You must ensure that we receive these communications at least five (5) days before any claim or demand is payable or, in the case of other communications, within five (5) days of the date you receive them.

(d) Voting rights

(i) You authorize us, in your name and on your behalf, and whether or not you are in default to exercise your 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 Act to the condominium property or to your property.

(ii) We may decide not to use our rights to vote or consent. If we decide not to use these rights, we may notify the condominium corporation, in which case you may vote or consent yourself. Our decision not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not become a mortgagee in possession, nor are we responsible to protect your interests nor for the way we vote or consent. We are also not responsible if we do not vote or consent.

(e) Insurance

Under the Act, the condominium corporation must have appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against additional risks as we may require. The insurance company or companies must be approved by us. You and the condominium corporation assign and transfer the policy or policies of insurance and any payments under them to us. If we ask for them, you must give us certified copies of every insurance policy. If you or the condominium corporation fail to keep the buildings and improvements insured or do not provide us with evidence of renewal at least fifteen (15) days before the termination of any insurance we may (but are not obligated to) obtain insurance for the buildings or improvements. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance money. We may use all or any part of the proceeds, as permitted by law, to repair the damage, pay you or reduce any part of the loan amount whether or not it is due, including paying any prepayment charges that result.
The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation.

You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation comply with these terms.

12. GUARANTORS

(a) In return for us making the loan to you (in this section 12, the borrower and which includes the borrower s legal and personal representatives, successors and assigns), each person who signs the mortgage as a guarantor or covenantor signs as a principal debtor and not as surety. In other words, each guarantor agrees to pay us the loan amount and to meet all other obligations of the borrower as and when required by the mortgage.

(b) If there is more than one guarantor, the guarantors are responsible jointly and

individually with each other and with the borrowers for meeting all obligations under the mortgage.

(c) We may, at any time, do any of the following, without notifying any guarantor and without obtaining the consent of any guarantor: extend the time for payment, give a renewal, give an extension, deal with additional security, give a release or discharge, change the interest rate, change the terms of the mortgage or deal with any other matter affecting the mortgage and the borrower's obligations. Doing any of these things will not in any way affect the guarantee or the obligations of any guarantor.

(d) We may require payment from any guarantor before we attempt to obtain payment from the borrower. All obligations of any guarantor will also be obligations of the guarantor's heirs, executors, successors or personal representatives. The obligations of a guarantor will not be affected by the bankruptcy of the borrower or any other guarantor.

13. SECURITIZATION

We may, at our option, sell, assign or encumber your mortgage to one or more third party(ies) without notice to you, any guarantor or any spouse signing your mortgage and without requiring any consent. If we do so, you agree that your mortgage shall continue to secure all amounts owing under your mortgage. Once sold or assigned, your mortgage may be repurchased by us, whether or not it is in default. You and each guarantor and spouse executing the mortgage hereby authorize and consent to us or any other person, including our or their respective agents and advisors and any party retained to service the mortgage (i) having an interest in the mortgage from time to time, and (ii) releasing, disclosing and assigning any personal or other information (including financial information) with respect to you, any guarantor, your spouse, the mortgage loan and your property, regardless of the scope of distribution and to any such other person as may be required to complete, administer, realize, assign, securitize or otherwise deal with your mortgage from time to time.

14. MISCELLANEOUS

14.1 Date of mortgage

For the purpose of defining the date of the mortgage with respect to any statutory rights to prepayment only, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered mortgage or any agreement amending the registered mortgage.

14.2 Exclusion of statutory covenants

The covenants implied or incorporated into a mortgage by statute in the province or territory in which your property is located, to the extent permitted by statute, are excluded or overridden by the terms of this mortgage or in any agreement amending the registered mortgage.

14.3 *National Housing Act*

If the mortgage is CMHC insured, it is made according to the *National Housing Act*.

14.4 Part of mortgage invalid

If any part of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other parts of the mortgage will not be affected.

14.5 Headings

All section headings are for convenience of reference only and do not form part of the mortgage.

14.6 Governing law

The mortgage shall be governed by the laws of the province or territory in which the property is located and the laws of Canada applicable in the province or territory. Any reference in the mortgage to an act or statute includes amendments and replacements to that legislation in force from time to time.

15. IMPORTANT NOTICE FOR MORTGAGES IN MANITOBA

If the mortgage is on a property located in Manitoba, the following applies:

> *The Mortgage Act* (Manitoba) provides that you can obtain, free of charge, from us a statement of the debt secured by the mortgage once every twelve months, or as needed for payoff or sale.

16. DEFINED TERMS USED IN THIS DOCUMENT

The following are used with particular meanings in this set of mortgage terms:

(a) **agreement** means the mortgage commitment, advance schedule and any other agreement we make with you or document we issue to you relating to the making of the mortgage and all supplements, amendments and replacements to that document or agreement.

(b) **balance due date** means the date set out in the registered mortgage or in an amending agreement on which the loan amount is payable in full and may also be referred to as the maturity date.

(c) **business day** means any day excluding a Saturday, Sunday or statutory holiday in the Province where your property is located.

(d) **CMHC** means Canada Mortgage and Housing Corporation.

(e) **guarantor** means each person who signs the mortgage or an agreement relating to the mortgage as a guarantor or covenantor.

(f) **hazardous materials** all hazardous or toxic materials, pollutants, effluents,

contaminants, radioactive materials, flammable explosives, chemicals known to cause cancer or reproductive toxicity, emissions, washes and all other chemicals, materials and substances, the handling, storage, release, transportation or disposal of which is or becomes prohibited, limited or regulated, is or becomes known to pose a hazard to the health and safety of any person, including without limitation, asbestos, petroleum and petroleum by-products, urea formaldehyde insulation, polychlorinated biphenyls, all substances from time to time designated as or considered to be a contaminant, waste, hazardous substance, hazardous material, toxic substance or a similar designation under any Environmental Law having application to your property.

(g) **improvement** means any construction or installation on your property or any alteration, addition or repair to any building or structure on your property.

(h) **interest adjustment date** is the date identified as the interest adjustment date in the registered mortgage.

(i) **interest rate** is the interest rate identified as the interest rate on the registered mortgage.

(j) **interest rate differential** is the amount of interest payable, calculated as the difference between (i) the remaining interest to be paid on your mortgage, as calculated on the date of and set out on the payout statement, and (ii) the interest payable on a mortgage offered by us that has a term closest to the remainder of the term of your mortgage as at the date of the payout statement calculated using the current published interest rate for that mortgage, net of any discounts applied to the published interest rate for your mortgage at the time your mortgage was entered into.

(k) **loan amount** means the amount of money you owe us at any given time under this mortgage. The loan amount may include unpaid principal, interest on unpaid principal, defaulted payments, interest on defaulted payments, other charges and interest on other charges. Other charges may include our administration and processing fees and the expenses of enforcing our rights as well as paying off any prior charges against your property.

(l) **mortgage** means the registered mortgage, this set of standard charge mortgage terms, and any renewals or amendments.

(m) **mortgage commitment** means the commitment letter, loan approval or other document we issue to you or to someone on your behalf pursuant to which this mortgage is made and all supplements, amendments and replacements to that letter, approval or other document.

(n) **mortgage insurer** means CMHC, Genworth Financial Insurance Company Canada, or any other company that insures the payment of mortgages to mortgage lenders.

(o) **payout statement** means the statement prepared by us upon your request for the purpose of determining the amount payable to repay the loan amount in full.

(p) **prime rate** means the rate of interest which CMLS Financial Ltd. establishes from time to time as the reference rate of interest that determines interest rates it will charge its customers on any given day for adjustable and variable rate loans in Canada.

(q) **principal amount** is the amount of money identified as the principal amount on the registered mortgage.

(r) **registered mortgage** means the form of charge or mortgage which references this set of standard terms by its filing number and which you sign and is the part of the mortgage that is or will be registered against the title to your property or, where your property is under the electronic registration system, will be signed and registered electronically against title to your property. It also includes any changes which may be made by an agreement amending any part of the registered mortgage.

(s) **standard charge mortgage terms** means the set of standard mortgage terms, standard charge terms or optional covenants incorporated into the registered mortgage by reference to their filing number or the set of additional mortgage terms appended to the registered mortgage.

(t) **taxes** means all taxes, assessments and levies of any kind and includes any interest and penalties or any other charges or liens against your property. Examples of taxes include property taxes, local improvement assessments, school taxes, development charges and utilities. Taxes may also include penalties or costs associated with a cleanup following a fire, explosion or other destruction or damage.

(u) **term** means a time period commencing on the interest adjustment date and ending on the balance due date set out in the mortgage or in a renewal or in an amendment of the mortgage.

(v) **we**, **us**, and **our** mean the mortgagee or chargee described in the registered mortgage.

(w) **you** and **your** mean each person, corporation and other entity who has signed the mortgage as a chargor, mortgagor or borrower, including the personal and legal representatives of each person, corporation and other entity.

(x) **your property** means the land described on the registered mortgage. It includes all buildings, structures and improvements on the land now or added later, as well as anything attached now or later to the land or to any building or structure on the land. It also includes any improvements, substitutions, additions or alterations made to any building, structure or the land. If your property is a condominium unit or strata lot, your property includes your interest in the common elements and any other interest that you may have in the assets of the condominium or strata corporation. Any references to your property mean all or any part of your property.

17. EQUIVALENT INTEREST RATES

If the interest rate for your mortgage is adjustable, then the compounding frequency is monthly, not in advance. You may determine the equivalent interest rate compounded semi-annually not in advance by referring to the table below:

Nominal Monthly Rate	**Compounded Semi-Annually**	**Nominal Monthly Rate**	**Compounded Semi-Annually**	**Nominal Monthly Rate**	**Compounded Semi-Annually**
1.000	1.00250	6.000	6.09000	11.000	11.30250
1.125	1.12816	6.125	6.21879	11.125	11.43441
1.250	1.25391	6.250	6.34766	11.250	11.56641
1.375	1.37973	6.375	6.47660	11.375	11.69848
1.500	1.50563	6.500	6.60562	11.500	11.83063
1.625	1.63160	6.625	6.73473	11.625	11.96285
1.750	1.75766	6.750	6.86391	11.750	12.09516
1.875	1.88379	6.875	6.99316	11.875	12.22754
2.000	2.01000	7.000	7.12250	12.000	12.36000
2.125	2.13629	7.125	7.25191	12.125	12.49254
2.250	2.26266	7.250	7.38141	12.250	12.62516
2.375	2.38910	7.375	7.51098	12.375	12.75785
2.500	2.51563	7.500	7.64063	12.500	12.89063
2.625	2.64223	7.625	7.77035	12.625	13.02348
2.750	2.76891	7.750	7.90016	12.750	13.15641
2.875	2.89566	7.875	8.03004	12.875	13.28941
3.000	3.02250	8.000	8.16000	13.000	13.42250
3.125	3.14941	8.125	8.29004	13.125	13.55566
3.250	3.27641	8.250	8.42016	13.250	13.68891
3.375	3.40348	8.375	8.55035	13.375	13.82223
3.500	3.53063	8.500	8.68063	13.500	13.95563
3.625	3.65785	8.625	8.81098	13.625	14.08910
3.750	3.78516	8.750	8.94141	13.750	14.22266
3.875	3.91254	8.875	9.07191	13.875	14.35629
4.000	4.04000	9.000	9.20250	14.000	14.49000
4.125	4.16754	9.125	9.33316	14.125	14.62379
4.250	4.29516	9.250	9.46391	14.250	14.75766
4.375	4.42285	9.375	9.59473	14.375	14.89160
4.500	4.55062	9.500	9.72563	14.500	15.02563
4.625	4.67848	9.625	9.85660	14.625	15.15973
4.750	4.80641	9.750	9.98766	14.750	15.29391
4.875	4.93441	9.875	10.11879	14.875	15.42816
5.000	5.06250	10.000	10.25000	15.000	15.56250
5.125	5.19066	10.125	10.38129	15.125	15.69691
5.250	5.31891	10.250	10.51266	15.250	15.83141
5.375	5.44723	10.375	10.64410	15.375	15.96598
5.500	5.57563	10.500	10.77563	15.500	16.10063
5.625	5.70410	10.625	10.90723	15.625	16.23535
5.750	5.83266	10.750	11.03891	15.750	16.37016
5.875	5.96129	10.875	11.17066	15.875	16.50504

The foregoing represent the Standard Charge Mortgage Terms for CMLS Financial Ltd.
END OF SET