



## SET OF STANDARD CHARGE TERMS

The following set of standard charge terms (the "Standard Charge Terms") shall be deemed to be included in every mortgage to which these Standard Charge Terms are attached. All capitalized terms used in these Standard Charge Terms are defined in section 37.

### 1. The Mortgage

The Mortgage you have signed charges your interest in the Property to us as security for repayment of the Mortgage Loan Amount and the performance of all your other obligations as set out in the Mortgage Loan Agreement and the Mortgage. The Mortgage will be a first priority mortgage free and clear of all encumbrances, liens and claims.

This means that you charge your entire interest in the Property to us and to anyone to whom the Mortgage is transferred in any way, and you consent to the registration of the Mortgage.

The Mortgage secures the Principal Amount and all other amounts owed such as interest, costs, fees and amounts required to compensate us for a breach of your obligations to us. Subject to applicable laws, our security has priority over every interest in the Property created in favour of another person or party after the execution and registration of the Mortgage unless other arrangements have been made and agreed upon with such person or party.

If we agree with you to change any of the terms pertaining to amounts owed under the Mortgage, the Mortgage secures what is owed under the changed terms. This applies even if we renew the Mortgage, extend the time for payment, or extend the term of the Mortgage.

Our interest in the Property only terminates once the Mortgage Loan Amount has been repaid in full, you have complied with all of your other obligations under the Mortgage and related loan agreements and security documents, and we have discharged our interest.

Under the Mortgage, you must pay us the Mortgage Loan Amount, including the Principal Amount, all accrued interest, and all applicable costs and fees.

We are not obligated to advance the entire Principal Amount or any part of it even if the Mortgage has already been prepared, signed or registered, regardless of whether any part of the Principal Amount has already been advanced. You will still be required to reimburse us for all expenses we incur investigating the title to the Property and registering the Mortgage if we decide not to advance all or any part of the Principal Amount.

### 2. Who is Bound by the Mortgage

The Mortgage and any related agreement we enter into is binding on you, your heirs, your estate, your personal and legal representatives, your successors and assigns, and any person or party to whom the Mortgage is assigned or transferred with our written consent.

Each of you, and, if applicable, any Guarantor, is jointly and severally liable under the Mortgage, meaning that each of you and each Guarantor is fully responsible for complying with all obligations under the Mortgage, including all amounts owing. The occurrence of an Event of Default by or with respect to you or any one of you will be an Event of Default by all of you.

At our discretion, we may release you or any Guarantor from obligations under the Mortgage without releasing any other person or party bound by the Mortgage. If any person or party bound by the Mortgage seeks to be released, we may require all remaining persons or parties bound by the Mortgage to requalify for the Mortgage Loan. We will decide whether to agree to a release of any person or party bound by the Mortgage in our sole discretion.

### **3. Interest – General Terms**

Your interest rate and other important details may be found on the Mortgage or the schedules attached to the Mortgage. We will charge you interest at the rate set out in the Mortgage until all amounts that are outstanding under the Mortgage Loan have been paid in full, which includes but is not limited to the portion of the Principal Amount that remains unpaid, interest, additional amounts advanced, and amounts we have incurred due to your failure to observe or perform any agreement, covenant, condition or obligation applicable to you under the Mortgage. This means that interest will be charged at the applicable rate before and after the due date for any balance owing, before and after default, and before and after we obtain any court judgment against you. If the Mortgage Loan is prepaid or paid off in February of a leap year, daily interest will be calculated on the basis of a 29-day month.

For a fixed rate Mortgage Loan, all interest is compounded semi-annually and is calculated and collected in arrears and not in advance. For a variable rate Mortgage Loan or an adjustable rate Mortgage Loan, all interest is compounded at the same frequency as the scheduled payments, and is calculated and collected in arrears and not in advance.

If you do not make a Regular Payment in full on the day it is due, we will add overdue interest to the outstanding principal amount you owe us. We will then use this new principal amount to calculate the interest you owe us on your next Regular Payment date, using the interest rate payable on the Mortgage Loan as disclosed on the Mortgage. Such interest will be charged at the rate set out in the Mortgage before and after the due date for any balance owing, before and after default, and before and after we obtain any court judgment against you, until all amounts that are outstanding under the Mortgage Loan have been paid in full. Additionally, when overdue interest is added to your outstanding balance, negative amortization can occur. This means that the amortization period of the Mortgage Loan may increase.

#### **i. Interest – Fixed Rate**

If you have a fixed interest rate Mortgage Loan, interest is calculated and becomes payable on each Regular Payment date. Interest on any part of the Principal Amount that we advance to you before the Interest Adjustment Date will be calculated using the rate and method in effect for the Mortgage Loan on the date we advance the funds. We will debit your account for this amount on the Interest Adjustment Date.

#### **ii. Interest – Variable Rate**

If you have a variable interest rate Mortgage Loan, the interest rate in effect at a given time is your current mortgage rate. This rate will be our “**Prime Rate**”, plus or minus the number of percentage points, if any, shown on the Mortgage. Your payment amount stays fixed for the term; however, the interest rate will fluctuate with any changes in our Prime Rate. If our Prime Rate goes down, more of your payment will go towards paying off your Principal Amount; if our Prime Rate goes up, more of your payment will go towards interest costs. If your interest rate increases, your payment may not be sufficient to cover the interest that accrues on the Mortgage Loan Amount. In that case, unpaid interest will be added to the amount you owe and will accrue interest at the applicable interest rate. We are not required to notify you every time there is a change to our Prime Rate. However, within a reasonable time after our Prime Rate changes, we may send you a notice either via email or letter telling you the current

interest rate for the Mortgage Loan, and the date your current interest rate became effective.

Interest on any part of the Principal Amount that we advance to you before the Interest Adjustment Date will be the lower of the initial interest rate set seven days before the Date of Advance, or the current mortgage rate then in effect on the Date of Advance. We will debit your account for this amount on the Interest Adjustment Date.

### **iii. Interest – Adjustable Rate**

If you have an adjustable interest rate Mortgage Loan, the interest rate in effect at a given time is your current mortgage rate. This rate will be our Prime Rate plus or minus the number of percentage points, if any, shown on the Mortgage. The interest rate will change automatically whenever there is a change in the Prime Rate. The principal and interest payment will be recalculated each time the Prime Rate changes, based on the new interest rate and remaining amortization. The new payment amount shall be sufficient to cover all interest that accrues, plus the amount of the principal we determine is required to maintain the amortization of the Mortgage, accounting for any prepayments you may have made. We are not required to notify you every time there is a change to our Prime Rate. However, within a reasonable time after our Prime Rate changes, we may send you a notice either via email or letter telling you the current interest rate for the Mortgage Loan, and the date your current interest rate became effective. The interest rate and payment amount will vary as described in this paragraph, even if we fail to send this notice or you fail to receive it.

You will make Regular Payments to us in the amount specified in the Mortgage until the interest rate is adjusted and thereafter in the payment amount as varied from time to time as described in the above paragraph.

Interest on any part of the Principal Amount that we advance to you before the Interest Adjustment Date will be the lower of the initial interest rate set seven days before the Date of Advance, or the current mortgage rate then in effect on the Date of Advance. We will debit your account for this amount on the Interest Adjustment Date.

## **4. Trigger Rate (for Mortgage Loans with variable rates only)**

The trigger rate occurs when your payment no longer covers the interest accrual during the payment period. We will automatically increase your mortgage payments in increments of \$10, until the mortgage payments cover all the interest that has accrued since the last payment. It will not result in a reduction of the principal balance. Because your payment is no longer reducing the principal balance, the amortization period of your mortgage will be longer. If you want to continue paying down the principal balance of your mortgage, you must do one or more of the following:

- i. increase your payment amount; or
- ii. make additional payments or a lump sum prepayment.

If the Prime Rate continues to increase, your payment amount will be automatically increased again.

## **5. Payments**

All payments must be made in full on every Regular Payment date and at the payment frequency as shown in the Mortgage via preauthorized debit (PAD) or such other methods of payment as we may approve from time to time. You must make all payments to us in Canadian dollars. We may refuse to accept partial payments of less than your Regular Payment amount. Your first Regular Payment date is shown on the Mortgage.

We will apply payments we receive, regardless of the payment frequency you have chosen, in the following order: first, to pay or reduce overdue interest, if any; second to pay interest; and third, to reduce the Principal Amount.

If there is an Event of Default, however, we may apply payments we receive from you in a different order we choose for as long as the default continues. You agree to make all required payments in full without making any set off, abatement, counterclaim or deductions and without withholding any amounts. If there is an Event of Default, we may require your regular payments to be made on a monthly basis.

At the end of your term, you must repay the Mortgage Loan Amount in full unless the Mortgage Loan is renewed or extended for another term.

Unless there is an ongoing Event of Default, you may change the date or the frequency of your Regular Payments to any of the following options: monthly, semi-monthly, bi-weekly, weekly.

If you choose to change your payment date or payment frequency, and if your next Regular Payment is more than one frequency period from your most recent Regular Payment as a result, we will charge you for interest you owe for the excess number of days, which we refer to as the interest adjustment amount. We may also charge you a processing fee to make the payment frequency change. You must pay the interest adjustment amount and any processing fee immediately. If you do not pay these amounts, we may declare an Event of Default, or we may add the interest adjustment amount and any processing fees to the Mortgage Loan Amount, or we may do both.

## 6. Prepayment

### i. Open Mortgage

**If the term of the Mortgage Loan is open**, this means that you are permitted to prepay all or a portion of the Principal Amount at any time without a prepayment charge or penalty. Each prepayment cannot be less than \$500.

### ii. Closed Mortgage

#### a. Prepaying without penalty

**If the term of the Mortgage Loan is closed**, this means that you cannot pay down the outstanding principal amount by more than your prepayment privilege without paying a penalty during the term of your Mortgage Loan.

Each Mortgage Year, however, provided that there is no Event of Default, you have the following prepayment options without having to pay a penalty:

- Increase in Regular Payments

You may increase your regular payment by an amount that is up to 20% of the Regular Payment amount once in each Mortgage Year. If you do not exercise this option in any Mortgage Year, you cannot carry it over to any future Mortgage Year.

- Annual Prepayment up to 20%

You may pay up to 20% of the Principal Amount in aggregate each Mortgage Year. If you do not exercise this option in any Mortgage Year, you cannot carry it over to any future Mortgage Year. You cannot exercise this option for a period of 15 days after your receipt of a mortgage payout statement.

#### b. Prepaying with penalty

**If the term of the Mortgage is closed**, and you pay off more of your Principal Amount than your prepayment privileges allow, or if you pay off the Mortgage Loan in full before the end of your term, you will have to pay prepayment charges. Prepayment charges are calculated differently depending on the type of mortgage you have. For a fixed rate Mortgage Loan, the prepayment charges will be the greater of the three months interest or interest for the remainder of the term on the amount prepaid calculated using the Interest Rate Differential. For a variable rate Mortgage Loan or an adjustable rate Mortgage Loan, the prepayment charges will be a total of three months interest.

## **7. Automatic Renewal**

Unless we have advised you that we will not renew the Mortgage Loan, we will automatically renew the Mortgage Loan at the end of your term at the terms and conditions stated in the renewal offer we will provide. In order to qualify for automatic renewal, you must have met all your obligations to us under the Mortgage and have a satisfactory payment record. The interest rate charged during each renewal term will be our posted rate on the renewal date.

## **8. Converting Mortgage Loan**

If you have a variable rate closed Mortgage Loan or an adjustable rate closed Mortgage Loan, provided there is no Event of Default and the Mortgage Loan is in good standing, you may convert your Mortgage Loan into a closed mortgage loan with a fixed rate with a term equivalent to (or greater than) the remaining term. Any cash back owing to us must be repaid at the time of conversion if the Mortgage Loan explicitly provides for a cash back arrangement.

If you have a variable rate open Mortgage Loan or an adjustable rate open Mortgage Loan, provided there is no Event of Default and the Mortgage Loan is in good standing, you may convert your Mortgage Loan into any mortgage type and term.

We will require you to sign a new agreement which will contain all changed terms and conditions of the new mortgage loan. You will be required to pay us any fees that apply when converting the Mortgage Loan, as well as any expenses related to converting the Mortgage Loan, such as costs to register the conversion documents. You will be responsible to pay any interest resulting from a change in the frequency of your Regular Payments and will be required to pay any overdue interest resulting from the change.

If you do not pay any amounts required in connection with converting the Mortgage Loan, we may declare an Event of Default or we may add these amounts to the Mortgage Loan Amount, or both.

After the Mortgage Loan has been converted and you have signed a new agreement with us, certain terms of the Mortgage Loan will no longer apply.

## **9. Your Obligations**

**You represent and warrant that:**

- i. You own the Property with a good title in fee simple, free from any property claim or defect and the title cannot be defeated;
- ii. All property taxes that become due have been paid;
- iii. If the Property is a condominium unit, all common expenses are paid to date;
- iv. You have the right, power and authority to mortgage the Property to us; and
- v. The description of the Property conforms to every description or plan given to us, including all buildings or improvements;

**You agree that:**

- i. You will take any necessary action to protect the title to the Property, and you will not interfere with our interest in the Property;
- ii. You will pay all costs associated with arranging the Mortgage, including inspections and appraisals, preparation and registration of the Mortgage, title searches for the Property and obtaining title insurance, and insurance premiums if the Mortgage is an insured mortgage;
- iii. You will not demolish any building or structure on the Property without obtaining our prior written approval;
- iv. You will keep the Property in good condition and make all repairs required to maintain the Property in such condition. You will not do anything or allow anyone else to do anything that lowers the value of the Property;
- v. You will immediately pay any expenses we incur enforcing our rights under the Mortgage. This includes our costs of taking or keeping possession of the Property, costs associated with the time and services of our employees or agents we utilize in taking or keeping possession of the Property, our legal fees, and any other costs associated with protecting our interests under the Mortgage;
- vi. You will maintain insurance for the Property with an insurer acceptable by us, which must provide for us to receive at least 15 days' notice before the policy is not renewed, is canceled, or is materially changed. The policy must cover loss or damage due to risks typically covered by an "all risks" policy with standard extended coverage, including fire, lightning, and tempest. The policy must insure against general public liability. The insurance policy must at least cover the cost of replacing all of the building or improvements on the Property with similar buildings and improvements. The policy must contain a clause stating that the insurance proceeds of any loss are payable to us. We may also require you to carry additional insurance against any risk related to the Property in our discretion. If you do not maintain insurance as required, we can arrange insurance of our choosing;
- vii. You will not make a major change in the use of the Property, abandon the Property, commit waste or nuisance, or leave the Property unoccupied or unused without our written consent;
- viii. If you have selected for us to pay taxes on your behalf, you will pay all unpaid property taxes due prior to the Interest Adjustment Date. After the Interest Adjustment Date, you must pay us regular payments of property taxes. You must send us all assessments, bills and other notices about taxes for the Property as soon as you receive them. If we ask, you must have the body to which taxes are payable send them to us;
- ix. If you have **not** selected for us to pay property taxes on your behalf, you will pay all property taxes as they become due;
- x. You will not interfere with our possession of the Property if we go into possession of the Property in enforcing our rights under the Mortgage, and you will not interfere with the possession of anyone we lease or sell the Property to or any receiver. You agree not to make any claim concerning the sale or lease of the Property against any person or party who buys or leases the Property from us or any receiver, or any person or party who buys or leases the Property after that time;
- xi. You will comply with all legislation relating to builders' liens. If any claim of lien or certificate of lis pendens is registered against the Property, you must immediately have the claim removed upon our request;

- xii. You will comply with any applicable laws respecting the Property and its use including, without limitation, building codes, environmental laws, tenancy laws, zoning and land laws. You will also ensure that any business or activity that uses the Property complies with applicable laws. You will not allow any use of the Property or put anything in or on the Property that is known to cause, or is likely to cause, harm to human health, including any hazardous substances except as permitted by law for household storage and handling, and subject to the following:
  - a. If any hazardous substances are on the Property, except as permitted by law, regardless of source or cause, you will immediately carry out all work required to remove them and provide confirmation of the required removal in a form satisfactory to us;
  - b. We may require you to conduct such environmental investigation and testing of the Property as we consider necessary, at your expense;
  - c. If the Mortgage has mortgage loan insurance, the mortgage insurer or its agents may enter the Property and conduct any investigation they consider necessary to ascertain whether hazardous or illegal substances are on the Property and the work required to remove them; and
  - d. If we or the mortgage insurer exercise our rights under this section, we or the mortgage insurer or our respective agents will not be considered to have taken possession of the Property and all expenses incurred are for your account.
- xiii. You will give us, or anyone we authorize, any information about the Property that you have or can reasonably obtain upon request;
- xiv. You will give us copies of any records pertaining to the Property we request;
- xv. You will not assign, convey or sell your interest in the Property without our prior consent in writing; and
- xvi. You will not grant or allow to be granted any additional security interest in the Property without our prior written consent.

## **10. Our Rights**

You assign the following rights to us, even if they do not exist when or after the time you enter into the Mortgage:

- i. Rights under every insurance policy covering loss of or damage to the Property;
- ii. Rights under every insurance policy covering loss of present or future income, rents or profits from the Property;
- iii. Rights under any trust or other agreement relating to an insurance policy covering the Property, or loss of present or future income, rents or profits from the Property;
- iv. Rights under any claim related to the Property;
- v. Rights to repayment of property taxes;
- vi. Rights to have anyone fix a defect in the Property or pay any loss you may suffer as a result of a defect;
- vii. Rights related to leasing the Property under a tenancy agreement;
- viii. Rights related to a supply of services or materials for work or related to work.

This section does not authorize you to enter into a lease or tenancy or give any tenant of the Property priority over our interest in the Property or create a landlord/tenant relationship between a tenant and us.

We can, at any time and for any purpose, before or after default, enter the Property to inspect it; conduct appraisals or valuations; conduct environmental testing of samples obtained from the Property; and monitor any activity on the Property. We can also authorize someone else to do these things on our behalf. If the Mortgage is an insured mortgage, these rights in respect of the Property also extend to the insurer.

If you do not maintain the Property in good condition or allow the value of the Property to decrease, we are entitled to make any repairs we deem appropriate. The costs of any inspections and any repairs we make are immediately payable by you.

## **11. Events of Default and Enforcement**

You will be in default under the Mortgage if any one or more of the following occur (each an **"Event of Default"**):

- i. You fail to meet any of your obligations under the Mortgage;
- ii. We do not receive any payment owed under the Mortgage in whole or in part, on the dates required;
- iii. If you make payments by preauthorized debit, if you do not maintain sufficient funds in your account, cancel the authorization on your account, or cancel the account from which you make all or part of any payment required or any other amount owing under the Mortgage when it is due;
- iv. You die;
- v. You become insolvent, declare bankruptcy or are declared bankrupt, make a proposal in bankruptcy, or a receiver (including a receiver and manager), trustee, custodian, or other similar official is appointed for you or for any part of the Property;
- vi. Any proceedings are begun by you or by others against you that affect the Property, other assets, or debts under any law relating to bankruptcy, insolvency, reorganization, arrangements, or relief of debtors;
- vii. An enforcement action, such as a power of sale or foreclosure has begun against all or any part of the Property the Property by any creditor or by a judicial authority;
- viii. Any statement that you make or you have made to us relating to the Property, the Mortgage, or your financial situation is not true or is inaccurate at the time it is made;
- ix. You, directly or indirectly, convey, sell, transfer, lease, mortgage or otherwise encumber the Property or any part thereof;
- x. A lien or notice of lien or the equivalent is registered against the Property without our prior written consent;
- xi. You allow the Property to become vacant or you abandon the Property;
- xii. The use of any part of the Property changes without our prior written consent;
- xiii. The Property reduces in value to a level we do not consider acceptable;
- xiv. You use, or any other person or party using the Property with your permission uses the Property or allows the Property to be used for any illegal purposes;

- xv. You or any person or party authorized or permitted by you to use the Property, engage in the cultivation or storage of marijuana on the Property;
- xvi. You assign or pledge the Property to other creditors;
- xvii. You become a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- xviii. Anything else occurs that we believe endangers your ability to pay; or
- xix. Anything occurs that endangers the Property in any way.

If there is an Event of Default we, or a person or party we have authorized to act on our behalf, may exercise any right or remedy available under applicable laws, including without limitation, the right to do any one or more of the following, subject to any notice required under applicable laws:

- i. Terminate the Mortgage Loan Agreement and demand that you repay the Mortgage Loan Amount immediately;
- ii. Require that you pay any applicable prepayment charges;
- iii. Take legal action to collect amounts owed under the Mortgage, including, without limitation, the action of foreclosing on the Property;
- iv. Take possession of anything covered by the Mortgage, without any interference by you with our possession of the Property;
- v. Collect rents or income from anything covered by the Mortgage;
- vi. Require you to transfer and assign to us:
  - a. All leases, lease agreements and any lease renewals;
  - b. All rents or other amounts to be paid under the terms of any leases and agreements; and
  - c. All rights under the leases and agreements as they affect the Property.

By exercising these rights with respect to any leases or agreement respecting the Property, we are not taking possession of the Property. We are not obligated to collect any rent or income from the Property and are not required to comply with any term of the lease or agreement in respect of the Property;

- vii. Give a lease of the Property, terminate a lease, accept a surrender of a lease or agree to amend a lease, without any interference by you;
- viii. Sell or dispose of anything covered by the Mortgage or ask a court to order a sale. If the Property is sold and what we receive is insufficient to cover amounts you owe us under the Mortgage, we can still collect the remaining funds from you;
- ix. If any person or party other than you has an interest in anything covered by the Mortgage, we can agree to acquire that person or party's interest or to divide the Property or other thing covered by the Mortgage between the persons or parties who have interests in it;
- x. Enter the Property at any time, without the permission of any person or party, and make any arrangements we deem appropriate in order to inspect, lease, collect rents, or manage the Property; repair or put in order any building, structure or improvement on the Property; or complete construction of any building, structure or improvement on the Property. We can take whatever

action we deem necessary to take possession, recover, and retain possession of the Property. If we enter into an agreement in order to carry out these actions, we can do so in your name or our name;

- xi. If you have an obligation under the Mortgage to comply with an obligation to another person or party, and the other person or party claims that you have not complied, we may choose to comply with this obligation even if you dispute the validity of the other person or party's claim;
- xii. Take any actions required to comply with any obligations you have under the Mortgage including payment of unpaid property taxes and payment of utility bills;
- xiii. Appoint a receiver to collect any income from the Property, who is considered to be your agent, and who has the right to use any available remedy to collect income from the Property, take possession of the Property or part of it, or manage the Property and maintain it in good condition;
- xiv. Pay, or prepay, an amount under a claim in respect of the Property if that claim has priority over the Mortgage or has the same priority as the Mortgage. If we prepay such a claim, we are permitted to compensate the person or party who holds the claim in respect of the Property and settle with them directly. If we pay the claim amount under these circumstances, all rights we have under the Mortgage continue to apply, and we will additionally have the rights, including the security, in respect of the property claim. We may obtain an assignment of these rights in respect of the Property.
- xv. Exercise any other rights or remedies we have under the Mortgage or under applicable laws;
- xvi. Add to the Principal Amount of the Mortgage Loan any costs and expenses (including legal costs and expenses), dishonoured payment charges, NSF charges, administration fees, processing fees, and non-interest charges that we reasonably incur for any action we take to do any one or more of the following:
  - a. collect the amount you owe us; and
  - b. enforce any obligation under the Mortgage.

If there is an Event of Default we may apply any funds we receive from you or from enforcing our rights under the Mortgage in any way we see fit, subject to applicable law.

If we obtain a court judgement against you for your failure to comply with any of your obligations to us under the Mortgage, the judgement will not result in a merger of the terms of the judgement with our other remedies or rights to enforce any other obligations you have under the Mortgage. Even in the event of a court judgement against you in respect of the Mortgage, you will still be obligated to pay interest to us on the Mortgage Loan Amount at the applicable rate under the Mortgage and on the payment schedule provided in the Mortgage. The rate of interest in respect of any judgement will be calculated and be payable in the same way as interest under the Mortgage, and will be at the same rate as interest on the Mortgage Loan Amount until you have paid the judgment owed to us in full.

If we exercise our rights under this section 10, we can exercise these rights over all or any part of the Property, and our interest in the remainder of the Property continues to be subject to the Mortgage. We can also exercise our rights to recover part of what is owed without affecting our ability to recover the remainder under the Mortgage. For example, subject to applicable laws we can sell a fixture and give the buyer the right to remove that fixture from the Property. We are, to the extent permitted by law, entitled to exercise all rights under this section 10 without your consent, without taking possession of the Property, by using an agent or another third party to take actions on our behalf, by

acquiring equipment or materials, by entering into a sale or other transaction on any terms. We are permitted to exercise these rights whenever we wish.

### **11.1 Private Sale (Nova Scotia)**

In addition to, and without restricting, any other rights and remedies we have under the Mortgage or at law, if any default continues for at least fifteen (15) days, on at least thirty-five (35) days written notice to you, or any other minimum period that may be prescribed by law, we may, if permitted by law, sell the Property or any part of it. Subject to applicable laws, any sale may be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on any terms that we determine in our absolute discretion, and we have the right to cancel or amend any contract of sale, or postpone any sale, without being responsible for any resulting loss. We will apply the net proceeds (sale proceeds less our costs and expenses relating to the sale and security of the Property) of any sale to reduce the Mortgage Loan Amount and only then to the extent we actually receive it. If the net proceeds do not pay all of the Mortgage Loan Amount, you must immediately pay us the difference. The exercise by us of our rights under this section 11.1 does not preclude us from any further exercise of 11.2 Power of Sale (Newfoundland and Labrador, PEI) under this section or as available at law.

### **11.2 Power of Sale (Newfoundland & Labrador and Prince Edward Island)**

In addition to, and without restricting, any other rights or remedies we have under the Mortgage or at law, if any default continues for at least fifteen (15) days, on at least thirty (30) days written notice to you, or any other minimum period that may be prescribed by law, we may, if permitted by law, sell the Property or any part of it. Subject to applicable laws, any sale may be by private auction or public tender and on any terms that we determine in our absolute discretion, and in Newfoundland & Labrador subject to the obligations and requirements of the *Conveyancing Act*, and we have the right to cancel or amend any contract of sale, or postpone any sale, without being responsible for any resulting loss, and in Newfoundland & Labrador subject to the obligations and requirements of the *Conveyancing Act*. We will apply the net proceeds (sale proceeds less our costs and expenses relating to the sale and security of the Property) of any sale to reduce the Mortgage Loan Amount and only then to the extent we actually receive it. If the net proceeds do not pay all of the Mortgage Loan Amount, you must immediately pay us the difference. The exercise by us of our rights under this section 11.2 does not preclude us from any further exercise of our rights under this section or as available at law.

### **12. Waiver of Terms**

Only we can waive a term of the Mortgage, and the waiver must be in writing. If we fail to exercise, or if we delay exercising, any of our rights under the Mortgage, this will not be a waiver of our rights and will not prevent us from exercising these rights again in the future. If we waive a breach of any term of the Mortgage, it does not mean we are waiving the applicable term of the Mortgage. We may accept late payments or partial payments without losing any rights under the Mortgage, including our right to recover in full all amounts owed.

### **13. Doctrine of Consolidation**

Our right of consolidation applies to the Mortgage and to any other mortgages you hold with us. If you are in default, this means that you will not have the right to pay off the Mortgage or the other mortgages, unless you pay us the consolidated debt (i.e., the money owed by you under the Mortgage and the other mortgages you hold with us).

### **14. Condominiums**

This section 14 only applies if the Property is a condominium or strata unit, lot, or private portion governed by applicable condominium law. All other terms under the Mortgage also apply. If the Property is a condominium unit, you transfer to us as additional security

the benefit of all your rights related to the condominium corporation that go with the condominium unit under either applicable law or the condominium declaration, by-laws or common element rules (the "**Rules**") by which the condominium corporation and its property are is governed.

**You agree that you:**

- i. Will meet all of the requirements of the *Condominium Act*, and the Rules and regulations of the condominium corporation as they exist from time to time;
- ii. Will pay all amounts required by the *Condominium Act*, and by the Rules and regulations of the condominium corporation on or before they are due. You must also pay common expenses and any other amounts charged by the condominium corporation. If we ask, you must give us proof that you have paid all of these amounts. You must reimburse us immediately if we pay any of these amounts on your behalf;
- iii. Will mail to us by prepaid registered mail, or deliver to us, copies of all communications related to your unit or the common elements of the condominium corporation, including: notices, assessments, claims or demands for payment, new rules or regulations governing the Property, requests or demands of us to consent to any other matter; and every other communication relating to your unit or to the common elements of the condominium corporation. We must receive these communications at least 5 days before any claim or demand is payable or, for other communications, within 5 days of the date you receive them; and
- iv. Subject to applicable laws, authorize us to exercise your right, whether or not you are in default, to vote at any meeting of the condominium corporation, including your right to participate in any matter relevant to the management, sale or other matters relevant to the condominium corporation or to the termination of the application of the *Condominium Act*, to the condominium corporation's property or to the Property. If we exercise this right, we are not responsible to protect your interests, nor are we responsible if we do not exercise our right to vote or consent. If we decide not to exercise these rights, we may (but are not required to) notify the condominium corporation and you may vote or participate yourself.

**Our rights**

If you do not pay any amounts that you are obligated to pay in respect of your condominium unit, we may do so on your behalf. If we do, you must reimburse us immediately for these payments. If you do not, we may declare an Event of Default, or add these amounts to the loan amount, or do both.

At our option, the Mortgage Loan Amount will become payable immediately if:

- i. The board of directors of the condominium corporation fails to comply with a material obligation under applicable law or the condominium Rules;
- ii. A court makes a judgment or order against the condominium corporation or its board of directors;
- iii. The government of the Property by the *Condominium Act* is terminated;
- iv. The condominium complex requires substantial work or if there is a substantial increase in the common expenses;
- v. a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;

- vi. the condominium corporation becomes bankrupt; or
- vii. there is substantial damage to the condominium complex.

### **15. Due on Sale**

You must obtain our written approval before you encumber, lease, sell, transfer or convey the Property, or any part thereof, directly or indirectly, to anyone else, or before you agree to encumber, lease, sell, transfer or convey the Property, or any part thereof, directly or indirectly, to anyone else.

We may require you to pay the entire Mortgage Loan Amount immediately if any of the following occurs:

- i. You encumber, lease, sell, transfer or convey the Property, or any part thereof, directly or indirectly, without obtaining our prior approval; or
- ii. the person or party you sell, transfer or convey the Property, or any part thereof, directly or indirectly, to, with our prior approval, does not enter into an assumption agreement with us that is satisfactory to us.

You agree to give us, upon our request, any information we may require to enable us to decide whether to give our written approval.

### **16. Guarantors**

The following terms apply to any person or party who signs the Mortgage as a guarantor (each, a "**Guarantor**").

Each Guarantor guarantees payment to us on demand in accordance with the Mortgage and agrees that the Guarantor's liability will not be affected or released by any of the following, including during any renewal period:

- i. Any renewal, release, extension or replacement of the Mortgage Loan or by any other agreements or security held by us in respect of the Mortgage Loan or any amendments thereto;
- ii. Any waivers by us of any provisions of the Mortgage;
- iii. Any changes in the interest rate in respect of the Mortgage Loan;
- iv. Any delay by us in enforcing any payments owed under the Mortgage;
- v. The death or legal incapacity of a Guarantor;
- vi. The death or legal incapacity of any other borrower under the Mortgage; or
- vii. The release of a borrower under the Mortgage from a legal obligation under the Mortgage.

This guarantee is a continuing guarantee. Each Guarantor agrees to be liable to us to the maximum extent permitted under applicable law for all obligations in connection with the Mortgage. Each Guarantor agrees that we are not required to enforce the as against the borrower(s) or enforce or exhaust any security before we become entitled to payment from each Guarantor under this guarantee and under the Mortgage. Each Guarantor's obligations under this guarantee are binding on the Guarantor's heirs, executors, liquidators or administrators, successors and personal representatives.

If there is more than one Guarantor, each is jointly and severally liable and fully responsible for the entire Mortgage Loan Amount.

## **17. Expropriation**

If any portion of the Property or any land adjoining the Property is expropriated or taken by the exercise of any similar power, we may, at our option, require you to pay the entire compensation to which you may be entitled to receive to reduce the Mortgage Loan Amount.

## **18. Portability**

If you sell the Property and purchase another property within 90 days, unless there is an ongoing Event of Default you can move your existing Mortgage Loan to your new property, provided we agree in writing. If we agree to move your Mortgage Loan to your new property, this means you can transfer the Mortgage Loan Amount at the time of the sale of the Property and your terms for the remaining term of your Mortgage Loan will continue to apply in respect of the new property.

You will still be required to pay any prepayment charges and discharge fees that you owe when you sell the Property; however, if we agree to move your Mortgage Loan to the new property, we will refund all or a portion of these charges and amounts (with the exception of discharge fees) once the mortgage is registered on the new property. Prepayment charges will apply if the principal amount in respect of the new property is lower than the Mortgage Loan Amount owing at the time the original Property is sold.

## **19. Assignment**

You may not transfer or assign the Mortgage to any other person or party without our prior written consent.

We may, without notice to you and without your consent, sell, transfer, pledge, or assign all or any part of the Mortgage, our rights and obligations under the Mortgage and all or any part of your debt under the Mortgage to any third party, including third party mortgage aggregators and securitization programs. We may also grant participation in the Mortgage without your consent in addition to the existing rights. We may disclose your personal information to such third party and to their agents, representatives and assignees, in accordance with our privacy policy.

## **20. Set-off**

If we owe any obligation to you, we may set the obligation off against, or compensate the obligation from, any amount you owe us under the Mortgage, regardless of the length of time the amount has been owed to you. We are not required to provide notice to you in the event we exercise this right to set-off.

If we receive notice of any of Event of Default we may immediately exercise this right of set-off.

This right is in addition to any rights we may have at law or in equity to set-off or to compensation.

You waive any right of set-off or deduction, and you agree to make all payments owing under the Mortgage without cancelling, reducing, offsetting, compensating, abatement, counterclaiming or deducting, or holding back any amounts.

## **21. Indemnity**

You, your heirs, and your estate representatives agree to indemnify, defend and save harmless us and each of our directors, officers, custodians, agents, and employees from and against all liabilities and claims of any nature whatsoever (including all expenses reasonably incurred by any of us in the defense of any claim against us) that may at any time be incurred by any of us, or be brought against us by any person, legal entity, regulatory authority, or government authority, and that may in any way whatsoever arise out of or be connected in any way with the Mortgage.

You agree to personally pay the amount of the claim.

## **22. Limitation of liability**

You understand and agree that, except as otherwise provided for in the Mortgage, we will not be liable to you for direct damages except in the event of our gross negligence, fraud or willful misconduct arising directly from our performance of our obligations under the Mortgage.

We will not be liable to you for any other damages, including indirect, incidental, special, general, punitive or consequential damages, loss of profits, loss of revenue, loss of business opportunities, inconvenience, or any other foreseeable or unforeseeable loss resulting directly or indirectly out of the Mortgage. These limitations apply to any act or omission of us, our agents and our suppliers.

The term "gross negligence" in this section means conduct which is a marked and flagrant departure from the conduct ordinarily expected of a reasonable and prudent person in our position; or, conduct that is so wanton and reckless as to constitute an utter disregard for harmful, foreseeable and avoidable consequences.

## **23. Waiver of Terms**

Only we can waive a term of the Mortgage, and the waiver must be in writing. If we fail to exercise, or if we delay exercising, any of our rights under the Mortgage, this will not be a waiver of our rights and will not prevent us from exercising these rights again in the future. If we waive a breach of any term of the Mortgage, it does not mean we are waiving the applicable term of the Mortgage. We may accept late payments or partial payments without losing any rights under the Mortgage, including our right to recover in full all amounts owed.

## **Other Terms**

## **24. Effect of the law or another transaction**

The Mortgage adds to any other right we have. Nothing in the Mortgage reduces any other right we have under applicable law or pursuant to any other transaction. Nothing arising under any other transaction between you and us reduces our rights under the Mortgage. If there is a conflict between the Mortgage and another transaction, the conflict must be resolved in our favor. Similarly, nothing in the Mortgage reduces any rights we have under another commitment or agreement and obligations under any other commitment or agreement remain in full force.

## **25. Conflict**

Any conflict or inconsistency between the documents that form part of the agreement between us and you related to the Mortgage will be resolved in accordance with the following order of priority: first, the Disclosure Statement; second, the Mortgage Loan Agreement; third, the Mortgage; and fourth, the Commitment Letter. It will not be considered a conflict or an inconsistency if the Commitment Letter, Standard Charge Terms or Disclosure Statement contain separate, additional terms, conditions or provisions, including any rights, remedies, covenants, representations or warranties, that are not included in the Standard Charge Terms. Any such terms, conditions or provisions will remain in effect.

## **26. Effect of Subdividing the Property**

If the Property or any portion of the Property is subdivided (e.g., into separate lots or condominium units), every part of the subdivided Property secures all of what is owed to us. This applies whether the subdivision exists when the Mortgage is entered into or the subdivision occurs after the Mortgage is entered into. You do not have any rights of

discharge in respect of a portion of the Property in return for paying part of your obligation to us, even if the Property is subdivided.

### **27. Appointing us as your Attorney**

Where under the Mortgage you give us a right to take action on your behalf or to exercise a right you hold, you irrevocably appoint us as your attorney to take such action. If you appoint us as your attorney to take some action under the Mortgage, you irrevocably appoint anyone we authorize as your attorney for the same purpose.

### **28. Our Protection**

Where the Mortgage gives us the benefit of any right you hold, that does not obligate us to exercise that right, comply with any obligation you have, or to protect your rights. If we are held liable under the Mortgage for any obligation you have to anyone else, you are liable for any loss we suffer as a result. The Mortgage does not relieve you of any obligations. Even if we exercise a right with respect to the Mortgage, unless we take possession of the Property, we do not possess the Property. We do not have an obligation to you or anyone else based on possessing, managing or controlling anything with respect to the Mortgage. We only need to account for amounts we actually receive under any right of yours we exercise under the Mortgage.

We do not owe you any duty of care as a result of the Mortgage. You cannot rely on the Mortgage to demonstrate the value of the Property, our requirement that you hold insurance as evidence of the appropriateness of the insurance in place with respect to the Property, or on any inspection we have conducted or ordered as evidence that the Property is in the condition shown by the inspection.

We cannot be held liable for any losses that may be caused by our enforcement of the Mortgage or our exercise of any right under the Mortgage, unless we caused the loss through willful neglect or default. If we become liable to a third party because of our enforcement of the Mortgage or exercising any right under the Mortgage, you will be liable for any loss we suffer as a result unless the loss was caused by our willful neglect or default.

### **30. Matrimonial Property Act/ Family Law Act**

You certify to us that all information that you gave us about your marital status and the Property when applying for the loan, and the statements made in the Mortgage with respect to *Matrimonial Property Act* or *Family Law Act*, as applicable are true and accurate.

### **31. New Home Warranty**

If a new home warranty applies to your Property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

### **32. Spousal Consent**

Your spouse, by signing the Mortgage, consents to the Mortgage pursuant to the *Matrimonial Property Act* or *Family Law Act*, as applicable and any amendment or replacement thereof and releases all of his/her interest in the Property to the extent necessary to give effect to our rights under the Mortgage. Your spouse also agrees that we may, without further notice, deal with the Property and the debt created by the Mortgage as we wish.

### **33. National Housing Act**

If the Mortgage is an insured mortgage under the *Canada National Housing Act*, the Mortgage is made pursuant to that Act.

### **34. Discharge**

After you have paid us the Mortgage Loan Amount and have met all of your obligations under the Mortgage, we will discharge our security and transfer it back to you. Upon request, we will give an assignment or transfer of the Mortgage instead of a discharge. We will require a reasonable time after your obligations under the Mortgage have been fulfilled to verify our records and complete the discharge or transfer. We can register the discharge or transfer; otherwise you are responsible for doing so.

You will pay all applicable fees and expenses for preparing, reviewing and signing any such documents and all legal and other expenses pertaining to discharging the Mortgage, if applicable. You will pay us these fees whether the discharge or assignment is prepared by your lawyer, by our lawyers or by us.

### 35. Severability

If any term of the Mortgage is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining terms shall continue to be in full force and effect.

### 36. Interpretation

The Mortgage should be read with all changes of number and gender that the context requires. When used in the Mortgage, the term “including” means “including, but not limited to”. Headings and section names are for convenience only and do not affect the interpretation of the Mortgage.

### 37. Definitions

<b>Date of Advance</b>	means the day the Mortgage Loan is funded, which is the day from which interest will begin to be calculated and charged.
<b>Event of Default</b>	means each of the events referred to in section 11.
<b>Guarantor</b>	is defined in section 16.
<b>Interest Adjustment Date</b>	means the date identified as the Interest Adjustment Date in the Mortgage.
<b>Interest Rate Differential</b>	means the difference between the interest rate and our posted rate on the prepayment date for a mortgage with a term similar to your remaining term minus any rate discount you received.
<b>Mortgage</b>	means the form of mortgage to which these Standard Charge Terms are attached, as well as any attached schedules and these Standard Charge Terms.
<b>Mortgage Loan</b>	means the term loan secured by the Property.
<b>Mortgage Loan Agreement</b>	means the Rocket Mortgage Canada ULC Mortgage Loan Agreement entered into between each of you and us, as well as the Disclosure Statement and the Commitment Letter.

<b>Mortgage Loan Amount</b>	means the amount of money you owe us under the Mortgage Loan at any given time.
<b>Mortgage Year</b>	means the twelve-month period after the Interest Adjustment Date and each anniversary of the Interest Adjustment Date, through the end of the term as set out in the Mortgage.
<b>Prime Rate</b>	means the annual interest rate established by us from time to time as being a reference rate then in effect for determining interest rates on Canadian dollar mortgages or loans made by us in Canada.
<b>Principal Amount</b>	means the amount of money disclosed as the principal amount on the Mortgage.
<b>Property</b>	means the land described under "Description" in the Mortgage, all buildings now or later on it and anything now or later attached or fixed to the buildings or the land, including additions, alterations or improvements.
<b>Regular Payments</b>	means each regular principal and interest payment for the Mortgage Loan as set out in the Mortgage. For greater certainty, it does not include the payment of property tax and creditor insurance payment if any.
<b>Standard Charge Terms</b>	means these standard charge terms, which are be deemed to be included in every mortgage to which they are attached.
<b>we, us, our</b>	mean Rocket Mortgage Canada ULC.
<b>you, your</b>	mean, collectively and individually, each person who signs the Mortgage as chargor, and its permitted successors, assigns, heirs, estates, and personal and legal representatives.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**Rocket Mortgage Canada ULC**

Per: \_\_\_\_\_  
*Authorized Signing Officer*