

**Land Registration Reform Act**

**Filing No. 200727**

**filed by – Home Trust Company**

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**STANDARD CHARGE TERMS**

These STANDARD CHARGE TERMS shall be deemed to be included in every Charge/Mortgage which refers to them by their filing number, as provided in section 9 of the above Act.

**TABLE OF CONTENTS**

STANDARD CHARGE TERMS ..... 1

TABLE OF CONTENTS..... 2

1. DEFINITIONS/TERMS YOU NEED TO KNOW ..... 4

2. WHAT THE MORTGAGE DOES..... 5

    2.1 Security for your indebtedness to us..... 5

    2.2 Who is bound by the mortgage ..... 5

    2.3 Changing the mortgage – renewals and amendments including automatic  
    renewals ..... 5

3. INTEREST..... 6

    3.1 Interest for the mortgage and indebtedness ..... 6

    3.2 Interest on amounts advanced before the interest adjustment date..... 6

    3.3 Compound interest..... 6

4. YOUR REGULAR MORTGAGE PAYMENTS ..... 6

    4.1 Currency and place of payment ..... 6

    4.2 Regular payments..... 7

    4.3 Changing the frequency of your regular payments..... 7

    4.4 Payment on balance due date..... 7

    4.5 Bank account for payments..... 7

    4.6 How we apply your payments..... 7

5. WHEN AND HOW THE INITIAL LOAN AND OTHER FIXED LOAN CAN  
BE PAID OFF EARLIER..... 8

    5.1 Closed loans ..... 8

    5.2 Annual 20% prepayment without a prepayment charge ..... 8

    5.3 When and how you may prepay your mortgage in full with a prepayment  
    charge..... 8

    5.4 Prepayment charge..... 8

    5.5 Prepayments generally ..... 8

6. ASSUMPTION OF THE MORTGAGE IF YOUR PROPERTY IS SOLD ..... 9

7. YOUR PROMISES AND OBLIGATIONS ..... 9

    7.1 Payments..... 9

    7.2 Your property and the mortgage..... 9

    7.3 Properties which you lease from others ..... 10

    7.4 No other mortgages without consent ..... 11

    7.5 Owner-occupied properties..... 11

    7.6 Rental properties and assignment of rents ..... 11

    7.7 Property taxes..... 12

    7.8 Insurance (this section does not apply if your property is a residential  
    condominium unit or strata lot)..... 12

    7.9 If your property is a condominium or strata lot ..... 13

    7.10 Building mortgage ..... 14

    7.11 Repairs ..... 15

    7.12 Demolitions and alterations ..... 15

7.13	Hazardous and illegal substances.....	16
7.14	Property inspection, testing and investigation .....	16
7.15	Illegal activities.....	17
7.16	Servicing Fees.....	17
7.17	Costs.....	18
7.18	New home warranties .....	18
7.19	Expropriation .....	18
7.20	Spousal information.....	18
7.21	Withholding taxes .....	18
8.	OUR RIGHTS AND REMEDIES .....	19
8.1	No obligation to make advances under the mortgage.....	19
8.2	Releasing your property from the mortgage .....	19
8.3	Certain actions we can take.....	19
8.4	Default and acceleration of the indebtedness.....	19
8.5	Enforcing our rights .....	20
8.6	Doctrine of consolidation.....	22
9.	GUARANTORS .....	22
10.	MISCELLANEOUS .....	22
10.1	Date of mortgage.....	22
10.2	Exclusion of statutory covenants .....	22
10.3	<i>National Housing Act</i> .....	23
10.4	Part of mortgage invalid.....	23
10.5	Headings .....	23
10.6	Governing law.....	23

## 1. DEFINITIONS/TERMS YOU NEED TO KNOW

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

- (a) **agreements** means all of the contracts, agreements, promissory notes, bills of exchange, notices or other documents which evidence, govern or relate to the indebtedness and all renewals, substitutions and replacements of them.
- (b) **balance due date** or **maturity date** means the date set out in the mortgage or in an agreement on which indebtedness is due and payable in full.
- (c) **guarantor** means each person who signs the mortgage or any agreement as a guarantor or covenantor.
- (d) **indebtedness** means all debts and liabilities, present and future, absolute and contingent, matured or not, at any time owing by you to us or to any company or entity affiliated or related to us, and whenever incurred and whether incurred by you alone or with another or others and whether as principal, guarantor or surety. Indebtedness also includes any, fees, expenses and other amounts owing to us from time to time pursuant to the mortgage which we may charge or which we may incur in connection with the Property, such as taxes, insurance premiums, condominium or strata fees or utilities. Indebtedness also includes, without limitation, all interest and compound interest accrued on all the foregoing amounts.
- (e) **initial loan** means the fixed loan, if any, we advance on or about the time the mortgage is made and described in the schedule to the registered mortgage or in an agreement.
- (f) **interest adjustment date** is the date identified as the interest adjustment date in the registered mortgage or in an agreement evidencing a part of the indebtedness.
- (g) **interest rate** is the interest rate identified as the interest rate on the registered mortgage or in any agreements.
- (h) **mortgage** means the registered mortgage, this set of standard charge mortgage terms, any schedules that are attached to the registered mortgage and any renewals or amendments.
- (i) **mortgage insurer** means Canada Mortgage and Housing Corporation, Genworth Financial Insurance Company Canada or other company that insures payment of mortgages to mortgage lenders.
- (j) **principal amount** is the amount of money identified as the principal amount in the registered mortgage.
- (k) **registered mortgage** means the form of charge or mortgage which references this set of 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 electronically pursuant to your authorization and registered electronically against title to your property.
- (l) **taxes** means all taxes, assessments and levies of any kind and includes any interest and penalties. Examples of taxes include property taxes, local improvement assessments, school taxes and development charges. Taxes could also include penalties or costs associated with a cleanup following a fire, explosion or other destruction or damage.
- (m) **we, us, and our** mean the mortgagee or chargee described in the registered mortgage.

- (n) **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.
- (o) **your property** means the land described on the registered mortgage. It includes all buildings and structures 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.

## **2. WHAT THE MORTGAGE DOES**

### **2.1 Security for your indebtedness to us**

- (a) By signing the registered mortgage, you mortgage and charge your entire interest in your property to us to secure the principal amount and interest at the interest rate. 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 or extend credit to you as may be advanced to you from time to time. Your interest in your property is security to us for payment of all your indebtedness from time to time owing up to the principal amount and for performance of all your obligations under the mortgage and agreements.
- (c) The mortgage secures a current or running account. The mortgage is not satisfied or discharged by any intermediate payment of all or part of the indebtedness but remains a continuing security for payment of all other and additional indebtedness you may incur. The mortgage is not released or reduced by any change in the amount, nature or form of any indebtedness or any renewal, extension, amendment or replacement of any agreements. The mortgage will not cease to operate and will not be extinguished except as provided in subparagraph (d) below.
- (d) After you have paid us the indebtedness then outstanding and done everything you have promised to do in the mortgage and the agreements and you notify us in writing that such payment is in final and permanent payout of all your obligations under the mortgage and the agreements, we will sign a discharge. You will give us a reasonable time after payment in which to prepare and issue the discharge. If electronic registration is available for the property, we may register the discharge on your behalf and provide you or your lawyer with confirmation of registration.

### **2.2 Who is bound by the mortgage**

- (a) The obligations under the mortgage and each agreement are the responsibility of each person who signed it. Where one or more other persons have also signed the mortgage or an agreement, each of you is responsible for meeting in full all payment and other obligations in the mortgage and agreements.
- (b) Your legal and personal representatives and anyone else to whom your property is transferred must also meet the obligations in the mortgage and agreements.
- (c) Our successors and anyone to whom we transfer the mortgage is also bound by it.

### **2.3 Changing the mortgage – renewals and amendments including automatic renewals**

- (a) We may, at our option and by agreement with you, change any part of the mortgage. This change could include renewing or amending the initial loan or increasing the principal amount or other term of the mortgage.

- (b) The initial loan 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 initial loan will be renewed for the term and at the rate for automatic renewal we set out in the renewal notice we send you. We may in the same way automatically renew any other fixed term loan you may have with us.
- (c) We do not have to register any such 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 a co-borrower or other person who is obligated to pay the initial loan or any other part of the indebtedness, you will not be released from your obligations under the mortgage or agreement, even if you do not sign or are not advised of the new agreement.
- (e) You do not have a right to renew the initial loan. Renewal of the initial loan and any the fixed term loan is at our discretion.

### **3. INTEREST**

#### **3.1 Interest for the mortgage and indebtedness**

- (a) The interest rate on the principal amount secured by the mortgage is that shown on the registered mortgage. The interest rate payable by you on the initial loan is shown on the schedule attached to the registered mortgage or in the agreement governing that loan. The interest rate payable on other indebtedness is that set out in the agreement relating to that part of the indebtedness.
- (b) Interest is payable at the frequency shown on the registered mortgage or in the agreement evidencing that part of the indebtedness and unless otherwise provided, is calculated semi-annually, not in advance.
- (c) Interest is secured and is payable on the indebtedness until each and every part of the indebtedness has been paid in full.

#### **3.2 Interest on amounts advanced before the interest adjustment date**

Interest on advances before the interest adjustment date of the initial loan and any other fixed loan secured by the mortgage will be calculated at the interest rate set out in the registered mortgage or in the agreement evidencing that part of the indebtedness and at our option will be deducted from any part of the principal 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.

#### **3.3 Compound interest**

If you do not make any payment when required by the mortgage or agreement, 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 or maturity 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 same interest rate as payable on that part indebtedness.

### **4. YOUR REGULAR MORTGAGE PAYMENTS**

#### **4.1 Currency and place of payment**

Except as provided in Section 4.5, you will pay the indebtedness to us in Canadian dollars at the address shown on the registered mortgage or as you may be notified in writing.

#### 4.2 **Regular payments**

- (a) For the initial loan (if there is one), the amount of each regular payment, which includes principal and interest is as shown in the registered mortgage or agreement governing the initial loan and for other indebtedness, in the agreement evidencing that part of the indebtedness.
- (b) You must make these regular payments on the dates as set out starting with the first payment date up to and including the balance due date or maturity date.

#### 4.3 **Changing the frequency of your regular payments**

- (a) At your request we may permit you to change the frequency of your regular payments on the initial loan or on any other fixed loan secured by the mortgage, to weekly, bi-weekly, semi-monthly or monthly. A weekly payment is equal to  $\frac{1}{4}$  of a monthly payment and is payable every seven (7) days. A bi-weekly payment is equal to  $\frac{1}{2}$  of a monthly payment and is payable every fourteen (14) days. A semi-monthly payment is equal to  $\frac{1}{2}$  of a monthly payment and is payable on the first and fifteenth day of every month.
- (b) On a change of payment frequency an interest adjustment amount may be payable and we may charge an administration and processing fee. Such amounts shall be 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 weekly, bi-weekly or semi-monthly 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 mortgage payment will at all times be payable at the same frequency and calculated in the same manner as your regular payments.

#### 4.4 **Payment on balance due date**

You must pay any outstanding balance of the initial loan on the balance due date shown on the registered mortgage or the agreement governing the initial loan and for each other part of the indebtedness on the balance due date or maturity date set out in the agreement relating to that part of the indebtedness.

#### 4.5 **Bank account for payments**

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.

#### 4.6 **How we apply your payments**

We will apply regular payments we receive from you in the following order: (a) to pay life insurance premiums on the mortgage (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 accumulated up to, but not including, the payment date; and (e) to reduce the principal amount. However, if you do not meet one or more of your obligations under the mortgage or an agreement, we may apply any payments or any other money we receive on such part of the indebtedness as we choose and in whatever order we choose.

## **5. WHEN AND HOW THE INITIAL LOAN AND OTHER FIXED LOAN CAN BE PAID OFF EARLIER**

### **5.1 Closed loans**

The initial loan and, unless otherwise expressly provided in the agreement, each fixed loan secured by the mortgage and each renewal of the initial or fixed loan is closed for the term of the loan with earlier payment permitted only as set out in this section.

### **5.2 Annual 20% prepayment without a prepayment charge**

You may once in each year, on the anniversary of the interest adjustment date of the loan, prepay without prepayment charges, an amount not greater than twenty percent (20%) of the original principal amount of the initial loan or fixed loan. You may not make more than this one prepayment on this one day in a year. Each prepayment must be for an amount not less than five hundred dollars (\$500.00). If you do not prepay 20% of the original principal amount on an anniversary date, you cannot carry forward any unused portion to a future anniversary date.

### **5.3 When and how you may prepay your mortgage in full with a prepayment charge**

You may prepay the initial loan or any other fixed loan or renewal of such loan only upon the closing of a bona fides armslength sale of your property in the open market and payment of the prepayment charge set out below in section 5.3. If the initial loan or the fixed loan or the renewal is for a term of more than three (3) years, you may also at any time after the third year of the term, prepay your mortgage in full but only with payment of the prepayment charge set out below in section 5.4.

To pay in full 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. That date cannot be more than 15 days after the date you ask us to prepare the statement. The date you choose is called the prepayment or payout date and the date you ask us to prepare the statement is called the statement preparation date.

All payments on the loan must be made as they become due during the statement period. The statement cannot be used for payment more than 15 days after the statement preparation date.

### **5.4 Prepayment charge**

The prepayment charge to pay out the initial or other fixed loan early or before the balance due date or maturity date is the greater of

- (a) three months interest at the interest rate of the loan calculated on the loan amount being prepaid; or,
- (b) the amount that is the difference in the interest calculated on the loan amount being prepaid between the interest rate of the loan and our then current rate for a new mortgage loan for a term that is the same or the next shortest to the remaining term of your loan. Our then current rate is the interest rate that we call our posted rate and publicly announce at the time of the statement preparation date as the rate for our mortgage loans for such term.

### **5.5 Prepayments generally**

In order to qualify for any of the early payment options set out in sections 5.2 and 5.3, you must have met all your obligations under the mortgage and agreements. 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.

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



**6. 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 indebtedness together with the applicable prepayment charge 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, whether or not the assumption is approved.
- (d) We release you from your obligations under the mortgage and, if applicable, we release any guarantors from their guarantee of the mortgage, if: (i) we give our written approval to you to transfer title to your property to the person or persons approved by us; (ii) you do not retain any ownership interest in your property after the transfer of title takes place; (iii) the person or persons to whom you transfer the property and any guarantor we request enter into an agreement to pay the amounts secured by the mortgage and to perform the obligations in the mortgage and agreements; and (iv) you provide us with proof of registration of a transfer/deed of land to the approved person or persons.

**7. YOUR PROMISES AND OBLIGATIONS**

**7.1 Payments**

- (a) You agree to pay the initial loan, if any, and all other indebtedness as required by the mortgage or the agreement relating to the indebtedness and to meet all of your other obligations under this mortgage. Should you make any claim against us for any matter relating to the mortgage or an agreement or life or other insurance, 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 preparing the mortgage and each agreement 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 or other document in writing 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 and other indebtedness you incur, are adequately secured.
- (e) 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.

### 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) 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.
- (e) 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.
- (f) You and your landlord have complied with all restrictions registered against the title to your property, and with all building and zoning by-laws.
- (g) You will pay all rents and all other payments required by the lease when they are due.
- (h) You will meet all of your other obligations under the lease.
- (i) You will not surrender your lease or cause the lease to be terminated.
- (j) You will not make any change in the lease without first obtaining our written consent.
- (k) 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.
- (l) You will protect and indemnify us from all actions, claims, costs and demands if you default on the lease.
- (m) You will hold your property for the last day of the term of the lease, or the last day of any renewal term of the lease, in trust for us. You will only deal with your property on the last day in the way that we require. You will have the same rights arising from this paragraph of your mortgage 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.
- (n) 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.
- (o) 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 interest in your property, including that person's legal and personal representatives and successors.
- (p) 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 we approve the mortgage 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 and assignment of rents**

- (a) If your property is a rental property, you must obtain our consent to any rental or any renewal. You must also assign to us all leases, lease agreements and any renewals, and all rents payable under these leases and agreements, and all rights under these leases and agreements as they affect your property.
- (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) Upon our request:
  - (i) You will obtain and provide for estoppel certificates 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 give us security on fixtures, equipment and other movable property or chattels relating to the rental property as we may require.
  - (iii) You will pay all of our expenses related to the assignments and additional security, including legal fees and registration costs.
- (d) 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 what is 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.
- (e) 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.
- (f) If you are not meeting one or more of your obligations under the mortgage and you rent out 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) This is your obligation with regard to payment of taxes on the property unless we choose to pay taxes as set out in parts (b) and (c) of this section below: 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.
- (b) On or before the interest adjustment date, we may withhold from any advance of the initial loan or other indebtedness or require you to pay out of any such advance 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 mortgage payment date a tax instalment in an amount based on the estimated annual taxes (as determined by us) sufficient for us to pay on the first payment date 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 for the initial loan or other fixed loan;
  - (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 initial loan or other fixed loan 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 part of the indebtedness.
  - (vii) You agree to pay to us an administration fee and any costs we incur in collecting money for and 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 account or other indebtedness.

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. You must keep this insurance coverage in place at all times until the indebtedness has been fully paid and the mortgage discharged. 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, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system 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) If we ask you to, you must provide us with certified copies of all insurance policies. At least fifteen (15) days before any insurance policy expires, you must provide us with evidence that you have renewed the policy and paid all premiums.
- (d) 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 insurance on your behalf, you must repay us immediately.
- (e) If any loss or damage occurs, you must immediately 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 without your further signature or consent. 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 **If your property is a condominium 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.

7.10 **Building mortgage**

If a part of the indebtedness is used to finance an improvement (which includes any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you must comply with these requirements:

- (a) You must make the improvement only according to plans and specifications that we have previously approved.
- (b) You must complete the improvement as quickly as possible.
- (c) You must meet all government requirements and building standards that apply to your property. If requested, you will provide us, at your expense, with proof that you have met all government requirements and building standards that apply to your property.
- (d) You must make timely payment for all expenses associated with the improvement and provide us with proof that you have paid all money that is owed in connection with the improvement.

- (e) We may make advances to you based on progress in completing the improvement or upon its completion. We may also make advances to you based on the occupancy or the leasing of the building on the property.
- (f) We may hold back money from any advances until we are satisfied that all obligations under the *Construction Lien Act*, *Builders Lien Act* or similar legislation regarding payment for contractors and suppliers applicable in the province or territory where your property is located are met. You authorize us to give information about the mortgage to anyone who claims a construction or builders' lien on your property.
- (g) We may obtain an order removing any construction or builders' lien, and may provide financial guarantees or other security to obtain such an order. You must immediately pay all of our expenses for obtaining this order, including any charges for providing financial guarantees or other security.

#### 7.11 **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 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.

#### 7.12 **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.

7.13 **Hazardous 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 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 or illegal substance that may lower the value of your property or negatively affect the marketability of your property.
- (b) You may not use your property to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous 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.
- (c) 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.
- (d) If hazardous 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 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.
- (e) 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.
- (f) In all cases, you will protect and indemnify us against all actions, claims, lawsuits, costs or other demands relating to hazardous substances or illegal substances on your property, and any breach of your obligations under this section.

7.14 **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.



7.15 **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.

7.16 **Servicing Fees**

You agree to pay us servicing fees to cover our reasonable time and costs for all aspects of the administration of the mortgage and agreements including, without limitation, a fee or allowance for

- (a) administering the account for the collection and payment of taxes;
- (b) dealing with stop payment requests and arrangements to hold or process any payments 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;
- (c) preparing each assumption, arrears, reinstatement, discharge or other mortgage statement, and each amortization or revised amortization schedule whether provided to you, our agents or solicitors or any other interested person;
- (d) setting up each loan in our loan account systems and periodically for processing, maintaining and upgrading systems, licensing and data storage and retention and related customer service;
- (e) 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;
- (f) processing each payment frequency charge, extension, renewal, restructuring or other amendment of the mortgage, the agreements, or amounts secured by the mortgage, whether or not completed;
- (g) investigating the status of any insurance, administering insurance cancellations, paying insurance premiums and dealing with insurance claims;
- (h) 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;
- (i) investigating the status of realty tax payments and administering tax payments;
- (j) 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;
- (k) registering electronically or otherwise or executing and delivering any discharge of the mortgage (notwithstanding that the discharge may have been prepared by you or other person on your behalf); or
- (l) 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.

Our servicing fees shall be the amounts established, disclosed and generally applied by us from time to time and may be ascertained upon inquiry to us.

#### 7.17 **Costs**

You agree to pay us all amounts we expend and costs we incur in any manner in connection with the mortgage and the agreements including, without limitation, expenses in relation to

- (a) making the loan(s) or any other indebtedness secured by the mortgage and each amendment, extension or renewal thereof including preparation, execution and registration of the mortgage, the agreements and any other security, instrument and documents;
- (b) collecting payments under and enforcing and realizing the security of the mortgage and the agreements;
- (c) 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;
- (d) performing or complying with any of your obligations under this mortgage or the agreements including, without limitation, those relating to insurance, condominium, repair and construction, leases, taxes, prior encumbrances and environmental matters.

All legal costs incurred by us in dealing with compliance with any term and in enforcement of the mortgage and agreements shall be paid by you in full (including legal fees for court proceeding on a substantial indemnity basis).

#### 7.18 **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 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.

#### 7.19 **Expropriation**

If your entire property is expropriated, the indebtedness will immediately become due and payable, together with loss of interest, including any 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 indebtedness, then the indebtedness or any part of the indebtedness as we determine, will immediately become due and payable, together with any loss of interest, including any prepayment charges.

#### 7.20 **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.

#### 7.21 **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 indebtedness, even if you have signed the mortgage, the mortgage has been registered or we have already given you some indebtedness. 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.
- (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) Any payments we make under the mortgage will be added to the indebtedness. We will charge you interest on these payments from the date we pay them at the mortgage interest rate.
- (e) 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.

### **8.4 Default and acceleration of the indebtedness**

All or any part or parts of the indebtedness will become payable immediately, at our option, if:

- (a) you default in making any regular loan payment, or any other payment you are obliged to make to us that is secured by the mortgage;
- (b) you fail to comply with any of your other obligations under the mortgage or under any agreement;
- (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 initial loan or for any other indebtedness, 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, 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 initial loan or other fixed 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 loan. Where default continues to or is made after the balance due date, the outstanding loan amount may only be paid upon payment of three (3) months interest on the loan amount. You further agree that we may recover such prepayment charge from the proceeds of any sale of your property or other proceedings for enforcement of the mortgage.

#### 8.5 **Enforcing our rights**

- (a) If any of the events set out in section 10.4 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 indebtedness and to make you perform any of your other obligations under the mortgage or agreements.
  - (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 indebtedness, 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 on 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 indebtedness. 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 indebtedness 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 secured by mortgage; and all or any part of the indebtedness, 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 the 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) You must pay all of our fees and expenses related to our enforcing our rights (including legal fees in any court proceedings on a solicitor and its 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.

- (e) 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.
- (f) 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.
- (g) 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. **GUARANTORS**

- (a) In return for us making the initial loan to you, allowing other indebtedness and other value given to you (in this section 13 called 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 initial loan and other indebtedness to meet all other obligations of the borrower as and when required by the mortgage and agreements.
- (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 and agreements.
- (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 initial loan and of other indebtedness or deal with any other matter affecting the mortgage, the indebtedness secured 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.

### 10. **MISCELLANEOUS**

#### 10.1 **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 for the initial loan in the registered mortgage or other agreement.

#### 10.2 **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.

10.3 ***National Housing Act***

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

10.4 **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.

10.5 **Headings**

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

10.6 **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.

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