

Residential Standard Mortgage Terms

**INFORMATION**

The following set of standard mortgage terms (in Ontario “standard charge terms”) shall be part of every mortgage or charge in which the set is referred to by filing number as provided in section 225 of the *Land Title Act* (British Columbia) or section 9 of the *Land Registration Reform Act* (Ontario), as applicable.

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# TERMS AND CONDITIONS

## 1. DEFINITIONS

In the Mortgage, unless the context otherwise requires:

**"Borrower"** means the person or persons named as Mortgagor in the Mortgage Form, together with anyone named as "Borrower" in the Loan Agreement, and their respective heirs, executors, administrators, representatives, successors, and permitted assigns;

**"Business Day"** means a day Monday through Friday inclusive, other than a day that is a statutory holiday in the Governing Jurisdiction;

**"CMHC"** means Canada Mortgage and Housing Corporation, and its successors;

**"CMHC Program"** means a national program for pooling and securitizing housing loans, under which CMHC is Program Administrator;

**"Commitment Letter"** means, in respect of each Loan, the commitment letter between the Mortgagee, Borrower, and any Guarantor relating to the Loan, as amended, modified, replaced, and/or extended from time to time;

**"Common Expenses"** means, in respect of a Condominium Unit, the common expenses, levies, assessments, contributions, and other amounts payable by the owner of such Condominium Unit to the related Condominium Corporation or any other person(s) from time to time under the Condominium Act or the Condominium Documents;

**"Condominium Act"** means, in respect of a Condominium Unit, the applicable legislation and all related regulations of the Governing Jurisdiction governing the creation and regulation of such Condominium Unit;

**"Condominium Corporation"** means, in respect of a Condominium Unit, the related condominium corporation or strata corporation, as applicable, created and/ or governed by the Condominium Act;

**"Condominium Documents"** means all documents and instruments creating or governing the Condominium Unit and the related Condominium Corporation, including, as applicable, the declaration, bylaws, and rules of the Condominium Corporation;

**"Condominium Unit"** means a condominium unit or strata lot created under the Condominium Act;

**"Costs and Expenses"** means all fees, costs, charges, and expenses incurred by or on behalf of the Mortgagee for, in connection with, or relating to:

- a) preparing, processing, executing, and registering the Loan Documents in respect of each Loan and making each advance of each Loan;
- b) servicing, administering, collecting, enforcing, and realizing on or under each Loan or the related Loan Documents, including any workout or modification of any Loan or the related Loan Documents agreed to by the Mortgagee in its sole discretion;
- c) inspecting, protecting, securing, completing, insuring, repairing, equipping, taking and keeping possession of, managing, selling, or leasing the Property, including curing any defaults under or renewing any leasehold interest under each Lease;
- d) appointing a receiver, receiver and manager, trustee, liquidator, or other person(s) with similar powers (pursuant to or in respect of the Mortgage, any Loan, the related Loan Documents, applicable laws, or otherwise) and their fees and expenses (including all legal fees and disbursements and all agents' costs and expenses);
- e) obtaining any environmental testing, site assessments, investigations, studies, appraisals, and/or any other inspections, tests, or reports with respect to the Property;
- f) complying with any notices, orders, judgments, directives, permits, licenses, authorizations, or approvals with respect to the Property;
- g) performing the obligations of the Mortgagor under the Mortgage or the Borrower under or in respect of each Loan and the related Loan Documents, including without limitation all fees, costs, charges, and expenses incurred in removing any other mortgage, charge, lien, or other financial encumbrance from title to the Property (whether or not it has priority over the Mortgage);
- h) all legal fees and disbursements in connection with each Loan on a full indemnity basis (or solicitor and its own client basis, as applicable);
- i) any other fees, costs, charges, or expenses payable to the Mortgagee under the Mortgage or under or in respect of the Obligations, each Loan and the related Loan Documents, or applicable laws, and including allowances for the time, service, work, or effort of the Mortgagee in connection with any of the foregoing matters; and
- j) interest at the Interest Rate on all such fees, costs, charges, expenses, and other amounts from the date incurred until paid to the Mortgagee;

**"Event of Default"** means each event described in article 13.1, Events of Default;

**"Guarantee"** means, in respect of a Loan or any other Obligations, each guarantee of the payment and/or performance of all or any part of such Loan and the related Loan Indebtedness or such Obligations, as applicable, given by a Guarantor in favour of the Mortgagee, as amended, modified, and/or replaced from time to time;

**"Guarantor"** means, in respect of a Loan or any other Obligations, the person(s) guaranteeing the payment and/or performance to the Mortgagee of all or any part of a Loan and the related Loan Indebtedness or such Obligations, as applicable;

**"Governing Jurisdiction"** means the province in which this Mortgage is registered in the applicable Land Title Office;

**"Hazardous Substances"** means urea formaldehyde foam insulation, asbestos, and any other substances, products, materials, or goods that are hazardous or dangerous or potentially hazardous or dangerous to human, animal, or plant health or life or the environment;

**"Insured Loan"** means a Loan in respect of which a Loan Insurance Policy has been issued and is in effect;

**"Interest Rate"** means, as applicable, the rate of interest on a Loan as set out in the related Loan Agreement, which rate of interest shall be calculated and paid in accordance with the Loan Agreement, or the rate of interest specified on this Mortgage, and in any case, to be paid both before and after maturity, demand, default, and judgment;

**"Land Act"** means collectively, the legislation and related regulations of the Governing Jurisdiction that govern the form, registration, and priority of the Mortgage;

**"Land Title Office"** means the applicable land title(s) or land registry office in the Governing Jurisdiction where the Mortgage is registered;

**"Lease"** means, except in article 22, Assignment of Rents, with respect to any part of the Property in which the Mortgagor has a leasehold interest, each lease creating the leasehold interest (and any amendments, modifications, renewals, or replacements of such lease and related agreements);

**"Loan"** means each loan or extension of credit made by the Mortgagee to the Borrower from time to time pursuant to a Loan Agreement, with each Loan being a separate and distinct loan, including any replacement, refinancing, re-advancing, or additional or further advancing of a Loan made pursuant to a Loan Agreement (and, for clarity, in the case of fluctuating or revolving loans or lines of credit, the aggregate outstanding Loan Indebtedness under the applicable Loan Agreement at any relevant time is a separate and distinct Loan);

**"Loan Agreement"** means, in respect of each Loan, the loan agreement, line of credit agreement, guarantee or other similar agreement between the Mortgagee, the Borrower and any Guarantor, which governs a Loan, each as amended, modified, replaced, extended, and/or supplemented from time to time, under which it is agreed that the Loan will be secured by this Mortgage;

**"Loan Documents"** means, collectively with respect to each Loan, all documents, agreements, instruments, and security now or hereafter creating, evidencing, securing, guaranteeing, and/or relating to such Loan and the related Loan Indebtedness, or any part thereof, including any loan, line of credit or mortgage application (and any documents delivered to the Mortgagee pursuant to or in connection with such application), the Loan Agreement, the Mortgage, the Commitment Letter and, as applicable, any Guarantee, each as amended, modified, replaced, and/or extended from time to time;

**"Loan Indebtedness"** means, in respect of each Loan, all principal, interest, compound interest, any Prepayment Charge or Full Prepayment Charge, all Costs and Expenses, and all other amounts which are due and payable by the Mortgagor or any Borrower to the Mortgagee or which may be added to such Loan Indebtedness from time to time under the related Loan Documents or applicable laws;

**"Loan Insurance Policy"** means, in respect of any Loan, a policy of insurance issued by a Loan Insurer, pursuant to which the Mortgagee is insured by the Loan Insurer against default;

## TERMS AND CONDITIONS (CONTINUED)

“**Loan Insurer**” means, in respect of any Loan, the insurer under the Loan Insurance Policy, which may be CMHC or another loan insurer;

“**Mortgage**” means the mortgage or charge of the Property in favour of the Mortgagee, or its designated custodian or nominee, which secures the Obligations and which includes, as applicable, the Mortgage Form, these Standard Mortgage Terms, and all schedules thereto, each as amended, modified, replaced, and/or extended from time to time. Where electronic registration of the Mortgage is permitted by applicable laws, “Mortgage” also includes all such documents prepared in electronic format and registered electronically, including any documents and instruments authorizing such electronic registration. The delivery of the Mortgage for registration by direct electronic transmission shall have the same effect for all purposes as if the Mortgage was in written form, signed by the Mortgagor, and delivered by the Mortgagee;

“**Mortgage Form**” means, as applicable, the form of mortgage or charge prescribed by applicable laws, which incorporates these Standard Mortgage Terms as part of the Mortgage. If the Mortgage is to be registered electronically, “Mortgage Form” means such form prepared in electronic format;

“**Mortgagee**” means the person(s) named as the “Mortgagee” or “Chargee” in the Mortgage Form;

“**Mortgagor**” means the person(s) named as the “Mortgagor” or “Chargor” in the Mortgage Form;

“**Obligations**” means, at any particular time, without duplication, the aggregate of the Loans and related Loan Indebtedness, present and future, arising under each Loan Agreement and related Loan Documents as are secured by this Mortgage. “Obligations” include, without limitation, each Loan, the Loan Indebtedness, all amounts that may be added to such Loan Indebtedness or to the Obligations under the provisions of the Mortgage or the related Loan Documents, or under applicable laws, all other obligations, covenants, debts, liabilities, costs, and expenses at any time owing or remaining unpaid by the Mortgagor to the Mortgagee under or in respect of each Loan and the related Loan Documents, and all Costs and Expenses applicable to a Loan;

“**Permitted Mortgages**” means those mortgages or charges, other than the Mortgage, which are registered against the title to the Property from time to time and which have been approved by the Mortgagee;

“**Prepayment Charge**” or “**Full Prepayment Charge**”, in respect of any Loan, have the respective meanings set out in the related Loan Agreements;

“**Prime Lending Rate**” is the annual variable reference rate of interest that the Mortgagee sets and adjusts from time to time as its prime rate for Canadian dollar loans made in Canada (or if more than 1 rate is so designated at any time, the highest of such rates). The Prime Lending Rate can change at any time. The current Prime Lending Rate is available from the Mortgagee’s branch offices or from the Mortgagee’s website;

“**Program Administrator**” means CMHC, acting in the capacity as administrator and trustee of, and guarantor of timely payment of securities issued, under any CMHC Program.

“**Property**” means the lands and premises described in the Mortgage Form, all buildings, improvements, structures, and fixtures now or hereafter located on the land, and all rights and benefits of any kind belonging to such lands and premises;

“**Standard Mortgage Terms**” means this set of standard mortgage terms or Standard Mortgage Terms, as applicable;

“**Tax Instalments**” mean the amount the Mortgagor must pay to the Mortgagee so that the Mortgagee can pay the Taxes when due. The Tax Instalments include:

- a) a proportionate amount (e.g., 1/12<sup>th</sup> if payments are monthly, 1/26<sup>th</sup> if payments are bi-weekly, etc.) of the estimated annual Taxes (estimated by the Mortgagee), which shall be paid by the Mortgagor to the Mortgagee on each payment date, and
- b) the amount by which the actual annual Taxes are greater than the estimated annual Taxes, which shall be paid by the Mortgagor to the Mortgagee on demand by the Mortgagee; and

“**Taxes**” means all taxes, rates, levies, local improvement charges, and other amounts charged on the Property by any government authority from time to time, including all interest and penalties.

## 2. CONSENT TO COLLECT, USE, AND DISCLOSE PERSONAL INFORMATION

**2.1 CONSENT** – In connection with the processing, approving, funding, servicing, and administering, or any sale, securitization, or financing of all or any part of the Obligations, including any Loan or the related Loan Documents, or any interest therein, or for loan insurance or regulatory purposes, the Mortgagee and any other person having or subsequently acquiring any interest in all or any part of the Obligations, including any Loan or the related Loan Documents, from time to time may release, disclose, exchange, share, transfer, and assign from time to time, as it may determine in its sole discretion, all information and materials (including personal information and the documents referred to in Section 2.2 of these Standard Mortgage Terms) provided to or obtained by or on behalf of the Mortgagee relating to the Obligations, including any Loan or the related Loan Documents, the Mortgagor, any Borrower or Guarantor, or the Property (both before and after any advance, readvance, and/or default) without restriction and without notice to or the consent of the Mortgagor, any Borrower or Guarantor, or any other person to:

- a) any person having or proposing to acquire any interest in all or any part of the Obligations, including any Loan or the related Loan Documents, from time to time (including their respective advisors, agents, lawyers, accountants, consultants, appraisers, credit verification sources, custodians, credit rating agencies, servicers or other securitization participants),
- b) the Loan Insurer, if applicable,
- c) the Program Administrator, if applicable,
- d) any governmental authority having jurisdiction over the Mortgagee or any of its activities, and
- e) any other person in connection with any collection or enforcement proceedings taken under or in respect of all or any part of the Obligations, including any Loan or the related Loan Documents from time to time.

The Mortgagor irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer, and assignment of all such information and materials. The Mortgagee may also use and disclose your personal information according to the Mortgagee’s privacy policies, which may be obtained by contacting a Mortgagee’s representative.

**2.2 COPIES OF DOCUMENTS AND RECEIPTS** – Upon request, the Mortgagor will give the Mortgagee documents to verify credit, employment, residence, and other information with respect to the Mortgagor and any Borrower and Guarantor in connection with the processing, approving, funding, servicing, and administering of all or any part of the Obligations, including any Loan or the related Loan Documents, or any interest therein.

## 3. MORTGAGE AND REDEMPTION

**3.1 MORTGAGE OF PROPERTY** – As security for the payment and performance to the Mortgagee of all of the Obligations, in lawful money of Canada, together with interest thereon at the Interest Rate, both before and after default, the Mortgagor hereby mortgages and charges the Property to and in favour of the Mortgagee.

**3.2 LEASEHOLD INTEREST** – If any part of the Property is a leasehold interest, the Mortgagor hereby mortgages, charges, and subleases its leasehold interest in the Property to and in favour of the Mortgagee for and during the unexpired residue of the term of each Lease, except the last day of the term (which includes any renewal term) thereof, and all other leasehold estate, interest, term, and rights of renewal of the Mortgagor in respect of its leasehold interest in the Property and under each Lease, as security for the payment and performance to the Mortgagee of all of the Obligations, in lawful money of Canada, together with interest thereon at the Interest Rate, both before and after default.

**3.3 ACQUIRING GREATER INTEREST** – If the Mortgagor acquires any greater or additional interest in the Property, the Mortgagor by the Mortgage hereby mortgages and charges that greater or additional interest to the Mortgagee without the Mortgagor or the Mortgagee having to do anything further.

**3.4 CONTINUING SECURITY** – The Mortgage shall operate until the later of:

- a) the date that all Obligations have been fully paid and performed to and in favour of the Mortgagee in the manner contemplated by the Mortgage and each of the Loans and the related Loan Documents,
- b) the date that the Mortgagee has no further obligations to advance or re-advance any amounts under or on account of the Obligations, including any Loan, and
- c) the date that the Mortgagee discharges the Mortgage from all of the Property.

## TERMS AND CONDITIONS (CONTINUED)

The Mortgage shall not cease to operate although the Mortgagor may not be indebted to the Mortgagee at any particular time and notwithstanding fulfillment from time to time in whole or in part of any of the Obligations and notwithstanding any change in the nature or form of the Obligations but shall cease only upon delivery by the Mortgagee of a written discharge. Without limiting any other provision hereof, if the Mortgage secures, inter alia, a current or running account, any portion of the Obligations may be advanced or readvanced by the Mortgagee in one or more sums at any future date or dates, and the amount of such advances and readvances when so made will be secured by the Mortgage. The Mortgage will be security for the ultimate balance owing to the Mortgagee arising from any such current and running accounts represented by advances and readvances of the Obligations or any part thereof with interest thereon at the rate of interest specified in the related Loan Documents and all other amounts secured hereby and notwithstanding any change in the amount, nature, and form of the Obligations from time to time. If the whole or any part of the Obligations or other amount secured hereby is repaid, the Mortgage shall be and remain valid security for any subsequent advance or readvance of any part of the Obligations by the Mortgagee to the Mortgagor until such time as the Mortgagee has executed and delivered to the Mortgagor a complete discharge of the Mortgage.

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

**3.5 RIGHT TO MORTGAGE** – The Mortgagor now has good right, full power, and lawful and absolute authority to mortgage and charge the Property and to give the Mortgage to the Mortgagee upon the covenants contained in the Mortgage.

**3.6 IMPLIED STATUTORY COVENANTS** – If there is any conflict or inconsistency between any covenants and provisions implied or incorporated in the Mortgage by applicable laws of the Governing Jurisdiction and any covenant or provision of the Mortgage, the covenant or provision of the Mortgage shall prevail to the event of such conflict or inconsistency.

**3.7 NOT MORTGAGEE IN POSSESSION** – The exercise of any of the rights, remedies, and powers of the Mortgagee under the Mortgage will not deem the Mortgagee, the Loan Insurer, the Program Administrator, or their respective agents, to be a mortgagee in possession.

## 4. INTEREST

**4.1 INTEREST** – The Obligations shall bear interest at the Interest Rate set out in the applicable Loan Agreement, both before and after default, demand, maturity, and judgment until paid.

**4.2 COMPOUND INTEREST** – Interest shall accrue on overdue interest at the Interest Rate from time to time, both before and after default, demand, maturity, and judgment until paid and shall be due and payable by the Mortgagor to the Mortgagee forthwith. If such overdue interest and compound interest are not paid within the then current interest compounding period (as specified in the definition of Interest Rate), a rest shall be made and compound interest at the Interest Rate will be payable on the aggregate amount then due, both before and after default, demand, maturity, and judgment, and so on until paid. All compound interest shall be added to the Obligations and secured by the Mortgage.

**4.3 EQUIVALENT INTEREST RATES** – Unless otherwise expressly provided herein or in the applicable Loan Agreement, the Interest Rate shall be compounded monthly not in advance. The equivalent interest rate compounded semi-annually not in advance is set out in Schedule A — Table of Equivalent Rates.

## 5. PAYMENTS

**5.1 PROMISE TO PAY** – The Mortgagor acknowledges that the Mortgagor promises to pay the Obligations to the Mortgagee in accordance with the provisions of the applicable Loan Agreement, in lawful money of Canada, without legal or equitable set-off, deduction, or other abatement, claim, challenge, or objection of any kind. Without limiting the foregoing, and subject to Section 25 of these Standard Mortgage Terms, the Mortgagee, at its sole option exercisable in its sole discretion, may make a demand or demands for payment of all or any part of the Obligations at any time and from time to time after the occurrence of an Event of Default. Upon making any such demand, all of the Obligations so demanded shall become immediately due and payable to the Mortgagee, whether or not such Obligations are otherwise then due and payable in accordance with the terms of the applicable Loan Documents.

**5.2 APPLICATION OF PAYMENTS** – The Mortgagee will apply all payments (including prepayments) received from the Mortgagor, the Borrower, any Guarantor, or any other person in respect of the Obligations in accordance with Section 25 of these Standard Mortgage Terms and the provisions of the related Loan Agreements.

**5.3 PLACE OF PAYMENTS** – The Mortgagor will make all payments under the Mortgage at the address of the Mortgagee set out in the Mortgage Form or at any other address specified by the Mortgagee from time to time.

**5.4 TIME OF PAYMENTS** – Payments received by the Mortgagee on a day which is not a Business Day of the Mortgagee's branch where the payment was made, or after 2:00 pm (Governing Jurisdiction time) on such Business Day of the Mortgagee, will be considered received by the Mortgagee on the next such Business Day of the Mortgagee.

**5.5 PREPAYMENT RIGHTS** – Except as otherwise expressly provided in the applicable Loan Agreement relating to each Loan, neither the Mortgagor nor any Borrower, Guarantor, or any other person shall have the right to prepay all or any part of the Obligations prior to the due date thereof.

## 6. TITLE AND CONDITION OF THE PROPERTY

**6.1 TITLE TO PROPERTY** – The Mortgagor represents that:

- a) the Mortgagor, at the time of the execution and delivery of the Mortgage, is the sole legal and beneficial owner of the Property, and
- b) if all or any part of the Property is a leasehold interest, the Mortgagor has a valid and existing leasehold estate as lessee under each Lease and has the right to mortgage, charge, and sublease the entire leasehold estate in the Property to the Mortgagee.

**6.2 CONDITION AND REPAIR OF PROPERTY** – The Mortgagor will:

- a) keep the Property and any buildings and other improvements in good condition and repair at all times,
- b) not demolish any of the buildings or other improvements on the Property,
- c) promptly repair any damage to the Property and any of the buildings or other improvements, and
- d) comply with all applicable laws affecting the Property, including all health, fire, safety, and land-use by-laws and building codes, and not change the present use of the Property without the consent of the Mortgagee.

**6.3 INSPECTIONS** – The Mortgagor authorizes the Mortgagee and its authorized representatives, including the Loan Insurer and the Program Administrator, to enter upon the Property and to enter any buildings on the Property at any time:

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

**6.4 MORTGAGOR'S AGREEMENTS REGARDING INSPECTIONS** – The Mortgagor agrees:

- a) to pay on demand all costs of any environmental testing, site assessment, investigation, or study undertaken pursuant to article 6.3 b) above and until paid, all such costs, together with interest thereon at the Interest Rate, shall be added to the Obligations and secured by the Mortgage, and
- b) that entry on the Property by the Mortgagee or its authorized representatives pursuant to article 6.3, Inspections, will not deem the Mortgagee or its authorized representatives to be in possession, management, or control of the Property or any part thereof.

**6.5 EFFECT OF SALE** – The Mortgagor will not be released from any of the Mortgagor's covenants, agreements, and liabilities contained in the Mortgage if the Mortgagor sells the Property or the Mortgagor's interest in the Property.

## 7. LEASEHOLD PROVISIONS

**7.1 LEASEHOLD** – The provisions of this article will only apply if the Property shown in the Mortgage Form is a leasehold interest.

**7.2 STATE OF LEASE** – The Mortgagor promises that:

- a) on the date of execution of the Mortgage no default has occurred and is continuing under any Lease,
- b) each Lease is a valid and existing lease for the term set out in the Lease,

## TERMS AND CONDITIONS (CONTINUED)

- c) all rents and other monies payable under each Lease have been paid in full, and
- d) if the lessor's or landlord's consent is required under any Lease in order for the Mortgagor to rightfully mortgage, charge, or sublease the Mortgagor's leasehold interest under any Lease in the Property to the Mortgagee, the Mortgagor has received that consent.

### 7.3 MORTGAGOR'S PROMISES – The Mortgagor promises that the Mortgagor:

- a) will do everything the Mortgagor is required to do, and not do anything the Mortgagor is not supposed to do, under each Lease,
- b) will not surrender any Lease or permit it to be terminated,
- c) will not agree to any amendment to any Lease without the Mortgagee's written approval,
- d) will promptly give the Mortgagee a copy of any notice, demand, or other document the Mortgagor receives in connection with any Lease,
- e) will hold the last day of the term (including any renewal term) of each Lease in trust for the Mortgagee and transfer or otherwise deal with such last day solely as the Mortgagee directs. If the Mortgagee sells the Property following an Event of Default, the Mortgagor will hold such last day of the term of any Lease (including any renewal term) in trust for the person(s) who purchase the Property, and
- f) will protect and indemnify the Mortgagee from all actions, claims, losses, costs, and demands arising from or relating to any default under, termination of, or surrender of the Lease, and
- g) irrevocably appoints the Mortgagee as its attorney, coupled with an interest, for the purposes of assigning the last day of the term or any renewal term on behalf and in the name of the Mortgagor.

### 7.4 AGENT – The Mortgagor hereby appoints the Mortgagee as the agent of the Mortgagor for the purpose of assigning the Mortgagor's interest in the Lease and/or conveying the unexpired balance of the term of the Lease as the Mortgagee may determine in its sole discretion.

## 8. CHARGES AGAINST THE PROPERTY

### 8.1 DUE ON SALE OR ENCUMBRANCE

- a) If, without the prior written consent of the Mortgagee:
  - i) the Mortgagor sells, conveys, transfers, or assigns all or any part of the Property or any interest therein,
  - ii) except for any Permitted Mortgages, any mortgage, charge, lien, or other financial encumbrance is registered against the Property (other than in favour of the Mortgagee), whether ranking prior to, equally with, or subordinate to the Mortgage, or
  - iii) where the Mortgagor is a corporation or a partnership, any direct or indirect change in the effective voting control of any person (including any general partner of a partnership) comprising the Mortgagor from that existing as of the initial Loan advance under the Mortgage (including any change of ownership of 50% or more of the voting securities in any such person),the Obligations secured by the Mortgage will, at the option of the Mortgagee, in its sole discretion, become immediately due and payable on demand.
- b) For the purposes of this article 8.1, a "change of control" of a corporation will be deemed to occur if:
  - i) there is a change of control in fact of the corporation within the meaning of section 256(5.1) and related sections of the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp), or
  - ii) more than 10% of the issued shares of the corporation carrying voting rights in respect of the election of directors of the corporation become owned by a body corporate, person, or group of persons other than that or those which own or owns the issued voting shares in the corporation as at the date of the Mortgage.
- c) For purposes of this article 8.1, the Mortgagee may give or withhold its consent in its sole discretion. As a condition of giving any consent, the Mortgagee may require or impose such conditions as it sees fit, including but not limited to the requirement that any purchaser, transferee, or assignee execute an assumption agreement in favour of the Mortgagee on such terms and conditions as the Mortgagee requires in its sole discretion.

### 8.2 NO OTHER CHARGES OR LIENS ON TITLE – If there are any mortgages, charges, liens, or other financial encumbrances registered against the title to the Property other than any Permitted Mortgages, the Mortgagor will immediately cause those mortgages, charges, liens, or other financial encumbrances registered to be satisfied and discharged from the title to the Property.

### 8.3 OBLIGATIONS UNDER PERMITTED MORTGAGES – The Mortgagor promises to fulfill all of the Mortgagor's obligations under all Permitted Mortgages.

### 8.4 DEFAULT UNDER FINANCIAL ENCUMBRANCES – If the Mortgagor defaults under any financial encumbrances pertaining to the Property other than the Mortgage:

- a) the Mortgagee may elect in its sole discretion to cure any such default; and
- b) any amount paid or incurred by the Mortgagee will be immediately due and payable by the Mortgagor to the Mortgagee under this Mortgage, and, until paid, all such amounts, together with interest thereon at the Interest Rate, shall be added to the Obligations and secured by the Mortgage.

### 8.5 NO ACT TO ENCUMBER – The Mortgagor has not willfully or knowingly done or allowed anything to be done to affect or encumber the title to all or any part of the Property, except as the records of the Land Title Office disclose.

## 9. ADVANCES AND READVANCES

### 9.1 NO OBLIGATION TO ADVANCE – None of the following will require the Mortgagee to advance or readvance money (or any further money) upon the security of the Mortgage:

- a) the signing of the Mortgage,
- b) the registration of the Mortgage, or
- c) any prior advance or readvance of any monies secured by the Mortgage.

The terms and conditions of each advance or readvance of any Loan will be governed by the applicable Loan Agreement.

### 9.2 DIFFERENT RECORDING AND ACCOUNTING FOR ADVANCES – Particular advances or readvances secured by the Mortgage may be recorded and accounted for separately and differently from those applicable to other advances or readvances.

### 9.3 EXTENSION OR AMENDMENT – If the Mortgagee agrees to renew, extend, or amend a Loan Agreement or this Mortgage, such renewal, extension, or amending agreement need not be registered against the title to the Property. Such agreement will be binding upon the Mortgagor, its assignees, and all subsequent mortgagees, encumbrancers, or other parties claiming an interest in the Property. Such agreement will take priority as against such assignees and subsequent mortgagees, encumbrancers, and other parties. It will not be necessary to register such agreement in order to retain the priority of the Mortgage so altered; provided, however, that the Mortgagee may at any time, in its sole discretion, register such agreement or a caveat pursuant to such agreement. It is expressly acknowledged that such agreement may increase the Interest Rate chargeable for any Loan secured by this Mortgage.

## 10. INSURANCE

### 10.1 INSURANCE REQUIREMENTS – Beginning from the time the Mortgage is signed and continuing as long as the Mortgage is registered against the Property, the Mortgagor will insure the buildings and other improvements on the Property against loss or damage by fire with extended perils coverage and coverage for other perils required by the Mortgagee in an amount not less than 100% of the full replacement cost of the buildings and other improvements in Canadian dollars. The Mortgagor will not do or permit anything to be done which might impair, reduce, or void such insurance.

## TERMS AND CONDITIONS (CONTINUED)

If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker, or sprinkler system or any other comparable equipment is operated on the Property, the Mortgagor must also have insurance coverage for loss or damage caused to such equipment and by such equipment (including explosion of such equipment).

If the Property includes a Condominium Unit:

- a) insurance maintained by the Condominium Corporation in accordance with its statutory obligation under the Condominium Act shall be deemed, for the purposes of the Mortgage, to be insurance maintained by the Mortgagor to the extent such insurance is attributable to the Condominium Unit and otherwise complies with the provisions of this article, and
- b) the Mortgagor will, if required by the Mortgagee, obtain and maintain, in respect of the Condominium Unit, additional insurance for such perils and/or additional amounts, in excess of the insurance maintained by the Condominium Corporation.

**10.2 INSURANCE POLICY** – The insurance policy will be provided by an insurer satisfactory to the Mortgagee. The insurance policy will be in a form acceptable to the Mortgagee and will contain a standard mortgagee clause acceptable to the Mortgagee.

**10.3 INSURANCE PROCEEDS PAYABLE TO MORTGAGEE** – The insurance policy will require that the proceeds of any claim will be payable to the Mortgagee after paying amounts properly payable to the holders of any prior mortgages or charges of the Property.

The Mortgagor hereby assigns and releases to the Mortgagee all rights of the Mortgagor to receive all insurance proceeds and expressly waives all rights and benefits, to the extent permitted by applicable laws, pursuant to any legislation which provides for a contrary application of such insurance proceeds. Pending receipt of such insurance proceeds by the Mortgagee, such insurance proceeds will be deemed to be part of the Property and shall be subject to the security of the Mortgage.

**10.4 COPIES OF INSURANCE POLICIES AND RECEIPTS** – Upon request, the Mortgagor will give the Mortgagee:

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

If required by the Mortgagee, the Mortgagor will deliver evidence of renewal to the Mortgagee 15 days prior to expiry of the insurance policy or renewal policy.

**10.5 DAMAGE TO BUILDINGS** – If the buildings or other insured improvements on the Property are damaged, the Mortgagor will immediately notify the Mortgagee. If the damage is covered under an insurance policy, the Mortgagor will immediately file a claim with the insurer and furnish, at the Mortgagor's expense, all necessary proofs of loss and do all necessary acts required to obtain payment of any insurance proceeds in accordance with each policy of insurance.

The Mortgagor hereby grants to the Mortgagee an irrevocable power of attorney, coupled with an interest, for the purposes of obtaining and collecting all insurance proceeds relating to all buildings or other insured improvements on the Property, compromising or settling any claims relating to such proceeds, endorsing any cheques, drafts, or other instruments representing such proceeds, and executing and delivering all instruments, proofs of loss, receipts, and releases required in connection therewith.

**10.6 USE OF INSURANCE PROCEEDS** – The Mortgagee may use any insurance proceeds received by it in any of the following ways, in its sole discretion:

- a) to pay for repairing the damage to the buildings or other improvements on the Property,
- b) to pay the Obligations whether or not these amounts are then payable, or
- c) to pay such proceeds to the Mortgagor or any other person claiming through the Mortgagor (including any subsequent encumbrancer of the Property).

**10.7 FAILURE TO INSURE** – If the Mortgagor fails to insure the Property in accordance with the Mortgage or any of the Loan Documents in respect of any Loan, or does not pay any premium for any insurance policy in respect of the Property when due, then, without limiting any of its other rights and remedies under the Mortgage or such other Loan Documents, the Mortgagee may, but is not obligated to, arrange for such insurance and/or pay such insurance premium(s). Any insurance premiums or other amounts paid or incurred by the Mortgagee shall be immediately due and payable by the Mortgagor to the Mortgagee and until paid, the cost of such premiums and other amounts, together with interest at the Interest Rate under this Mortgage, shall be added to the Obligations and secured by the Mortgage.

## 11. TAXES

**11.1 PAYMENT OF TAXES** – The Mortgagor will pay, or cause to be paid, all Taxes when due.

**11.2 PROOF OF PAYMENT** – The Mortgagor will give the Mortgagee proof of payment of Taxes on or before December 31 each year and otherwise upon request by the Mortgagee.

**11.3 TAX INSTALMENTS** – If required by the Mortgagee, the Mortgagor will pay Tax Instalments to the Mortgagee on the payment dates under each Loan so that the Mortgagee can pay the Taxes when due. The Mortgagor shall not be entitled to receive interest or other investment earnings on such Tax Instalments.

If the Mortgagor is required to pay Tax Instalments to the Mortgagee, the Mortgagor will deliver the tax bill to the Mortgagee not later than 15 days before the Taxes become due and payable.

**11.4 PAYMENT OF TAXES BY MORTGAGEE** – Until an Event of Default has occurred, the Mortgagee will use the Tax Instalments received from the Mortgagor to pay the Taxes when due. Following the occurrence of an Event of Default, the Mortgagee may apply, at its option, the Tax Instalments to partial payment of the Obligations.

**11.5 GRANTS AND REBATES** – It is the responsibility of the Mortgagor to apply for government grants, assistance, or rebates with respect to Taxes.

## 12. COSTS AND EXPENSES

**12.1 COSTS AND EXPENSES** – The Mortgagor covenants to pay all Costs and Expenses to the Mortgagee forthwith upon demand, whether or not all or any part of the Obligations is advanced. Until paid, all Costs and Expenses, together with interest thereon at the Interest Rate, shall be added to the Obligations and secured by the Mortgage.

**12.2 GENERAL RIGHTS OF THE MORTGAGEE** – At any time following the occurrence of an Event of Default, the Mortgagee may, but shall not be obligated to, perform or cause to be performed any of the obligations of the Mortgagor or any Borrower under or in respect of the Mortgage, any Loan, or the related Loan Documents, and for such purpose may do all such things as may be required to perform such obligations, including entering upon the Property and doing such things upon the Property as the Mortgagee considers necessary in its sole discretion. No such performance by the Mortgagee shall relieve the Mortgagor or any Borrower from any default under or in respect of the Mortgage, any Loan, or the related Loan Documents or result in the Mortgagee being a mortgagee in possession. The costs of all such actions taken by the Mortgagee shall be payable by the Mortgagor and the related Borrower to the Mortgagee forthwith upon demand. Until paid, such costs, together with interest thereon at the Interest Rate, shall be added to the Obligations and secured by the Mortgage.

**12.3 PAYMENT OF OTHER MORTGAGES** – If there is default by the Mortgagor under any other charge, mortgage, lien, or other financial encumbrance of the Property, whether or not it has priority over the Mortgage, the Mortgagee may, in its sole discretion and without obligation, pay all or any part of the indebtedness secured by such charge, mortgage, lien, or other financial encumbrance from time to time, and all such amount(s) so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee forthwith upon demand together with interest thereon at the Interest Rate, and until paid, all such amounts and accrued interest shall be added to the Obligations and be a separate and distinct Loan secured by this Mortgage. Without limiting the foregoing, the Mortgagee will be subrogated to the rights of, stand in the position of, and be entitled to all of the equities of the person so paid, whether or not such charge, mortgage, lien, or other encumbrance has been discharged. If and for so long as a Loan secured by this Mortgage is an Insured Loan, then, subject to the requirements of the Loan Insurance Policy, the Insured Loan will have priority as to payment, collection, enforcement and realization over such Obligations added pursuant to this Section 12.3.

## 13. EVENTS OF DEFAULT

**13.1 EVENTS OF DEFAULT** – Without limiting any other provisions of any Loan or the related Loan Documents, and subject to the provisions of Section 25.4 of these Standard Mortgage Terms, the occurrence of each of the following events is a "default" or "Event of Default" under the Mortgage:

- a) if the Mortgagor fails to pay or perform all or any part of the Obligations when due or if the Mortgagor fails to pay any Tax Instalments to the Mortgagee when required by the Mortgagee;
- b) if the Mortgagor, or any Borrower or Guarantor, commits a breach of or fails to observe or perform any covenant or obligation under or in respect of the Mortgage or any Loan or the related Loan Documents;
- c) if any representation or warranty of the Mortgagor, or any Borrower or Guarantor, under or in respect of the Mortgage, or any of the Obligations, including any Loan or the related Loan Documents, or in any certificate, statement, or notice referred to therein or delivered pursuant thereto, is false, incorrect, or misleading in any respect on the date given or made;

## TERMS AND CONDITIONS (CONTINUED)

- d) any default by the Mortgagor under or in respect of any other mortgage, charge, lien, or other financial encumbrance affecting the Property, whether or not it has priority over the Mortgage;
- e) any construction or builders lien is registered against title to the Property, which is not removed from title within a period of 10 days after the earlier of the Mortgagor having actual knowledge of the registration of such lien or the Mortgagee giving written notice of such lien to the Mortgagor by which the Mortgagee requests the lien to be removed from title;
- f) the Property is abandoned, any act of waste is committed with respect to all or any part of the Property, or any building, structure, or other addition, alteration or improvement now or hereafter being constructed on the Property remains unfinished without continuation of work for a period of 10 consecutive days;
- g) the Mortgagor, or any Borrower or Guarantor, commits any act of bankruptcy, becomes insolvent, or admits its insolvency (as defined or provided for in any applicable statute);
- h) the Mortgagor, or any Borrower or Guarantor, or any of its property, becomes subject to any execution, seizure, or process of any court or to distress or any analogous process;
- i) if any Mortgagor, Borrower, or Guarantor dies;
- j) if any receiver, manager, receiver and manager, trustee, sequestrator, liquidator or other person(s) with similar powers is appointed (pursuant to the Mortgage or any related Loan Documents, applicable laws, or otherwise) in respect of the Mortgagor, any Borrower or Guarantor, or the Property; and
- k) any "default" or "Event of Default" occurs under or in respect of any Loan or the related Loan Indebtedness and Loan Documents (as such terms are defined in the Loan Agreement relating to such Loan).

**13.2 ACCELERATION ON DEFAULT** – At any time following the occurrence of an Event of Default, the Obligations shall, at the option of the Mortgagee in its sole discretion, become immediately due and payable to the Mortgagee, all without notice, presentment, protest, demand, notice of dishonour, or any other demand or notice whatsoever, each of which are expressly waived by the Mortgagor, and all of the Mortgagee's rights, remedies, and powers under or in respect of the Obligations, the Mortgage, each Loan and related Loan Documents, and applicable laws shall immediately become enforceable. Interest at the Interest Rate shall accrue on the Obligations so demanded until paid in full.

**13.3 EXTENSIONS AND WAIVERS** – Neither any extension of time given by the Mortgagee to the Mortgagor, any Borrower or Guarantor, nor any amendment to the Mortgage, any Loan or related Loan Documents, nor any other dealing by the Mortgagee with any subsequent owner of the Property or any other person, will in any way affect or prejudice the rights and remedies of the Mortgagee against the Mortgagor or any Borrower or Guarantor under or in respect of the Mortgage, the Obligations, including any Loan or the related Loan Indebtedness and Loan Documents, and/or the Property. The Mortgagee may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same or similar to the Event of Default that has been waived. Each extension, waiver, and/or amendment must be in writing and signed by the Mortgagee to be effective. Any failure by the Mortgagee to exercise, or any delay by the Mortgagee in exercising, any right or remedy under or in respect of the Mortgage, the Obligations, including any Loan or the related Loan Indebtedness and Loan Documents, and/or the Property will not operate as a waiver of such right or remedy.

## 14. ENFORCEMENT AND COLLECTION

**14.1 REMEDIES ON DEFAULT** – Upon the occurrence of an Event of Default, at the option of the Mortgagee, all of the Obligations together with all interest thereon at the applicable Interest Rate shall immediately become due and payable to the Mortgagee on demand. In addition to all other rights and remedies available to the Mortgagee under or in respect of any Loan and the related Loan Documents and/or applicable laws, each of the following rights and remedies shall become immediately exercisable by the Mortgagee:

- a) sue the Mortgagor for the Obligations so demanded;
- b) any one or more of the following:
  - i) enter into possession and use of the Property or any part or parts thereof with power, among other things, to exclude the Mortgagor from them;
  - ii) preserve and maintain the Property and make such repairs, replacements, alterations, and additions to the whole or any part of the Property that the Mortgagee may think advisable;
  - iii) satisfy the whole or any part of any prior mortgage, charge, lien, or financial encumbrance then affecting the Property;
  - iv) collect and receive rents, income, and profits of all kinds owing to the Mortgagor in respect of the Property (with or without taking possession of the Property) and pay from them all expenses of maintaining, preserving, protecting, and operating the Property, including payments which may be due for insurance, Taxes, assessments, and any prior mortgage, charge, lien, or financial encumbrance of the Property, and for the services of lawyers, agents, and other persons, and all costs, charges, and expenses incurred in connection with the execution of the rights, remedies, and powers by the Mortgagee under or in respect of the Mortgage, any Loan and the related Loan Documents, and/or enjoy and exercise all rights and powers necessary to the performance of all functions made necessary or advisable by possession, including (without limitation) the power to advance its own monies (with interest payable thereon at the Interest Rate) and enter into contracts and to undertake obligations for the foregoing purposes upon the security of the Mortgage;
- c) take proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Property or the Mortgagor, and removal or replacement from time to time of any such receiver;
- d) take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Property, with or without entry into possession thereof;
- e) file proofs of claim and other documents to establish the claims of the Mortgagee in any proceeding relating to the Mortgagor;
- f) take any action or proceeding to enforce the performance of any covenant or obligation in favour of the Mortgagee under or in respect of the Mortgage and/or any Loan and the related Loan Documents, whether before or after entry into possession of the Property;
- g) sell, lease, or otherwise dispose of all or any part of the Property in accordance with article 14.2, Power of Sale, whether before or after entry into possession of the Property;
- h) appoint by instrument in writing a receiver of all or any part of the Property, whether before or after entry into possession of the Property, and remove or replace any such receiver from time to time;
- i) pursuant to article 14.5, Right to Distrain, distrain for arrears of payments in respect of the Obligations, interest thereon at the Interest Rate, or any other amount payable under the Mortgage in respect of the Obligations; and
- j) take any other remedy or proceeding authorized or permitted by the Mortgage, any Loan or the Loan Documents, and/or applicable laws.

No right, remedy, or power of the Mortgagee under the Mortgage or which the Mortgagee may have under applicable laws shall be exclusive or dependent on any other right, remedy, or power, but any 1 or more of such rights, remedies, or powers may from time to time be exercised independently or in combination. The rights, remedies, and powers conferred under the Mortgage are supplementary to and not in substitution for any of the other rights, remedies, and powers which the Mortgagee may have or be entitled to under or in respect of any of the Obligations, including any Loan or the related Loan Indebtedness and Loan Documents, applicable laws, or otherwise.

## 14.2 POWER OF SALE

- a) **Power of Sale** – After the occurrence of an Event of Default which has continued for the minimum period of time required by applicable laws, the Mortgagee, on giving the minimum notice required by applicable laws, may enter on, lease, or sell the Property. If permitted by applicable laws, the Mortgagee may enter on, lease, or sell the Property without notice.
- b) **Terms of Sale** – Any sale of the Property by the Mortgagee may be by public auction or private sale for such price and on such terms as to credit and otherwise with such conditions of sale as the Mortgagee deems proper in its sole discretion and in accordance with applicable laws. If any sale is for credit or for part cash and part credit, the Mortgagee will not be accountable for or be charged with any monies until they are actually received in cash.

The Mortgagee may rescind or vary any contract or sale and may buy and re-sell the Property, in each case in its sole discretion and without being answerable for loss occasioned thereby.

No purchaser will be bound to inquire into the legality, regularity, or propriety of any sale or be affected by notice of any irregularity or impropriety. No lack of default, want of notice, or other requirement, or any irregularity or impropriety of any kind will invalidate any sale pursuant to the Mortgage and the purchaser shall not be responsible for any damage or loss caused thereby.

## TERMS AND CONDITIONS (CONTINUED)

The Mortgagee may sell without entering into actual possession of the Property and while in possession will be accountable only for monies which are actually received by it. The Mortgagee may, subject to the restrictions of applicable laws, sell parts of the Property from time to time to satisfy any portion of the Obligations, leaving the remainder of the Property as security for the balance of the Obligations. The Mortgagee may sell the Property or any portion of the Property subject to the balance of the Obligations not yet due at the time of such sale.

The costs of any sale or other enforcement or realization proceedings pursuant to the Mortgage, any Loan or Loan Documents, and/or applicable laws, whether such sale or other proceeding proves abortive or not, including taking, recovering, or keeping possession of the Property or enforcing any other rights, remedies, or powers pursuant to the Mortgage, the related Loan Documents, and/or applicable laws, shall be payable upon demand by the Mortgagor to the Mortgagee, together with interest thereon at the Interest Rate, and until paid shall be added to the Obligations and secured by the Mortgage.

**14.3 OTHER SECURITY HELD BY THE MORTGAGEE** – If the Mortgagee holds other security as security for repayment of the Obligations, the Mortgagee may realize on such security or the Mortgage in any order it decides. Any action under such security will not prevent action being taken under the Mortgage and vice versa.

**14.4 QUIET POSSESSION** – Where the Mortgagee enters on and takes possession of the Property, the Mortgagee shall enter into, have, hold, use, occupy, possess, and enjoy the Property without the let, suit, hindrance, interruption, or denial of the Mortgagor or any other person or persons whomsoever.

**14.5 RIGHT TO DISTRAIN** – After the occurrence of an Event of Default, the Mortgagee can distraint upon the goods and chattels of the Mortgagor located in or upon the Property or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the Property, any interest that remains in arrears and unpaid under or in respect of the Mortgage and each Loan, and all costs, charges, and expenses for such levy of distress, as in similar cases of distress for rent. The Mortgagee may distraint for arrears of principal in the same manner as if the same were arrears of interest.

a) As security for such amounts, the Mortgagor hereby attorns to the Mortgagee and becomes a tenant of the Property from the day of execution of the Mortgage at a rental equivalent to such amounts. Notwithstanding the relationship of landlord and tenant created by this provision, in the event of any conflict, the primary relationship of secured creditor and debtor shall prevail.

b) Upon any Event of Default, the Mortgagee may terminate such tenancy without notice to the Mortgagor and without affecting any of the other Obligations of the Mortgagor hereunder.

**14.6 REMEDIES CUMULATIVE** – The rights, remedies, and powers of the Mortgagee under or in respect of the Mortgage are cumulative and are in addition to and not in substitution for any rights, remedies, or powers otherwise provided under or in respect of each Loan and the related Loan Documents or applicable laws. No right, remedy, or power of the Mortgagee shall be exclusive of or dependent on any other right, remedy, or power and any one or more of such rights, remedies, and powers may be exercised independently or in combination from time to time in such order and at such times as the Mortgagee may see fit, and the Mortgagee will not be obligated to exhaust any right, remedy, or power before exercising any of its other rights, remedies, and powers under or in respect of the Mortgage, the Obligations, including each Loan and the related Loan Indebtedness and Loan Documents, and/or applicable laws. Any single or partial exercise by the Mortgagee of any right, remedy, or power for a default or breach of any term, covenant, condition, or agreement under or in respect of the Mortgage, the Obligations, including each Loan and the related Loan Indebtedness and Loan Documents and/or applicable laws shall not waive, alter, affect, or prejudice any other right or remedy to which the Mortgagee may be lawfully entitled for such default or breach.

## 15. RECEIVER

**15.1 RECEIVER'S POWERS** – Any receiver appointed by the Mortgagee may:

- a) take possession of all or any part of the Property,
- b) maintain, repair, and preserve the Property and complete any incomplete improvements on the Property,
- c) lease the Property or any parts of the Property on any terms the receiver decides in its sole discretion,
- d) collect all rents, income, and profits from the Property, and
- e) sue in the name of the Mortgagor or the Mortgagee to collect any income from the Property.

Subject to the terms of the instrument appointing the receiver, such receiver may, in the sole discretion of the Mortgagee, have all of the rights, remedies, and powers of the Mortgagee, including the full right and power to enter, lease, and sell the Property. The Mortgagor agrees to ratify and confirm all actions of the receiver taken pursuant to the Mortgage or under applicable laws and agrees that neither the Mortgagee or any receiver will be liable for any loss sustained by the Mortgagor as a result of any such action or failure to act.

**15.2 REMOVAL AND REAPPOINTMENT** – Any receiver appointed by the Mortgagee may be removed by the Mortgagee and another receiver appointed in the receiver's place.

**15.3 RECEIVER IS AGENT OF MORTGAGOR** – Any receiver appointed by the Mortgagee will be the Mortgagor's agent (provided no such appointment is revocable). The Mortgagor will be responsible for all actions of the receiver. Nothing done by the receiver will make the Mortgagee liable as a mortgagee in possession.

**15.4 RECEIVER'S FEE** – The receiver shall be entitled to receive a fee, commission, or disbursement from the rents, income, profits, and proceeds of sale collected by the receiver, to a maximum as determined by the laws of the Governing Jurisdiction or any higher rate permitted by court. The receiver will be reimbursed for all the receiver's costs and expenses in exercising the receiver's powers.

**15.5 DEDUCTIONS FROM GROSS INCOME** – The receiver may deduct its fee and expenses from any rents, profits, income, or proceeds of sale received by the receiver, and the balance of any income will be paid to the Mortgagee or otherwise as required by applicable laws.

## 16. CONSOLIDATION

**16.1 CONSOLIDATION OF ALL MORTGAGES ON DEFAULT** – Subject to Section 25 of these Standard Mortgage Terms, the doctrine of consolidation will apply to the Mortgage and any other mortgages granted by the Mortgagor to the Mortgagee. This means that if the Mortgagor has granted any other mortgages to the Mortgagee then, after default, the Mortgagee may consolidate the Mortgage with all of the mortgages so that the Mortgagor cannot repay the amounts secured by any one of the mortgages without repaying all of the monies secured by all of the mortgages.

## 17. DISCHARGE OR TRANSFER OF MORTGAGE

**17.1 DISCHARGE OF MORTGAGE** – If, at any time:

- a) there are no Obligations outstanding and secured by the Mortgage (and all Loan Agreements in the form of a guarantee given by the Mortgagor to the Mortgagee have been released),
- b) any obligations of the Mortgagee to make advances under any Obligations or Loan that will be secured by the Mortgage have been terminated, and
- c) the Mortgagor is not in default under the Mortgage,

then, at the request of the Mortgagor, the Mortgagee will, within a reasonable time after such request, prepare and sign a discharge of the Mortgage. The Mortgagee will give the discharge of the Mortgage to the Mortgagor when the Mortgagor pays to the Mortgagee the following fees and expenses:

- the Mortgagee's standard fee for signing a discharge of mortgage, and
- all of the Mortgagee's expenses of preparing and signing the discharge of mortgage.

Those fees and expenses will be payable by the Mortgagor only if, and to the extent that, the Mortgagee is not prohibited by applicable laws from charging fees and recovering its expenses in connection with a discharge of the Mortgage.

**17.2 REGISTRATION OF DISCHARGE OF MORTGAGE** – The Mortgagor will be responsible for registering a Discharge of Mortgage to remove the Mortgage from the title to the Property.

**17.3 VOLUNTARY TRANSFER OF THE MORTGAGE** – The Mortgagee may transfer or assign the Mortgage (including registered and documentary title) to any person, including any custodian, nominee, Loan Insurer or Program Administrator, at any time and upon such terms as the Mortgagee may decide without restriction by, notice to, or consent of, the Mortgagor or any Borrower or Guarantor. If the Mortgagee transfers or assigns the Mortgage, the person to whom it is transferred will have all the powers, rights, and remedies available to the Mortgagee in the Mortgage and thereafter, all references in the Mortgage to "Mortgagee" will mean the person to whom the Mortgagee has transferred or assigned the Mortgage.



## 18. SUBDIVISION, PARTIAL DISCHARGES, AND RELEASES

**18.1 DIVISION OF PROPERTY** – Every part or lot into which the Property is or may hereafter be divided will stand charged with the entire Obligations and neither the Mortgagor nor any Borrower, Guarantor, or any other person shall have any right to require that the Obligations be apportioned with respect thereto.

**18.2 PARTIAL DISCHARGES** – The Mortgagee may release in its discretion and at any time any person or any part or parts of the Property from all or any part of the Obligations or any security of the Mortgage or any other Loan Documents in respect of any Loan, either with or without any consideration and without releasing any other part of the Property or any other person from the Mortgage or such other Loan Documents or from any of the covenants contained therein, and without being accountable to the Mortgagor, any Borrower or Guarantor, or any other person for the value of the land released or for any money except that actually received by the Mortgagee.

The Mortgagee may grant time, renewals, extensions, indulgences, releases, and discharges, may take securities from and give the same up, may abstain from taking securities from or from perfecting securities, may accept compositions and proposals, and may otherwise deal with the Mortgagor, any Borrower or Guarantor, and all other persons and securities as the Mortgagee may see fit without prejudicing the rights of the Mortgagee under the Mortgage, the Obligations, or any Loan or the related Loan Indebtedness and Loan Documents. No such release or other action shall constitute, evidence, or result in prepayment, repayment, readvance, accord and satisfaction, novation, nor, except as expressly provided in such release or discharge, a release or discharge of all or any part of the Obligations, including any Loan or the related Loan Indebtedness and the Loan Documents, or a release of any of the other covenants, obligations, or liabilities of the Mortgagor, any Borrower or Guarantor, or any other person in respect thereof. No such release or other action shall be binding on the Mortgagee unless it is made in writing and executed and delivered by the Mortgagee.

## 19. CONDOMINIUM PROPERTY PROVISIONS

**19.1 CONDOMINIUM PROPERTY** – If the Property includes a Condominium Unit, this article will apply.

**19.2 OBLIGATIONS UNDER CONDOMINIUM ACT** – The Mortgagor will fulfill all the obligations of a Condominium Unit owner under the Condominium Act and the Condominium Documents, and will pay promptly when due all Common Expenses in respect of the Condominium Unit. The Mortgagor will provide to the Mortgagee, on request, proof that all such obligations have been fulfilled and all such Common Expenses have been paid. If the Mortgagor defaults in the payment of any Common Expenses when due, or upon any default or breach by the Mortgagor of any covenant or obligation of a Condominium Unit owner under the Condominium Act or Condominium Documents, then, without limiting any other rights and remedies of the Mortgagee under or in respect of the Mortgage, the Obligations, including each Loan and the related Loan Indebtedness and Loan Documents, and/or applicable laws, the Mortgagee, at its option and in its sole discretion, but without obligation, may pay such outstanding Common Expenses and/or rectify any such default or breach by the Mortgagor. All costs incurred by the Mortgagee in paying such amounts and/or rectifying such default or breach shall be payable by the Mortgagor to the Mortgagee immediately on demand and until paid, such costs, together with interest thereon at the Interest Rate, shall be added to the Obligations and secured by the Mortgage.

**19.3 ASSIGNMENT OF VOTING RIGHTS** – The Mortgagor assigns to the Mortgagee the Mortgagor's right to vote pursuant to the Condominium Act and the Condominium Documents. Nothing in the Mortgage requires the Mortgagee to vote or to protect the interests of the Mortgagor, except as otherwise required by applicable laws.

**19.4 NOTICES AND STATEMENTS** – At the request of the Mortgagee, the Mortgagor will give to the Mortgagee copies of all notices, financial statements, and other documents given by the Condominium Corporation to the Mortgagor.

**19.5 NO LEASES THREE YEARS OR MORE** – The Mortgagor will not lease any Condominium Unit for a term of 3 years or more.

**19.6 OBTAINING CERTIFICATES** – The Mortgagor hereby appoints the Mortgagee as the Mortgagor's agent for the purpose of obtaining, from time to time, all certificates and other information from the Condominium Corporation which the Mortgagor is otherwise entitled to obtain from the Condominium Corporation under the Condominium Act or the Condominium Documents.

**19.7 ACCESS TO RECORDS** – The Mortgagor hereby authorizes any officer of the Mortgagee to review and obtain copies of all records and documents, including financial statements, maintained by the Condominium Corporation and which the Mortgagor is entitled to obtain under the Condominium Act or the Condominium Documents.

**19.8 OBLIGATIONS DUE AND PAYABLE** – The Obligations will become immediately due and payable, at the option of the Mortgagee and in its sole discretion, if:

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

## 20. CONSTRUCTION

**20.1 NO ADDITIONS OR ALTERATIONS TO BUILDING** – The Mortgagor will not construct any buildings or improvements on the Property, or make any additions or alterations to any existing buildings or other improvements on the Property, in each case without the prior written approval of the Mortgagee and after complying with all applicable laws, including obtaining all municipal or provincial permits and other requirements under applicable laws.

**20.2 CONSTRUCTION** – If the construction of, alteration of, or addition to buildings or other improvements on the Property has been approved by the Mortgagee, the Mortgagor will diligently carry out the construction according to plans and specifications approved by the Mortgagee. If there are no plans and specifications, the Mortgagor will carry out the construction according to generally accepted standards of construction, all building or development permits, and the requirements of applicable laws. The Mortgagor will not allow a delay of more than 10 days in carrying out construction.

**20.3 COMPLIANCE WITH APPLICABLE LAWS FOR BUILDER OR CONSTRUCTION LIENS** – If any renovation or other construction takes place on the Property, the Mortgagor will comply with all applicable laws governing builder or construction liens (including all applicable holdback and notice requirements) and will, upon request by the Mortgagee, provide the Mortgagee with sufficient information to enable the Mortgagee to determine whether or not the Mortgagor is complying with applicable laws. The Mortgagor will pay and discharge when due all claims of and obligations to labourers, builders, material suppliers, and all other persons, and all other claims, debts, and obligations which have or might have priority over the security of the Mortgage from time to time under applicable laws governing builders' or construction liens.

## 21. EXPROPRIATION AND CONDEMNATION

### 21.1 EXPROPRIATION AND CONDEMNATION

- a) If all or any part of the Property is expropriated by any governmental or other authority, all expropriation proceeds shall be paid to the Mortgagee and, if received by the Mortgagor, shall be received and held in trust for the Mortgagee and forthwith paid over to the Mortgagee. Such expropriation proceeds shall, at the option of the Mortgagee, be applied against the Obligations or such part of the Obligations as the Mortgagee may determine in accordance with article 5.2, Application of Payments, or be held unappropriated in a collateral account in the name and for the exclusive benefit of the Mortgagee as continuing security for the full payment and performance of the Obligations. The Mortgagor shall promptly deliver to the Mortgagee a copy of any notice of expropriation or proposed expropriation received by the Mortgagor in respect of all or any part of the Property.
- b) Notwithstanding anything to the contrary contained herein, if the Mortgagee receives a notice of expropriation in respect of all or any part of the Property (or the interest of the Mortgagee therein), or if all or any part of the Property (or the interest of the Mortgagee therein) is expropriated by any governmental or other authority at any time, then at the option of the Mortgagee in its sole discretion, the Obligations (or any part of the Obligations as determined by the Mortgagee in its sole discretion) shall immediately become due and payable on demand by the Mortgagee.
- c) All expropriation proceeds and any other consideration, damages, and awards arising from or relating to any expropriation are hereby assigned by the Mortgagor to the Mortgagee as security for the payment and performance of the Obligations.

## TERMS AND CONDITIONS (CONTINUED)

- d) Notwithstanding any applicable laws to the contrary and without limiting any other provision hereof, if there is expropriation of all or any part of the Property, the Mortgagor will pay to the Mortgagee on demand the difference between the Obligations secured by the Mortgage and the aggregate of any expropriation proceeds or other consideration, damages, and awards paid by the expropriating authority to the Mortgagee.

### 22. ASSIGNMENT OF RENTS

**22.1 APPLICATION OF THIS ARTICLE** – This article will apply if any of the Property is at any time subject to a Lease.

**22.2 DEFINITIONS** – In this article:

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

“Lease” means any one of the Leases;

“Rents” means all rents, income, profits, and other monies payable to the Mortgagor under the Leases;

“Tenant” means each tenant and any other person (including a guarantor, indemnitor, or other person) liable to the Mortgagor under a Lease.

**22.3 ASSIGNMENT** – As security for the payment and performance of the Obligations to the Mortgagee, together with interest thereon at the Interest Rate both before and after default, the Mortgagor assigns and transfers to the Mortgagee:

- a) all Rents, and
  - b) all covenants, benefits, and advantages contained in or to be derived from all Leases,
- until all of the Obligations have been fully paid and satisfied and the Mortgage has been discharged.

**22.4 EXERCISE OF RIGHTS** – Prior to an Event of Default, the Mortgagor may demand, collect, and receive all Rents as they fall due. If any Event of Default occurs, the Mortgagee may collect and receive such Rents from each Tenant after giving notice to such Tenant directing it to pay such Rents to the Mortgagee.

**22.5 POSITIVE COVENANTS** – The Mortgagor promises to the Mortgagee that the Mortgagor will immediately, upon request of the Mortgagee:

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

**22.6 NEGATIVE COVENANTS** – The Mortgagor will not, without the prior written consent of the Mortgagee:

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

**22.7 AGENT** – The Mortgagor appoints the Mortgagee as the Mortgagor’s agent:

- a) to demand, recover, and enforce payment of all Rents,
- b) to institute such actions at law or in equity and take such proceedings by distress or otherwise as the Mortgagee from time to time considers proper, and
- c) to execute any and all documents in the name of the Mortgagor as the Mortgagee considers proper.

**22.8 COLLECTIONS** – The Mortgagee is not:

- a) responsible for the collection of any of the Rents,
- b) responsible for the performance of any of the Mortgagor’s promises under any of the Leases, or
- c) required to account for monies other than monies actually received by it pursuant to this assignment, less proper collection charges, and such monies when so received by the Mortgagee will be applied on account of the Obligations.

### 23. HAZARDOUS SUBSTANCES

**23.1 REPRESENTATIONS** – The Mortgagor promises to the Mortgagee that, to the best of the Mortgagor’s information and belief, after due enquiry and investigation:

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

**23.2 COVENANT** – The Mortgagor promises the Mortgagee that the Mortgagor will comply in all material respects with all applicable environmental laws and regulations affecting or relating to the Property and will assume and perform all environmental liabilities and obligations relating to the Property including any liability for the clean up of any Hazardous Substances on, under, or emanating from the Property.

**23.3 INDEMNITY** – The Mortgagor indemnifies the Mortgagee against any and all liabilities, losses, claims, damages (including lost profits, consequential damages, interest, penalties, fines, and monetary and other sanctions) and all Costs and Expenses incurred by the Mortgagee by reason of, or in any way related to, the breach of any of the promises set out in this article 23, Hazardous Substances.

### 24. NOTICES AND DEMANDS

**24.1 NOTICES AND DEMANDS** – Any notice, demand, or other communication required or permitted to be given or made to the Mortgagor pursuant to the Mortgage may be given or made in any manner permitted or provided by applicable laws, notwithstanding any other provision of the Mortgage or any other Loan Document to the contrary. Subject to the forgoing, any notice or demand to be given to the Mortgagor under the Mortgage can be given by the Mortgagee:

- a) in person,
- b) by mail, email, or text message,
- c) by telephone or mobile phone,
- d) by fax,
- e) via the Mortgagee’s online banking system and/or website, or
- f) by any other communication method acceptable to the Mortgagee,

at the Mortgagor’s respective address, phone number, fax number, or email address set out in the Mortgage Form or at such other address, phone number, fax number, or email address otherwise provided to the Mortgagee in writing.

## TERMS AND CONDITIONS (CONTINUED)

**24.2 DEEMED RECEIPT OF NOTICES AND DEMANDS** – Except as provided in article 24.3, Labour Disputes, each notice and demand will be deemed to have been given to and received by the person to whom it is addressed:

- a) on the date of receipt if delivered,
- b) five days from the date of mailing if sent by mail, or
- c) the date of transmission if transmitted by email, text message, fax, or via the Mortgagee's online banking system and/or website.

Regardless of any other provision of the Mortgage, any notice or demand received or otherwise deemed received:

- d) after 5:00 pm (Governing Jurisdiction time), or
- e) on a day that is not a Business Day,

will be deemed to have been received on the next Business Day.

**24.3 LABOUR DISPUTES** – If there is a labour dispute affecting mail delivery in Canada, any notice or demand that is mailed during, or five Business Days before, the labour dispute will only be considered given and received when actually received by the person to whom it is addressed.

## 25. INSURED LOAN AND SECURITIZED LOAN PROVISIONS

**25.1 NATIONAL HOUSING ACT** – All Insured Loans for which the Loan Insurer is CMHC are made pursuant to the *National Housing Act* (Canada).

**25.2 PRIORITY OF INSURED LOAN** – Subject to the provisions of Section 25.3 of these Standard Mortgage Terms, if and for so long as a Loan secured by this Mortgage is an Insured Loan, then, the Insured Loan shall be separate and distinct from any other Loans that may be secured by this Mortgage, and, upon a default or an Event of Default occurring, the Insured Loan will have priority over any other Loans secured by this Mortgage as to payment, collection, enforcement, and realization.

**25.3 SECURITIZED PROGRAMS ADMINISTERED BY CMHC** – Notwithstanding any other provisions of these Standard Mortgage Terms and the provisions of all applicable Loan Documents, if an Insured Loan is included by the Mortgagee in a CMHC Program, then, only for so long as the Insured Loan is included in the CMHC Program:

- a) as against the Loan Insurer and the Program Administrator, the Mortgagee will refrain from exercising the security of the Mortgage for the benefit of any Loans except for the Insured Loan (without the Mortgagee in any way waiving, disclaiming, discharging, or releasing the security of the Mortgage as against any persons, including the Mortgagor, the Borrower, the Guarantor (if any), and any person having or taking an interest in the Property); and
- b) as against the Loan Insurer and the Program Administrator, the Mortgagee will refrain from exercising any available rights of consolidation, cross-collateralization, or cross default that may exist in favour of the Mortgagee with regard to any Loans other than the Insured Loan.

**25.4 CROSS DEFAULT** – Subject to the provisions of Section 25.3 of these Standard Mortgage Terms, a default or an Event of Default occurring pursuant to any one Loan secured by this Mortgage, at the option of the Mortgagee, will be a default or an Event of Default under all other Loans secured by this Mortgage, and if any Loan is payable according to its terms on demand, then, upon such default or Event of Default occurring with respect to one or more other Loans secured by this Mortgage, the Mortgagee will demand payment of such Loan that is due on demand.

**25.5 RIGHT TO FREELY DEAL** – The Mortgagor, together with the Borrower and any Guarantors, acknowledge and agree that, without the consent of or the giving of notice to the Mortgagor, the Borrower, or any Guarantors, the Mortgagee may (i) insure a Loan that is secured by this Mortgage with CMHC or any other Loan Insurer at any time and from time to time; (ii) sell, assign, syndicate, or securitize any Loan secured by this Mortgage, together with the Loan and all related Loan Documents, to any other party or parties, including the Loan Insurer and/or Program Administrator, and any such parties shall thereafter have all the rights herein of the Mortgagee; and (iii) in connection with any sale, assignment, syndication, or securitization, appoint or designate a custodian, nominee, or agent, which custodian, nominee, or agent may be or become the registered Mortgagee.

**25.6 NO RIGHT OF SETOFF** – Notwithstanding the provisions of any of the Loan Documents or of applicable laws, the Mortgagor, the Borrower, and any Guarantors expressly waive any right of set-off they may have at law or otherwise with regard to amounts that may be owed under any Loans secured by this Mortgage.

## 26 OBLIGATIONS SECURED BY MORTGAGE

**26.1 DOCUMENTATION** – The Mortgagor acknowledges:

- a) having been advised of the difference between documenting and securing the Loans and the security therefor by using the Mortgage and the other Loan Documents rather than by using other mortgage types, and
- b) having chosen to have the Loans from the Mortgagee and the security therefor documented and secured by the Mortgage and the other Loan Documents.

The Mortgage is intended to supplement and not derogate from each of the other Loan Documents relating to each Loan. If there is any conflict or inconsistency between the provisions of the Mortgage or the provisions of the Loan Agreement relating to any Loan, then, except for the provisions of Section 25 of these Standard Mortgage Terms which in all cases prevail, the provisions of the Loan Agreement shall prevail to the extent of such conflict or inconsistency. The existence of additional terms, conditions, and provisions (including any rights, remedies, representations, and warranties) in the Mortgage shall not be construed as or deemed to be in conflict with and such Loan Agreement or any other Loan Documents.

**26.2 APPLICATION OF PAYMENTS** – Subject to Section 25 of these Standard Mortgage Terms and the terms of applicable Loan Agreements, the Mortgage secures Obligations relating to multiple Loans at any time, the Mortgagee has the right to allocate and apply all payments (including prepayments) received from or on behalf of the Mortgagor, or any Borrower or Guarantor, to any Loan as the Mortgagee may determine in its sole discretion, both before and after default (regardless of any other designation or allocation of such payments by the Mortgagor or any Borrower or Guarantor).

**26.3 REALIZATION** – Subject to Section 25 of these Standard Mortgage Terms and to the rights of any third party, any insurance proceeds, expropriation proceeds, realization proceeds, or other amounts obtained by the Mortgagee in respect of the Obligations, any of the Loans, and/or the Property following an Event of Default (whether through the exercise of its rights and remedies under the Mortgage, any other Loan Documents, operation of law, or otherwise) will be applied by the Mortgagee, after deducting all amounts incurred or advanced by or on behalf of the Mortgagee to pay Costs and Expenses and/or Taxes, in accordance with the applicable Loan Agreement.

**26.4 MORTGAGEE'S RIGHT TO FREELY SELL ANY LOAN SECURED BY THE MORTGAGE** – The Mortgagee, at its option exercisable in its sole discretion, may sell, transfer, assign, encumber, create a trust in respect of, securitize, or otherwise deal with all or any part of the Obligations, including any Loan and the related Loan Indebtedness and Loan Documents, or any interest therein, to or for the benefit of any one or more third party(ies) in any transaction, including sale or securitization, without restriction and notice to or the consent of the Mortgagor, any Guarantor or any other person. If the Mortgagor does so, the Mortgagor agrees that the Mortgage shall continue to secure all Obligations, including each Loan and all Loan Indebtedness, or any interest therein, that have been so sold, transferred, assigned, encumbered, made subject to a trust, securitized, or otherwise dealt with, and all Obligations, including each Loan and all Loan Indebtedness, which arise after any such sale, transfer, assignment, encumbrance, trust, securitization, or other dealing. Once sold, transferred, assigned, encumbered, made subject to a trust, securitized, or otherwise dealt with, such Obligations, including each Loan and all Loan Indebtedness, or any interest therein may be repurchased, reacquired, or redeemed by the Mortgagee at any time, whether or not an Event of Default has occurred.

**26.5 NO MERGER** – The terms and conditions of all Obligations, including each Loan and all related Loan Indebtedness and Loan Documents, will remain binding and effective on the parties to the Mortgage and will not merge in, or be released or otherwise affected by, the Mortgage.

## 27 INTERPRETATION

**27.1 HEADINGS** – The headings in these Standard Mortgage Terms are for reference only and will not be used in the interpretation of the Mortgage.

**27.2 SCHEDULES ATTACHED** – Any schedules attached to the Mortgage Form are a part of the Mortgage.

**27.3 INVALID PROVISIONS** – If any term, covenant, obligation, or agreement in the Mortgage, or the application thereof to any person or circumstance, is found to be invalid or unenforceable for any reason, the remaining provisions of the Mortgage will not be affected and will continue to be separately valid and enforceable to the fullest extent permitted by applicable laws.

**27.4 SINGULAR OR MASCULINE WORDS** – The use of singular or masculine terms in the Mortgage will include the plural, feminine, or corporate body where appropriate.

## TERMS AND CONDITIONS (CONTINUED)

- 27.5 MORE THAN ONE MORTGAGOR** – If the Mortgagor is more than one person, each person making up the Mortgagor will be jointly and severally liable and responsible for all of the promises and obligations of the Mortgagor under the Mortgage. Any request or authorization given to the Mortgagee by any person making up the Mortgagor will be deemed to be the request or authorization of all the persons making up the Mortgagor.
- 27.6 MORE THAN ONE GUARANTOR** – If the Guarantor is more than one person, each person making up the Guarantor will be jointly and severally liable and responsible for all of the promises and obligations of the Guarantor under the Mortgage. Any request or authorization given to the Mortgagee by any person making up the Guarantor will be deemed to be the request or authorization of all the persons making up the Guarantor.
- 27.7 PERSONS BOUND** – The Mortgage will be binding on the Mortgagor and on their heirs, executors, administrators, representatives, successors, personal legal representatives, and permitted assigns, and will continue for the benefit of the Mortgagee and the Mortgagee's successors and assigns.
- For the purposes of the Mortgage, each Loan and all related Loan Documents, reference to the terms "**Mortgage**", "**mortgage**", "**Mortgagor**" and "**Mortgagee**" shall mean "**Charge**", "**charge**", "**Chargor**" and "**Chargee**" respectively, and vice versa.
- 27.8 MORTGAGE NOT ASSIGNABLE BY MORTGAGOR** – Neither the Mortgagor, nor any Borrower or Guarantor, may assign any of its rights or obligations under the Mortgage, the Obligations, any Loan or the related Loan Indebtedness or Loan Documents, and such rights and obligations may not be performed or enforced by any other person. No part of the proceeds of any of the Obligations or any Loan may be assigned or pledged by the Mortgagor, or any Borrower or Guarantor, to any other person.
- 27.9 STATUTE REFERENCES** – A reference in the Mortgage to a particular statute means the statute as amended from time to time and any statute substituted therefor.
- 27.10 NON-MERGER OF COVENANTS** – The taking of judgment or judgments on any of the covenants herein shall not operate as a merger of such covenants or affect the Mortgagee's right to interest at the rate and times provided for under or in respect of the Mortgage, any Loan or the related Loan Documents, and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Mortgage (or in the Loan Documents in respect of any Loan) until the judgment has been fully paid and satisfied.
- 27.11 CHANGE IN STATUS** – Immediately after any change or happening affecting any of the following:
- the spousal status of the Mortgagor;
  - the qualification of the Property as a matrimonial home, family asset, homestead, or similar designation within the meaning of the applicable family, domestic relations, matrimonial property, dower, or similar laws of the Governing Jurisdiction; and
  - the legal title or beneficial ownership of the Property;
- the Mortgagor shall advise the Mortgagee accordingly and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the Property and of any spouse who is not an owner but who has a right of possession in the Property by virtue of the applicable family, domestic relations, matrimonial property, dower, or similar laws of the Governing Jurisdiction. The Mortgagor covenants and agrees to furnish the Mortgagee with such information and evidence in connection with any of a), b), and c) above as the Mortgagee may from time to time request.
- 27.12 FURTHER ASSURANCES** – The Mortgagor covenants to execute such further documents and do such other things as may be required in the sole discretion of the Mortgagee to give full effect to and carry out the provisions of the Mortgage and the Obligations.
- 27.13 GOVERNING LAW** – The Mortgage is subject to, and will be construed in accordance with, the laws of the Governing Jurisdiction and the laws of Canada in effect in the Governing Jurisdiction.
- 27.14 AMENDMENTS IN WRITING** – None of the terms or provisions of the Mortgage may be amended, supplemented, or otherwise modified except by written instrument executed by the parties hereto.
- 27.15 SERVICER** – Without notice to or consent of the Mortgagor, the Borrower, or any Guarantors, the Mortgagee may appoint a servicer of all or any part of the Obligations from time to time, which servicer may exercise all rights and remedies (including all enforcement rights), make all determinations and decisions, and take all actions permitted or required to be exercised, made, or taken by the Mortgagee under or in respect of the Mortgage, the Obligations, including each Loan and the related Loan Indebtedness and Loan Documents, in each case as agent for and on behalf of the Mortgagee.
- 27.16 CUSTODIAN** – The Mortgagee may appoint a custodian or nominee designated by it from time to time to hold registered or documentary title to the Mortgage and/or any of the Obligations, including each Loan and the related Loan Indebtedness and Loan Documents, as agent, custodian, and/or nominee for and on behalf of any persons having an ownership interest in all or any part of the Obligations, including any Loan, from time to time.
- 27.17 CHOICE OF LANGUAGE** – It is the express wish of the parties that the Mortgage and any related documents be drawn up and if execution is required, to be executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

**SCHEDULE A — TABLE OF EQUIVALENT RATES**

<b>Interest Rates Compounded Monthly</b>	<b>Equivalent Interest Rates Compounded Semi-Annually</b>	<b>Interest Rates Compounded Monthly</b>	<b>Equivalent Interest Rates Compounded Semi-Annually</b>	<b>Interest Rates Compounded Monthly</b>	<b>Equivalent Interest Rates Compounded Semi-Annually</b>	<b>Interest Rates Compounded Monthly</b>	<b>Equivalent Interest Rates Compounded Semi-Annually</b>
0.000	0.000000	6.250	6.331948	12.500	12.830077	18.750	19.497861
0.125	0.125033	6.375	6.460270	12.625	12.961759	18.875	19.632971
0.250	0.250130	6.500	6.588659	12.750	13.093508	19.000	19.768150
0.375	0.375293	6.625	6.717115	12.875	13.225325	19.125	19.903399
0.500	0.500521	6.750	6.845637	13.000	13.357210	19.250	20.038717
0.625	0.625814	6.875	6.974225	13.125	13.489164	19.375	20.174105
0.750	0.751173	7.000	7.102881	13.250	13.621185	19.500	20.309562
0.875	0.876597	7.125	7.231603	13.375	13.753274	19.625	20.445089
1.000	1.002086	7.250	7.360391	13.500	13.885431	19.750	20.580685
1.125	1.127640	7.375	7.489247	13.625	14.017656	19.875	20.716350
1.250	1.253260	7.500	7.618169	13.750	14.149950	20.000	20.852085
1.375	1.378945	7.625	7.747157	13.875	14.282311	20.125	20.987889
1.500	1.504695	7.750	7.876213	14.000	14.414741	20.250	21.123763
1.625	1.630511	7.875	8.005335	14.125	14.547239	20.375	21.259707
1.750	1.756393	8.000	8.134524	14.250	14.679805	20.500	21.395721
1.875	1.882339	8.125	8.263780	14.375	14.812439	20.625	21.531804
2.000	2.008352	8.250	8.393103	14.500	14.945142	20.750	21.667956
2.125	2.134430	8.375	8.522493	14.625	15.077913	20.875	21.804179
2.250	2.260573	8.500	8.651950	14.750	15.210752	21.000	21.940471
2.375	2.386782	8.625	8.781474	14.875	15.343660	21.125	22.076833
2.500	2.513057	8.750	8.911064	15.000	15.476636	21.250	22.213265
2.625	2.639397	8.875	9.040722	15.125	15.609681	21.375	22.349766
2.750	2.765803	9.000	9.170447	15.250	15.742794	21.500	22.486338
2.875	2.892275	9.125	9.300239	15.375	15.875975	21.625	22.622979
3.000	3.018813	9.250	9.430098	15.500	16.009225	21.750	22.759690
3.125	3.145416	9.375	9.560024	15.625	16.142543	21.875	22.896472
3.250	3.272085	9.500	9.690017	15.750	16.275930	22.000	23.033323
3.375	3.398820	9.625	9.820078	15.875	16.409386	22.125	23.170244
3.500	3.525620	9.750	9.950205	16.000	16.542910	22.250	23.307235
3.625	3.652487	9.875	10.080400	16.125	16.676503	22.375	23.444297
3.750	3.779419	10.000	10.210663	16.250	16.810165	22.500	23.581428
3.875	3.906418	10.125	10.340992	16.375	16.943895	22.625	23.718630
4.000	4.033182	10.250	10.471389	16.500	17.077694	22.750	23.855902
4.125	4.160612	10.375	10.601853	16.625	17.211561	22.875	23.993244
4.250	4.287808	10.500	10.732385	16.750	17.345498	23.000	24.130656
4.375	4.415071	10.625	10.862984	16.875	17.479503	23.125	24.268138
4.500	4.542399	10.750	10.993650	17.000	17.613578	23.250	24.405691
4.625	4.669793	10.875	11.124384	17.125	17.747721	23.375	24.543314
4.750	4.797254	11.000	11.255186	17.250	17.881933	23.500	24.681007
4.875	4.924781	11.125	11.386055	17.375	18.016213	23.625	24.818771
5.000	5.052374	11.250	11.516991	17.500	18.150563	23.750	24.956605
5.125	5.180033	11.375	11.647995	17.625	18.284982	23.875	25.094509
5.250	5.307758	11.500	11.779067	17.750	18.419470	24.000	25.232484
5.375	5.435549	11.625	11.910206	17.875	18.554027	24.125	25.370529
5.500	5.563407	11.750	12.041413	18.000	18.688653	24.250	25.508645
5.625	5.691331	11.875	12.172688	18.125	18.823348	24.375	25.646831
5.750	5.819322	12.000	12.304030	18.250	18.958112	24.500	25.785088
5.875	5.947379	12.125	12.435440	18.375	19.092945	24.625	25.923416
6.000	6.075502	12.250	12.566918	18.500	19.227848	24.750	26.061814
6.125	6.203691	12.375	12.698464	18.625	19.362820	24.875	26.200283