



EQUITY

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
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[Signature]
DIRECTOR OF TITLES
DIRECTRICE DES DROITS IMMOBILIERS

Land Registration Reform Act

Filed by – Equity Financial Trust Company

STANDARD CHARGE TERMS

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

This document sets out important terms which apply to the mortgage and are actually part of the mortgage. We recommend you read this carefully, and you may want to discuss the terms of the mortgage with a lawyer.

We are lending you money and we protect our interests through the mortgage on your property, which gives us certain rights, if you do not do what you promise to do. The specific terms that apply to your mortgage (for example, the interest rate) are set out in a document that you sign and is registered, or which is authorized by you, prepared in electronic format and registered electronically. We call this the registered mortgage.

October 4, 2010

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1. **DEFINITIONS**

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

- (a) **agreements** means all of the contracts, agreements, promissory notes, bills of exchange, notices or other documents which evidence, govern or relate to the indebtedness and all renewals, substitutions and replacements of them (and an **agreement** means any single one of the agreements).
- (b) **balance due date** or **maturity date** means the date set out in the mortgage or in an agreement on which indebtedness is due and payable in full.
- (c) **EFT** means Equity Financial Trust Company, the mortgagee or chargee under the mortgage.
- (d) **EFT Prime Rate** means that annual interest rate (calculated monthly not in advance) that is announced from time to time by EFT, at our discretion, as the interest rate then in effect for determining interest on Canadian dollar mortgages or loans made by EFT in Canada. If it is necessary for us to prove the interest rate in effect we are charging at any time, you agree that we may produce a written certificate setting out the interest rate at that time which will be conclusive proof for that purpose.
- (e) **fixed interest rate** means the annual rate of the fixed interest, calculated semi-annually, not in advance (unless otherwise stated in the mortgage or in any agreement) in the fixed interest loan indicated in the mortgage or in an agreement.
- (f) **fixed rate loan** means the fixed rate principal amount and interest secured under a mortgage having a fixed interest rate and described in the registered mortgage or in an agreement.
- (g) **fixed rate principal amount** means the portion of the principal amount that bears interest at the fixed interest rate.
- (h) **guarantor** means each person who signs the mortgage or any agreement as a guarantor or covenantor.
- (i) **indebtedness** means all debts and liabilities, present and future, absolute and contingent, matured or not, at any time owing by you to us or to any company or entity affiliated or related to us, whenever incurred and whether incurred by you alone or with another or others, whether as principal, guarantor or surety. Indebtedness also includes any and all fees, expenses and other amounts owing to us from time to time pursuant to the mortgage which we may charge or which we may incur in connection with the property the mortgage is registered upon, including, but not limited to, taxes, insurance premiums, condominium or strata fees, utilities, administration charges, costs and fees and third party charges, costs and fees, if any. Indebtedness also includes, without limitation, all interest and compound interest accrued on all the aforementioned.
- (j) **initial loan** or **your loan** means either the fixed rate loan or the variable rate loan, as applicable, which we advance on or about the time the mortgage is made and described in the registered mortgage or in an agreement.
- (k) **interest adjustment date** is the date identified as the interest adjustment date in the registered mortgage or in an agreement related to the indebtedness.
- (l) **interest rate** is the interest rate identified as the interest rate on the registered mortgage or in any agreement related to the indebtedness.
- (m) **mortgage** means the registered mortgage, this set of standard charge mortgage terms, any schedules that are attached to the registered mortgage and any renewals or amendments of the mortgage which secures, in whole or in part, the indebtedness.

- (n) **mortgage insurer** means Canada Mortgage and Housing Corporation, Genworth Financial Insurance Company Canada or other company that insures payment of mortgages to mortgage lenders.
- (o) **principal amount** is the amount of money identified as the principal amount in the registered mortgage.
- (p) **registered mortgage** means the form of charge or mortgage (including all schedules) which references this set of standard charge terms, which standard charge terms you have or will acknowledge receipt of same, by its filing number and which forms part of the mortgage that is or will be registered against the title to your property and which mortgage you have signed or will sign or, where your property is under the electronic registration system, which mortgage will be signed electronically pursuant to your authorization and registered electronically against title to your property.
- (q) **taxes** means all taxes, assessments and levies of all kinds related to your property and includes any interest and penalties thereon, including, but not limited to, property taxes, local improvement assessments, school taxes and development charges. We may also include other costs associated with a cleanup of the property following a fire, flood, explosion or other destruction or damage, and any interest or additional charges related thereto.
- (r) **we, us, and our** means the mortgagee or chargee described in the registered mortgage.
- (s) **you and your** means each person, corporation and other entity who has signed the mortgage as a chargor, mortgagor or borrower and includes the personal and legal representatives of each such person, corporation and other entity.
- (t) **your property** means the land described in the registered mortgage and also includes all buildings, structures and other permanent constructions situate on the land at the time the mortgage is registered on title to your property or added later, as well as anything attached now or later to the land or to any building, structure or other constructions on the land. Your property also includes any improvements, substitutions, additions or alterations made to any building, structure, constructions or to the land itself. If your property is a condominium unit or strata lot, your property also includes your interest in the common elements and any other interest that you may have in the assets of the condominium or strata corporation. References to your property shall mean all or any part of your property.
- (u) **variable interest rate** means the annual interest rate of the variable interest, calculated monthly, not in advance (unless otherwise stated in the mortgage or in any agreement), in the variable interest loan indicated in the mortgage or in any agreement. The variable interest rate changes from time to time based on the EFT Prime Rate.
- (v) **variable rate loan** means the variable rate principal amount and interest under a mortgage having a variable interest rate and described in the schedule to the registered mortgage or in an agreement.
- (w) **variable rate mortgage** means the portion of the mortgage securing the variable rate loan.
- (x) **variable rate principal amount** means the portion of the principal amount that bears interest at the variable interest rate.

2. THE MORTGAGE

2.1. Secures the Indebtedness

- (a) The signed and registered mortgage evidences your mortgage and charge of your entire interest in your property to us as security for the indebtedness at the interest rate owed to us. If you are a tenant or a lessee of your property, the registered charge evidences that you are charging and subleasing your entire interest in your property to us for the entire term of the lease (except the last day), including any renewals and, if applicable, includes a charge over any option or right of first refusal to purchase the property which you may have.
- (b) In consideration of you granting us the mortgage, and if you are not in default under any of your obligations under the mortgage, your loan or any agreement (collectively hereinafter referred to as a "default" or an "event of default"), we agree, subject to our rights under Section 8.1 hereof, to make the initial loan or extend the credit to you as described in the mortgage or the agreement and we may advance funds thereunder to you from time to time. Your charged interest in your property is security to us for payment of all your indebtedness owing to us from time to time and for the performance of all your obligations under the mortgage and agreements.
- (c) The mortgage secures a current account of the indebtedness owed to us and the mortgage is not satisfied or discharged by any intermediate payment of all or any part of the indebtedness. The mortgage shall also remain as continuing security for the payment of all other additional indebtedness you may incur. The mortgage is not released, discharged or reduced by any change in the amount, nature or form of any indebtedness or any renewal, extension, amendment or replacement of the mortgage, your loan or any of the agreements. The mortgage will not cease to operate and will not be extinguished or discharged except as provided in subparagraph (d) below.
- (d) Once the entire amount of the indebtedness then outstanding has been repaid to us and after you have completed all of your obligations under the mortgage and agreements, and once you notify us in writing that your payment is to be the final and permanent payout of all your obligations under the mortgage and the agreements, at such time we will agree to sign a discharge of the mortgage following receipt of such final payment. We shall have a reasonable period of time after receipt of the final payment in which to prepare and issue the said discharge. If electronic registration is available for the property, we may register the discharge on your behalf and provide you or your lawyer with confirmation of registration.

2.2. Parties Bound by the Mortgage

- (a) Each person who executes the mortgage and the agreements agree to be bound to the obligations, liabilities and responsibilities thereunder. If more than one person has signed the mortgage and/or the agreements, each person, jointly and severally, is responsible for meeting in full all payment and other obligations, liabilities and responsibilities required under the mortgage and the agreements.
- (b) Your legal and personal representatives and anyone else to whom your property is transferred to will also be bound to the obligations and responsibilities under the mortgage and agreements.
- (c) Our successors and assigns will also be bound by the terms of the mortgage and agreements.

2.3. Mortgage Amendments and Renewals, including Automatic Renewals

- (a) With your consent, we may, at our option change any part of the mortgage, including renewing or amending the initial loan, increasing the principal amount or any other term of the mortgage.

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- (b) The initial loan may, at our sole discretion, be automatically renewed if we send you a notice offering to renew the outstanding loan amount at a certain rate or rates and upon certain terms before the balance due date and you do not respond in writing accepting one of the renewal terms offered or you do not pay the loan amount in full and have not made other arrangements with us for payment or extension of your loan on or before the balance due date. In such circumstances, the initial loan may, at our sole discretion, be renewed for the term and at the rate for automatic renewals we set out in the renewal notice we sent you. We may also automatically renew any other fixed rate loan or variable rate loan you have with us, if any.
- (c) You do not have an automatic right to renew the initial loan, or any prior renewal thereof, and we may refuse to renew your loan at our sole discretion. You understand that the determination of whether or not a renewal of the initial loan or any other fixed rate loan or variable rate loan will be offered and the terms and conditions associated therewith shall always be and will remain at our sole and complete discretion.
- (d) In the event we enter into a new agreement to renew or amend the terms of the initial loan or any renewal thereof with a co-borrower or with any other person who is obligated to pay the initial loan or any other part of the indebtedness, such actions will not release you from your obligations under the mortgage or agreement, even if you do not sign and/or are not advised of the new agreement to renew or amend the said loan.
- (e) We do not have to register any agreement to renew or amend the terms of the initial loan on the title to your property in order to retain our rights under the mortgage against you or any other person, including protecting our priority for such renewed or amended loan, over any other mortgage.

3. INTEREST PROVISIONS

3.1. Interest under the Mortgage and on the Indebtedness

- (a) The interest rate applicable to the principal amount secured by the mortgage is that rate of interest shown in the registered mortgage. The interest rate payable by you on the initial loan is shown in the registered mortgage (or any schedule attached thereto) or in the agreement(s) governing that loan. The interest rate payable on any other indebtedness is that set out in the agreement relating to that part of the indebtedness.
- (b) Interest is secured and is payable on the indebtedness until each and every part of the indebtedness has been paid in full.
- (c) If your loan is a fixed rate loan:
 - (i) Interest is payable at the frequency shown on the registered mortgage or in the agreement related to that part of the indebtedness; and,
 - (ii) unless otherwise provided in the mortgage or in any agreement, interest on a fixed rate loan is calculated semi-annually, not in advance.
- (d) If your loan is a variable rate loan:
 - (i) the variable interest rate will change with any change in the EFT Prime Rate. If there is a change in the EFT Prime Rate, EFT may send you notice of the new variable interest rate, but if EFT fails to do so, you will still be liable to make all payments when due under the mortgage at the new variable interest rate. These notices form a part of the mortgage. A change in the variable interest rate will become effective on the day that that the EFT Prime Rate changes;

- (ii) the variable interest rate payable may automatically be adjusted following the interest adjustment date and on the first day of each month thereafter;
- (iii) interest is payable at the frequency shown on the registered mortgage or in the agreement evidencing that part of the indebtedness and unless otherwise provided, is calculated monthly, not in advance; and
- (iv) we refer you to Section 10.12 of this set of standard charge terms which contains a table listing interest rates calculated monthly not in advance per annum together with the equivalent interest rates calculated half-yearly not in advance per annum. This table is provided in order to satisfy our requirement under the Interest Act (Canada) to provide equivalent interest rates calculated half-yearly not in advance per annum.

3.2. Interest on Funds Advanced Before the Interest Adjustment Date

- (a) Interest on funds advanced under the initial loan (and any other part of the indebtedness) before the interest adjustment date will be calculated at the interest rate set out in the registered mortgage or in the agreement evidencing that part of the indebtedness and, at our option, may be deducted from any portion of the principal to be advanced to you.
- (b) In the alternative, such interest may, at our option, be debited from your bank account on the interest adjustment date or at such other time or times we may determine, at our sole discretion.

3.3. Compound interest

- (a) If you do not make any payment when required under the mortgage or agreement, we will levy interest (hereinafter referred to as "compound interest") on all such overdue amounts including the unpaid interest and such amount may be added to your indebtedness prior to your next regular payment date under the mortgage.
- (b) Compound interest, which is calculated at the same interest rate as payable on that part indebtedness, is payable both before and after the balance due date or maturity date, before and after default, and before and after any court judgment we obtain against you.
- (c) Upon our demand, this compound interest must be paid to us immediately.
- (d) For variable rate loans, such compound interest will be calculated every day at the variable interest rate on the full amount of the late payment.

4. REGULAR PAYMENTS DUE UNDER THE MORTGAGE

4.1. Bank account for payments

- (a) You agree to maintain a bank account with a bank, trust company or credit union in Canada and provide authorization in a form satisfactory to us to facilitate our ability to automatically debit each regular payment and any and all other payments you owe to us when same become due and payable during the term of the loan and all renewals thereof.
- (b) You agree to ensure that the said account always contains sufficient monies to fund each payment as same becomes due and payable.
- (c) Failure to maintain sufficient funds in the account; cancelling the authorization to debit payments; or, if the closing of the account, may all result in your being held in default under your mortgage.

4.2. Currency and place of payment

- (a) Except as provided in Section 4.1, you will pay the indebtedness to us in Canadian dollars at the address shown on the registered mortgage.
- (b) We may, at our sole discretion, and upon us providing you with written notice, change our address for payment at any time and from time to time during the term of your loan and any renewal thereof.

4.3. Regular payments

- (a) If your loan is a fixed rate loan:
 - (i) the amount of each regular payment, which includes an amount calculated as repayment of part of the fixed rate principal amount together with accrued interest at the fixed interest rate calculated from the interest adjustment date, is as shown in the registered mortgage or agreement governing the initial loan (and for other indebtedness, in the agreement evidencing that part of the indebtedness).
- (b) If your loan is a variable rate loan:
 - (i) the amount of each regular payment, which includes an amount calculated as repayment of part of the variable rate principal amount together with accrued interest at the variable interest rate on the variable rate principal amount calculated from the interest adjustment date, is as shown in the registered mortgage or agreement governing the initial loan (and for other indebtedness, in the agreement evidencing that part of the indebtedness);
 - (ii) you acknowledge that the variable interest rate will vary automatically each time there is a change in the EFT Prime Rate with or without any notice to you; and
 - (iii) if the amount of any regular payment to be paid by you is insufficient to pay the variable rate interest accrued under the mortgage at the time such regular payment is paid, you agree to pay us this shortfall immediately upon demand, failing which same may be deemed an event of default or, at our discretion, such amounts may be added to your indebtedness, and the interest accrued which remains unpaid shall itself bear interest at the variable interest rate until paid.
- (c) You must make these regular payments on the dates as set out starting with the first payment date up to and including the balance due date or maturity date.

4.4. Changing the frequency of your regular payments

- (a) We may permit you to change the frequency of your regular payments due on your loan secured by the mortgage, to weekly, bi-weekly, semi-monthly or monthly. A weekly payment is equal to 1/4 of a monthly payment and is payable every seven (7) days. A bi-weekly payment is equal to 1/2 of a monthly payment and is payable every fourteen (14) days. A semi-monthly payment is equal to 1/2 of a monthly payment and is payable on the first and fifteenth day of every month.
- (b) On a change of payment frequency an additional interest adjustment amount may be payable and we may also charge an administration, service or other processing fee to effect such change. All such fees shall be immediately payable by you or, at our sole discretion, may be added to the indebtedness.
- (c) In addition to any other remedy we might have under the mortgage, if you have changed your payment frequency to weekly, bi-weekly or semi-monthly and you are in default of payment of an amount which exceeds two (2) weekly payments, or one (1) bi-weekly or semi-monthly payment as applicable,

your payment frequency will, at our sole discretion and without prior notice to you, revert to the monthly payment frequency. Any interest adjustment amount due to such reversion may, at our sole discretion, be immediately payable by you or may otherwise be added to the indebtedness.

- (d) All additional amounts payable on account of taxes and insurance which are being collected with your regular mortgage payment will at all times be payable at the same frequency and calculated in the same manner as your regular payments.

4.5. How Payments are Applied

- (a) The regular payments we receive from you will be applied in the following order: (a) if applicable, to pay life insurance premiums on the mortgage; (b) if applicable, to pay and bring into good standing any accounts related to the mortgage in which we hold funds for payment to others or from which amounts are debited, including tax accounts; (c) if applicable, to pay any collection expenses and related administration and processing fees; (d) to pay interest accumulated up to, but not including, the payment date; and (e) to reduce the principal amount.
- (b) Notwithstanding the above, if you are in default or otherwise not in compliance with your obligations under your loan, the mortgage or agreement(s), we may apply all and any part of such payments or any other money we receive towards any part of the indebtedness as we choose, in whatever proportions we so choose and in whatever order we choose, all at our sole discretion.

4.6. Balance Due Date Payment

- (a) The outstanding balance of your loan must be repaid in full on the balance due date shown on the registered mortgage or the agreement governing your loan (and for each other part of the indebtedness on the balance due date or maturity date set out in the agreement relating to that part of the indebtedness).
- (b) You will be obligated to pay, and shall continue to pay, interest (including compound interest) on the outstanding balance, at the interest rate until all of the indebtedness has been repaid if full.

5. PREPAYMENT PROVISIONS AND RESTRICTIONS

5.1. Closed Loans

- (a) Your loan and each renewal thereof and each and every other part of the indebtedness secured by the mortgage is closed for the term of the loan with earlier payment permitted only as set out in this section, unless otherwise expressly provided in any agreement.

5.2. Annual Prepayment Privilege of 20% (no prepayment charge)

- (a) You have the right, to be exercised at your option once in each year, on the anniversary of the interest adjustment date of the loan, to prepay without prepayment charges, an amount not greater than twenty percent (20%) of the original principal amount of the initial loan.
- (b) You may not make more than this one prepayment on this one day in each year and each prepayment must be for an amount not less than five hundred dollars (\$500.00). This prepayment privilege is not cumulative and you cannot carry forward any unused portions to any future anniversary date.

5.3. Prepayment Provisions (with a prepayment charge)

- (a) If your loan is a closed term you may prepay in full the loan or renewal of such loan early or before the balance due date or maturity date only upon the closing of a bona fide arms-length sale of your property in the

open market and payment of the prepayment charge being the greater of:

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

plus all applicable discharge, servicing and/or administration fee.

- (b) If the initial loan or renewal thereof is for a term of more than three (3) years, you may also at any time after the third year of the term, prepay your mortgage in full but only with payment of the prepayment charge and fees as set out above.
- (c) If your loan is for an open term, you may prepay the loan or renewal thereof on any regular payment date without notice or additional charge (other than our applicable discharge, servicing and/or administration fee), except that if you prepay the loan in full before the second anniversary of the interest adjustment date, you may be required to pay, at our sole discretion, an additional administration fee with the prepayment. In addition, if you make a partial prepayment of the loan amount, you must continue to make the regular payments on the regular payment dates until all your loan is paid in full.
- (d) If you wish to repay your loan in full, you must provide us with advance written notice of your intention and request us to provide you with a statement of the required amount to repay your loan as of the date you wish to effect such payment, it being understood that such date must be at least FIFTEEN (15) days from the date we receive such written notice. The date you choose to repay your loan is called the prepayment or payout date and the date you ask us to prepare the statement is called the statement preparation date.
- (e) All payments under your loan must continue to be made as they become due prior to the date we receive the requisite funds to payout your loan in full. The statement we prepare for discharge purposes cannot be used for a payment more than FIFTEEN (15) days after the statement preparation date, unless otherwise noted in the statement itself.

5.4. General Restriction respecting Prepayment Privileges

- (a) You will only qualify to be able to exercise the prepayment privileges as set out in sections 5.2 and 5.3 above if you have met all your obligations under your loan, the mortgage and agreements, and you are not otherwise in default.
- (b) With respect to these early payment privileges, a year means the twelve (12) month period that starts on the interest adjustment date and ends on each anniversary of the interest adjustment date (which date is also the commencement date for the next year of the term, as may be applicable).
- (c) If you do not prepay your loan in full (i.e. if a partial prepayment is made), you must continue to make your regular payments throughout the duration of the term of the loan and all renewals thereof as and when same are normally due and payable.

5.5. Right of Conversion – Variable Rate Loans

- (a) If you have a variable rate loan and if you have never been and are not currently in default, you may have the option at any time during the term of the mortgage so long as same has been contemplated in your agreement, to convert your variable

rate loan into a fixed rate loan with a term greater than or equal to the remaining term of the initial loan.

- (b) In the event you have such an option:
 - (i) The variable rate loan will be converted for the remaining term on the initial loan upon receipt of a written request made by you and delivered to us at the address shown on the registered mortgage (or such other address we may have notified you previously);
 - (ii) The interest rate for the converted loan shall be based on our prevailing posted interest rate in effect on the date the written request for conversion is received by us, plus a premium or minus a discount as established by us, in our sole discretion. The conversion to a fixed rate loan will take effect on the next scheduled regular payment date applicable under the mortgage following our acknowledged receipt of your written request to convert to a fixed rate loan; and
 - (iii) If you decide to exercise this right of conversion, you will agree to also execute, at our request, an amendment setting out the new terms.
- (c) If applicable, we may also charge an administration, service or other processing fee to effect such conversion. All such fees shall be immediately payable by you or, at our discretion, may be added to the indebtedness.

6. PROVISIONS RELATING TO AN ASSUMPTION OF THE MORTGAGE

- (a) In the event you transfer title, or agree to transfer title, to your property to anyone without obtaining our prior approval in writing, we may require you to immediately pay the entire indebtedness together with the applicable prepayment charge. Our acceptance of payment from any person who we have not first approved of in writing does not act as a waiver of our rights to demand the loan indebtedness to be repaid in full nor does it otherwise evidence our approval to such transfer.
- (b) In order to allow us to determine whether or not we will provide our approval, you agree to give us such information which we may require upon demand. Once we receive this information, we will shall make our determination within a reasonable period of time and shall advise you as soon as thereafter possible. Although such consent will not be unreasonably withheld, the decision to approve or not will remain at our sole discretion.
- (c) If you request such approval, there may be an administration and/or processing fee which you will agree to pay immediately regardless as to whether or not the assumption is approved.
- (d) At our sole discretion we may release you from your obligations under the mortgage once same has been assumed, however, you understand and agree that such a release is not automatic and may not be granted. Likewise we may or may not, at our sole discretion, release any of the guarantors from their guarantee of the mortgage once same has been assumed. You agree to provide us with any reasonably requested information and documentation we may ask for in this regard,

7. PROMISES, ASSURANCES, COVENANTS AND OTHER OBLIGATIONS UNDER THE MORTGAGE

7.1. Promise to Pay

- (a) You agree to pay the initial loan and all other indebtedness as required by the mortgage and/or the agreement(s) relating to the indebtedness and to meet all of your other obligations under the mortgage.
- (b) In the event you make any claim against us for any matter relating to the mortgage, any agreement, life or other insurance related to your loan or renewal thereof, you agree to make such claim without abatement, set-off or any other

claim diminishing your obligation to make all such payments as they become due.

- (c) You also agree to pay, immediately upon demand, all of our costs, including, but not limited to legal fees and expenses which we may incur, for investigating title to your property, preparing the mortgage and all agreements and for registering the mortgage or any other security related to the initial loan and applicable renewals.

7.2. General Promises and Representations

- (a) You represent you have the right to give us this mortgage and, unless you are a tenant of your property and Section 7.5 applies, you certify that you are the lawful owner of your property.
- (b) You certify that there are no encumbrances or limitations affecting title to your property (such as other mortgages, or construction or builders' liens), except those that we have agreed to in our loan commitment or other agreements and except building and zoning by-laws, which you also certify you have complied with.
- (c) You agree you will sign any other document or do whatever is necessary, in our reasonable opinion and at your sole cost and expense, to make sure that all of your interest in your property has been completely charged to us so that our loan to you and any other indebtedness you incur to us, is adequately secured.
- (d) You will take any necessary action to protect your title to your property and will not interfere in any way with our interest in your property.

7.3. If Your Property is Owner-Occupied

- (a) If the mortgage was approved on the understanding that your property is occupied by you and your family as your residence, then in such case you certify that no part of your property is rented or occupied by a tenant or tenants.
- (b) You further agree you will not rent or lease any part of your property, or enter into a tenancy agreement of any part of your property or renew such a lease or leases (unless the renewal is provided for in a lease we have already approved), without obtaining our prior written approval. Notwithstanding the aforementioned, you understand and agree there is no obligation for us to grant such approval.

7.4. If Your Property is Rented – Our Assignment of Rents

- (a) If the mortgage was approved on the understanding your property, or any part thereof, is being rented or leased, you must obtain our prior written consent to enter any new rental of the property or to effect any renewal of an existing lease or tenancy agreement relating to your property.
- (b) By signing the mortgage you assign to us all leases, lease agreements and renewals, and all rents payable under these leases and agreements, and all rights under these leases and agreements as they affect your property.
- (c) All leases, lease agreements and renewals, all rents payable under the leases and agreements and all rights contained in the leases, lease agreements and renewals that affect your property are hereby transferred and assigned to us.
- (d) Notwithstanding the assignment of rents, etc. as noted in (c) above, we are not obligated to collect any rent or income from your property nor to comply with any part of a lease or agreement related to your property.

- (e) Notwithstanding anything which may be contained herein to the contrary, nothing we do under this section will be considered as us taking possession of your property.
- (f) If we so request and demand in writing at any time and from time to time during the term of your loan and any renewal thereof, you agree:
 - (i) to obtain and deliver to us estoppel certificates from all existing tenants in possession certifying, amongst other things, the terms of the lease including the length of term, the rents, etc. and other matters related to his/her/its tenancy in the form we may reasonably require;
 - (ii) to give us security on all fixtures, equipment and other movable or personal property or chattels relating to your property as we may require; and
 - (iii) to immediately pay all of our expenses related to the above-noted assignment(s) and additional security, including all applicable legal fees and registration costs incurred in such regard.
- (g) In the event you are in default under one or more of the obligations under your loan, or if one or more of the certifications, representations or other promises you made to us related to your property and the leases or rentals affecting same are not accurate and true in all material respects, then such action may be deemed, at our sole discretion, to be an event of default under the mortgage and we may require you to pay the loan amount immediately and in full. In such case, we will have the ability to pay to any tenants situate in your property any amount or amounts necessary to obtain their co-operation in showing and selling your property and to obtain possession of your property from any such tenant. These payments will be a cost of enforcing our security and you agree that all such amounts will be added to the loan amount and will form part of your indebtedness. In the event we make use of these provisions, by executing your mortgage you appoint us as your attorney and agent to enforce the terms of any such lease or agreement you entered into, and, if we deem same is necessary or warranted, to cancel or terminate any lease or agreement should we wish to do so at our sole discretion.
- (h) In the event you are in default under one or more of your obligations under your loan and you rent out any part of your property without our prior written approval, we may deem such actions to have been effected for the sole purpose and to the intent to hinder, impede, impair and to prevent us from taking possession of your property. Such action may also be deemed, in our sole discretion, to adversely affect the value of our interest in your property.

7.5. If you are Leasing Your Property

If the mortgage was approved on the understanding you are a tenant or a lessee of your property, then in such case you represent and certify:

- (a) Your property is leased to you under a good and valid lease.
- (b) You have provided us with a full and complete copy of the lease and all amendments thereto, if any.
- (c) You have good leasehold title to your property.
- (d) The landlord (lessor) under the lease has agreed you may mortgage your leasehold interest in your property to us. In such regard, upon our request you will provide us with satisfactory evidence in writing (on such form as we may require at our sole discretion) of this consent, or, if applicable, other evidence satisfactory to us, in our sole discretion, that you have the right to mortgage your interest in your property without the consent of your landlord (lessor) or, if applicable, the appropriate party to whom you are leasing the property from.

- (e) All rents and other amounts payable under the lease up to the date you sign the mortgage have all been paid in full, and all such payments have been made in a timely manner and in strict accordance with the provisions of the lease itself.
- (f) All of your obligations under the lease have been strictly met up to the date the mortgage was executed.
- (g) You will continue to pay all rents and other payments required by you under the lease when same are due and payable and will continue to meet all other obligations required of you under the lease.
- (h) No changes in the lease will be made by you without obtaining our prior written consent.
- (i) You will not surrender your lease or cause the lease to be terminated.
- (j) There are no liens or limitations on your interest in the lease except those identified in the lease itself, or registered against the title to your property, or as may be contained in applicable building and zoning by-laws related to your property.
- (k) You and your landlord (lessor) have complied with all restrictions registered against the title to your property, and with all related building and zoning by-laws.
- (l) Should you receive any notices, demands or requests respecting the lease or your tenancy, you will give us a copy of same immediately upon receipt.
- (m) You agree to protect and indemnify us from all actions, claims, costs and demands if you are ever noted in default under the lease.
- (n) You agree to hold your property, for the last day of the term of the lease, or the last day of any renewal term of the lease, in trust for us and you will only deal with your property on this last day or the term (or renewal) in the way we so direct and require. You will have the same rights arising from this paragraph as you already have under the rest of the mortgage and under the law. You agree that we may remove you, or any other person, as trustee of this trust, and that we may appoint a new trustee in our sole discretion.
- (o) If we so request, you will transfer to us the last day of the term of the lease or the last day of any renewal term of the lease and you agree to pay all expenses related to this transfer immediately upon demand.
- (p) If we enforce our rights under the mortgage (which may include, but shall not be limited to, the sale of your interest in your property under power of sale), then, in such case, you hold the last day of the term of the lease, or the last day of any renewal term of the lease, in trust for any person to whom we sell your interest in your property (including that person's legal and personal representatives, successors, and permitted assigns).
- (q) By signing the mortgage you appoint us as your attorney in all respects related to these provisions so that we may assign the lease and the last day of the term of the lease, or the last day of any renewal term of the lease, on your behalf and in your name. Our appointment as your attorney will also allow us to transfer your interest in your property as required as part of our enforcement proceedings under the mortgage, including, but not limited to, our right to sell your leasehold interest in your property under power of sale, should we so require.

7.6. No Further Encumbrances

- (a) You agree that you will not place another mortgage on your property without our prior written approval.

- (b) You further agree not use your property as security for any other debt without our prior written approval.

7.7. Property Taxes

- (a) Unless we choose to pay taxes as set out in subsections 7.7(b) and 7.7(c) hereof, you will ensure all taxes related to the property are paid in full in a timely manner when and as same become due and payable. You agree to enrol, where available, in any applicable tax instalment payment program offered by the applicable municipality (or other authority having jurisdiction) which includes preauthorized debits of tax instalments from your account. At the end of each calendar year, after the last tax payment has been made, you agree to provide to us copies of the receipted tax bills or other satisfactory proof we may require to prove payment of property taxes.
- (b) On or before the interest adjustment date, we may withhold from any advance of the initial loan or other indebtedness (or require you to pay out of any such advance) any amount we feel necessary to pay current or anticipated future taxes.
- (c) We may at any time on notice to you require that you pay to us on each regular mortgage payment date a tax instalment in an amount based on the estimated annual taxes (as determined by us from time to time) sufficient for us to pay on the first payment date the taxes for the ensuing year. In the event we require such tax instalments:
 - (i) you will pay the instalment on account of taxes on each regular payment date for your loan;
 - (ii) if the actual taxes for any year respecting your property total more than our estimate, or if for any other reason the amount you have paid to us for taxes is less than the amount we have paid for taxes on your property, you will pay us interest at rate set out in your loan on the shortfall difference and you will immediately pay us this difference upon demand;
 - (iii) you will send us all tax bills and other notices or communications related to taxes as soon as you receive them. In the event you do not do so, we may demand repayment from you for all costs we may incur in obtaining these notices directly, which costs may be payable upon demand;
 - (iv) should you wish to take advantage of any discount or avoid any penalty or interest in connection with the payment of taxes, you must advise us in writing of your intention and, if we so agree to effect same, you shall immediately pay us the appropriate amount in addition to the instalments we calculate;
 - (v) we are not required to hold any money you send to us to pay property taxes in trust for you and we are not obligated to pay you any interest on the money you send us to pay property taxes;
 - (vi) notwithstanding the timing required by the municipality or other authority having jurisdiction respecting the payment of taxes, we are not obligated and are not required to pay property taxes more than once a year;
 - (vii) if you do not meet any one or more of your obligations under your loan, we may, at our sole discretion, apply any money we have received for property taxes to any part of the indebtedness we so determine; and
 - (viii) we may charge (and you agree to pay) an administration fee in this regard and you agree to pay all costs we may incur in collecting money for and paying your property taxes, including any sums charged by the taxing authority for providing information about your property

taxes, for sending us your property tax invoices or for accepting property tax payments from us on your behalf. These amounts may be added to the indebtedness or charged against your tax account or otherwise, at our discretion.

**7.8. Insurance Requirements
(not applicable for residential condominium units or strata lots)**

- (a) You agree to insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than full replacement value, in Canadian dollars. You covenant and agree to keep your insurance coverage in place at all times until the indebtedness has been fully paid and the mortgage is discharged. You agree to maintain insurance coverage for loss or damage caused by fire with extended perils coverage. At any time during the term of your loan, and all renewals thereof, we may require that you also obtain coverage for additional perils, risks or events. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable equipment is operated on your property, then you must also have insurance coverage for loss or damage caused to the equipment, or by the equipment, or by the explosion of the equipment.
- (b) Your insurance policy must be carried with a company that is satisfactory to us, in our sole discretion, and must contain mortgage clauses approved by the Insurance Bureau of Canada or by us. In addition, your policy must confirm that any loss proceeds will be paid first to us, and gives us the first right to receive and to have a lien on the insurance proceeds.
- (c) If we so require from time to time, you must provide us with certified copies of all your insurance policies.
- (d) At least fifteen (15) days before any insurance policy expires, you must provide us with evidence that you have renewed the policy and paid all premiums.
- (e) If you do not arrange for the required insurance or if you do not pay the premium required for your insurance policy, we may, at our discretion, arrange for such insurance and attend to the payment of the premium, however, we are not obligated to do so and any lapse of insurance coverage may be deemed to be an event of default under your loan. If we do pay such premiums or other amounts in this regard, all such payments must be repaid to us immediately, failing which same may also be deemed an event of default or, at our sole discretion, such amounts may be added to your indebtedness.
- (f) If any loss or damage occurs, you agree to co-operate and take all necessary actions which may be required to enable us to obtain the insurance money payable to us under the mortgage and you agree to pay all related expenses. You agree that if we produce a copy of the mortgage, this alone is sufficient authority for the insurance company to pay us any and all insurance monies that may be payable because of the loss. By signing this mortgage, you irrevocably authorize and direct the insurance company to so direct all such funds to us without your further signature or consent.
- (g) We shall retain the right to determine how such insurance monies are to be used. It will be at our sole discretion to determine if part or all of the said funds will be used to repair or rebuild your property or reduce any part of the loan amount, whether it is due or not, including paying any prepayment charges that are payable. Excess funds remaining after such application, if any, may be paid to you.

7.9. Residential Condominium Units or Strata Lots

- (a) If your property is a condominium unit or strata lot you must also comply with this section in addition to all other provisions of the mortgage. In this section: (1) condominium also means strata; (2) condominium unit also means strata lot; and, (3) condominium corporation also means strata corporation.

- (b) In this section, the *Condominium Act*, *Strata Property Act* or similar legislation governing a condominium or strata property in the province or territory in which your property is located, is called the "Act". The terms and wording used below which are used in the Act have the same definitions as those in the Act, except that the expression condominium property has the same meaning as the word property in the Act.
- (i) **Compliance with the Act, Declaration, etc.** - You agree to comply with all of the requirements of the Act as well as the declaration, bylaws and rules and regulations of the condominium corporation as they exist and may be amended from time to time;
 - (ii) **Payment of common expenses and other amounts** - You agree to pay your common expenses and any other amounts charged by the condominium corporation in a timely manner as and when same are due and payable. Upon our request from time to time during the term of your loan and all renewals thereof, you agree to provide us with proof of these payments have made in full;
 - (iii) **Deliver Copies of Notices and demand** - Upon receipt of communication from the condominium corporation related to your condominium unit or the common elements, including, but not limited to, any notices, assessments, claims or demands for payment, the rules or regulations, or requests or demands of us to consent to any matter, you will immediately forward copies of same to us. You agree to provide such copies at least five (5) days before any claim or demand is payable thereunder or, in the case of other communications, within five (5) days of the date you receive them;
 - (iv) **Assignment of Voting rights** - You authorize us, in your name and on your behalf, and whether or not you are in default under your loan, to exercise your right to vote at any meeting of the condominium corporation and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the Act to the condominium property or to your property. Although you have assigned such rights to us, we may decide not to exercise our right to vote or to consent. In such case, we may notify the condominium corporation of our decision not to exercise our right and, in such instance, you may vote or consent on your own behalf. Our decision whether or not to vote or to consent may be for a limited time or for a particular meeting or matter or may be more general in nature, at our discretion. If and when we do vote or consent for you, such actions does not, in and of itself, make us a mortgagee in possession, nor are we responsible or obligated to protect your interests in the way we vote or consent. Likewise, we are not responsible if we determine not to exercise or right to vote or consent on any matter; and
 - (v) **Condominium Insurance** - Under the Act, the condominium corporation must obtain and maintain appropriate insurance. In addition to such insurance, you agree to arrange for appropriate insurance over all improvements which at any time have been made to your property against loss or damage by fire and, as well, against additional risks as we may require. You must arrange your insurance through an insurance company or companies approved by us in our sole discretion. You and the condominium corporation agree to assign and transfer the policy or policies of insurance and any payments which may be may under them to us. Upon our request from time to time during the term of your loan and any renewal thereof, you agree to provide us with certified copies of every insurance policy affecting your property. If you or the condominium corporation fail to keep the buildings and improvements insured or do not provide us with evidence of renewal at least fifteen (15) days before the termination of any insurance we may (but are not obligated to)

obtain insurance for the buildings or improvements (and, if we do obtain such insurance, all premiums or other amounts paid by us in this regard must be repaid to us immediately, failing which same may be deemed an event of default or, at our option, such amounts may be added to your indebtedness). If any loss or damage occurs, you agree to co-operate and take all necessary actions which may be required to enable us to obtain the insurance money payable to us under the mortgage and you agree to pay all related expenses. You agree that if we produce a copy of the mortgage, this alone is sufficient authority for the insurance company to pay us any and all insurance monies that may be payable because of the loss. By signing this mortgage, you irrevocably authorize and direct the insurance company to so direct all such funds to us without your further signature or consent. We may use all or any part of the proceeds, as permitted by law, to repair the damage, pay you or reduce any part of the loan amount whether or not it is due, including paying any prepayment charges that result. The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You further promise and agree that in the event of loss or damage you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will require the condominium corporation to comply with these terms.

7.10. Your Obligation to Maintain and Repair Your Property

- (a) You agree to keep your property in good condition and in a good state of repair throughout the term of your loan and all renewals thereof. You agree to effect all necessary repairs and you will not do anything, or let any other person or entity do anything, which may lower the value of your property.
- (b) You agree to comply with every existing and future law, by-law, ordinance, regulation and order that affects the condition, repair, use or occupation of your property.
- (c) In the event you fail to honour your obligations under (a) or (b) above, we may, at our discretion, enter upon your property and undertake any repairs we deem are necessary or warranted.
- (d) You authorize us to enter your property at all reasonable times to inspect and repair your property. If we enter upon your property for such inspection or repair purposes, such action does not, in and of itself, make us a mortgagee in possession of your property.
- (e) You agree to be responsible for the costs of any repairs and any inspections done by us or on our behalf and all such costs must be paid to us immediately upon demand, failing which same may be deemed an event of default or, at our option, such amount may be added to your indebtedness.

7.11. Construction or Building Mortgages:

- (a) If the mortgage was approved on the understanding that all or a part of the indebtedness will be used to finance an improvement (which includes any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), the following terms and conditions will apply:
 - (i) the improvements to be constructed will be completed in strict accordance with the plans and specifications we have previously approved;
 - (ii) you agree to complete the improvement as quickly as possible;

- (iii) you agree you will meet all government requirements and building standards that apply to your property and, upon our request, you will provide us with proof that you have met all government requirements and building standards that apply to your property, at your sole cost and expense;
- (iv) you agree to make timely payments for all expenses associated with the improvement and provide us with proof that all such payments owed in connection with the improvement have been paid in full and in a timely manner;
- (v) we may, at our discretion, make advances to you based upon your progress respecting the improvement or we may advance upon its completion. We may also impose conditions and restrictions on advances relating to the occupancy (or the leasing) of the building situate on the property;
- (vi) we may hold back from any of the advances such amount or amounts as we may in our sole discretion determine is sufficient to satisfy all obligations required under the *Construction Lien Act*, *Builders Lien Act* or similar legislation regarding payment for contractors and suppliers applicable in the province or territory where your property is located and may further determine, in our sole discretion, the timing as to when such holdbacks may be released. You authorize us to give information about the mortgage to anyone who claims a construction or builders' lien on your property; and
- (vii) in the event a construction or builder's lien is registered on title to your property, you acknowledge and agree we may obtain an order removing such lien and, if we so determine same is necessary or warranted in our sole discretion, provide financial guarantees or other security to obtain such an order. In such instance, you agree to immediately repay to us all of our expenses for obtaining this order, including our legal fees and costs, as well as any charges for providing the afore-mentioned financial guarantees or other security.

7.12. Restrictions and Provisions relating to Demolitions and Alterations to Your Property

- (a) You agree not to demolish any building or structure, or part of any building or structure, on your property without first obtaining our written approval, which approval may be withheld for any reason whatsoever at our sole discretion.
- (b) You agree not to make any substantial alterations, additions or improvements to your property (referred to collectively in this section as "alterations") without first obtaining our written approval of your proposed plans, which approval may be withheld for any reason whatsoever at our sole discretion.
- (c) In the event we provide our consent to your alterations, the following conditions apply:
 - (i) the alterations will be completed in strict accordance with the plans and specifications we have previously approved;
 - (ii) you agree to complete the alterations as quickly as possible;
 - (iii) you agree all alterations will meet all government requirements and building standards that apply to your property and, upon our request, you will provide us, at your sole cost and expense, with proof that you have met all government requirements and building standards that apply to your property;
 - (iv) you agree to make timely payments for all expenses associated with the alterations and provide us with proof that all such payments owed in connection with the alterations have been paid in full and in a timely manner;

- (v) you agree to retain all holdbacks sufficient to satisfy all obligations required under the *Construction Lien Act, Builders Lien Act* or similar legislation regarding payment for contractors and suppliers in connection with the alterations; and
- (vi) in the event a construction or builder's lien is registered on title to your property, you acknowledge and agree we may obtain an order removing such lien and, if we so determine same is necessary or warranted in our sole discretion, provide financial guarantees or other security to obtain such an order. In such instance, you agree to immediately repay to us all of our expenses for obtaining this order, including our legal fees and costs, as well as any charges for providing the afore-mentioned financial guarantees or other security.

7.13. Property inspection, testing and investigation

- (a) We, our agents, representatives, employees or contractors, may enter and inspect your property and conduct any environmental testing, site assessment, investigation or study that we deem necessary or warranted. You are responsible for the costs of this testing, assessment, investigation or study and all such costs must be paid to us immediately upon demand, failing which same may be deemed an event of default or, at our option, such amount may be added to your indebtedness.
- (b) If your mortgage has mortgage insurance, the mortgage insurer or its agents, representatives, employees or contractors may enter and inspect your property and conduct any environmental testing, site assessment, investigation or study that they consider necessary. You are responsible for the costs of this testing, assessment, investigation or study and all such costs must be paid to us immediately upon demand, failing which same may be deemed an event of default or, at our option, such amount may be added to your indebtedness.
- (c) If we or the mortgage insurer enforce our rights under this section, we, the mortgage insurer or our respective agents, representatives, employees or contractors will not be considered to have taken possession, management or control of your property.

7.14. Hazardous and Illegal Substances

- (a) You represent to us that you have made reasonable investigations and enquiries and that, to the best of your knowledge, no part of your property or any land next to your property is, or has been, or will be, used to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous or illegal substances, except as allowed by laws, regulations and orders.
- (b) You represent to us you have made reasonable investigations and enquiries and that, to the best of your knowledge, no part of your property contains, nor has it ever contained, nor will it contain in the future, any hazardous or illegal substance that may lower the value of your property or negatively affect the marketability of your property.
- (c) You agree you will not use your property to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous or illegal substances as allowed by laws, regulations and orders, unless you have first notified us in writing that you intend to do so, and we have provided our written approval, which approval may be withheld for any reason whatsoever at our sole discretion.
- (d) We may at any time and from time to time during the term of your loan and any renewal thereof, require you to obtain an environmental audit, satisfactory to us, of all or any part of your property. Notwithstanding this provision, there is no obligation on our part to request such audit and the failure to obtain same does not in any way alleviate your responsibilities and liabilities under

this section. If we do so require such audit(s), you will be responsible for all of the costs associated with conducting same which must be paid in a timely manner as required by the auditor or us, failing which same may be deemed an event of default or, at our option, such amount may be added to your indebtedness.

- (e) If hazardous or illegal substances are found on your property, regardless of the source or cause, you agree to immediately undertake whatever remediation work which may be required to remove the hazardous or illegal substances from your property and repair the damage to your property (the "remediation work"). The plans and proposals for doing the remediation work and repairs must be prepared in consultation with us and must be approved, in writing, by us in advance of you carrying out such remediation work.
- (f) Upon completion of the remediation work, you agree to provide us with confirmation in writing that the work is completed in a form acceptable to us in our sole discretion. You agree to be responsible for all of the costs associated with this remediation work and the preparation and delivery of the requisite completion certificates.
- (g) If you fail to meet one or more of your obligations under this section, we may, at our discretion, do all or any part of the remediation work we feel is necessary, however, in no event are we required or obligated to do so. Should we undertake any such work you will be responsible for all of the costs associated with same which must be paid in a timely manner as required us, failing which same may be deemed an event of default or, at our option, such amounts may be added to your indebtedness.
- (h) In all cases, you will protect and indemnify us against all actions, claims, lawsuits, costs or other demands relating to hazardous substances or illegal substances on your property, and any breach of your obligations under this section.

7.15. Prohibition against Illegal Activities on Your Property

You represent to us that no part of your property is or will be used for any illegal purpose whatsoever, including, but not limited to, a brothel, a gaming house, or for the cultivation or processing of marijuana or other illegal substances.

7.16. New Home Warranties

- (a) If your property includes a newly or recently constructed house, you agree to meet all of the requirements to obtain and maintain the warranty coverage in the new home warranty program applicable in the province or territory your property is located.
- (b) You agree to provide to us with copies of the new home warranty certificate and certificate of possession or other applicable certificates.
- (c) You further agree to reimburse us for any costs which we may incur in complying with the warranty program requirements, if applicable, or enforcing your rights on your behalf should you fail to do so. All such costs must be paid to us immediately upon demand, failing which same may be deemed an event of default or, at our option, such amount may be added to your indebtedness.

7.17. Expropriation

- (a) If your entire property is expropriated, the indebtedness will immediately become due and payable, together with loss of interest, including any prepayment charges.
- (b) If a portion of your property is expropriated, you agree that the amount you are awarded for the partial expropriation will be assigned and paid to us and we will credit it against the loan amount. If, in our sole discretion, the remainder of your property does not provide adequate security for the indebtedness, then the indebtedness or any part of the indebtedness as we so

determine, will immediately become due and payable, together with any loss of interest, including any prepayment charges.

7.18. Spousal Information

- (a) You represent to us that all information you provided respecting your marital status and your property when applying for the loan secured by the mortgage, and the statements made in the registered mortgage are true and accurate under the laws regarding spousal property rights in the province or territory in which your property is located.
- (b) You agree that, should your marital status change during the term of your loan and any renewals thereof, you will provide us notice of such change immediately and, if applicable, provide us with the full name and birth date of any new spouse, so that we are kept fully informed of the names and addresses of all parties who may have spousal rights to your property.

7.19. Withholding Taxes

- (a) You agree that we shall receive all interest payments free and clear of any withholding tax.
- (b) If you are or become a non-resident of Canada for income tax purposes, the country where you reside may charge you withholding tax on the interest portion of your payments to us. In such case, you will be responsible to pay any applicable withholding tax and shall provide us with copies of the receipts issued by the foreign tax authority as proof that you have paid such withholding tax.
- (c) Should you not pay the withholding tax and the foreign tax authority demands us to fund such amounts, we may demand you to repay these sums immediately, failing which same may be deemed an event of default or, at our option, such amounts may be added to your indebtedness until paid in full.

7.20. Administrative, Servicing and Other Fees

- (a) You agree to pay us servicing fees to cover our reasonable time and costs for all aspects of the administration of the mortgage and agreements including, without limitation, a fee or allowance for:
 - (i) administering the account for the collection and payment of taxes;
 - (ii) dealing with stop payment requests and arrangements to hold or process any payments other than on its due date by preauthorized debit and with any late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment which does not clear as scheduled;
 - (iii) preparing each assumption, arrears, reinstatement, discharge or other mortgage statement, and each amortization or revised amortization schedule whether provided to you, your agents or solicitors or any other interested person;
 - (iv) setting up each loan in our loan account systems and periodically for processing, maintaining and upgrading systems, licensing and data storage and retention and related customer service;
 - (v) processing each application to obtain our consent to assume the mortgage or our approval or consent for any other matter required by the mortgage whether or not approval or consent is provided or the matter is completed;
 - (vi) processing each payment frequency change, extension, renewal, restructuring or other amendment of the mortgage, the agreements, or amounts secured by the mortgage, whether or not completed;

- (vii) processing each extension, renewal, restructuring or other amendment of the mortgage or amounts secured by the mortgage, whether or not completed;
 - (viii) investigating the status of any insurance, administering insurance cancellations, paying insurance premiums and dealing with insurance claims;
 - (ix) providing a copy or duplicate of documents from our file or an amortization schedule, a payment history, tax account history, audit verification and other services of a clerical nature including retrieval, copying, transmissions and other charges;
 - (x) investigating the status of realty tax payments and administering tax payments;
 - (xi) registering a financing statement or financing change statement or issuing or receiving any notice or information, security status or acknowledgement request and conducting any required searches;
 - (xii) registering electronically or otherwise or executing and delivering any discharge of the mortgage (notwithstanding that the discharge may have been prepared by you or other person on your behalf); and/or
 - (xiii) generally, any matter connected with the administration of the mortgage, the agreements and your property including inquiring into compliance, dealing with or enforcing any obligation contained in the charge or agreements and including, without limitation, with respect to preparation and administration of legal actions and enforcements, taxes, condominium fees and matters, insurance, repair and construction, environmental matters, leases and other encumbrances and managing or selling your property.
- (b) Our servicing fees shall be the amounts established, disclosed and generally applied by us from time to time and may be ascertained upon inquiry to us.

7.21. Other Costs

- (a) You agree to pay us all amounts we expend and costs we incur in any manner in connection with the mortgage and the agreements including, without limitation, expenses in relation to:
- (i) effecting your loan or any other indebtedness secured by the mortgage and each amendment, extension or renewal thereof including preparation, execution and registration of the mortgage, the agreements and any other security, instrument and documents;
 - (ii) collecting payments under and enforcing and realizing the security of the mortgage and the agreements;
 - (iii) defending or otherwise dealing with any action or proceeding in which we by reason of the mortgage may be a party or otherwise interested including without limitation any construction lien or similar matter, any seizure or prosecution by police or other authority, any foreclosure, sale, redemption, assessment or other action or proceeding by any other encumbrancer or any certificate of pending litigation or other title matter; and/or
 - (iv) performing or complying with any of your obligations under this mortgage or the agreements including, without limitation, those relating to insurance, condominium, repair and construction, leases, taxes, prior encumbrances and environmental matters.
- (b) All legal costs incurred by us in dealing with compliance with any term and in enforcement of the mortgage and agreements shall be paid by you in full (including legal fees for court proceeding on a solicitor and client or

substantial indemnity basis).

8. PROVISIONS RESPECTING ENFORCEMENT AND OUR OTHER RIGHTS

8.1. No Obligation to Advance

- (a) We may for any reason, at our sole discretion, decide not to advance you all or any part of the indebtedness, even if: (1) you have already signed the mortgage; (2) the mortgage has been registered; or, (3) we have already advanced a portion of the indebtedness.
- (b) If we so determine not to advance as contemplated above, you will remain responsible for any portion of the indebtedness already advanced as well as all fees, costs and expenses, including legal fees, related to investigating title to your property and for registering the mortgage, which we may demand you to repay immediately.

8.2. Releasing Your Property from the Mortgage

- (a) We may release our interest in all or part of your property, whether or not we receive any value for such release. We will be accountable to you only for money that we actually receive.
- (b) If we release our interest in only part of your property, the remainder of your property will continue to secure the entire loan amount and your obligations, and the obligations of any guarantor, under the mortgage will continue in full force and effect, unamended.
- (c) If your property is subdivided, each part of your property will secure payment of the entire loan amount.

8.3. Our Ability to Take Certain Actions

- (a) We may, at our sole discretion, pay off any encumbrances, claims or liens which have priority over the mortgage and, if we are so able, claim all such amounts paid from you as part of the indebtedness.
- (b) If you do not meet any one or more of your obligations under the mortgage, we have the right, but not the obligation, to perform those obligations. In the event we do undertake such actions, you will be responsible for all such payments, costs and fees associated with same, we must be repaid to us immediately failing which same may be deemed an event of default or, at our option, such amounts may be added to your indebtedness.
- (c) Any payments we make under the mortgage will be added to the indebtedness and we will charge you interest on these payments from the date we pay them at the mortgage interest rate.
- (d) If you are a tenant or a lessee of your property, we have the right, but not the obligation, to cure any defaults existing under your lease and, in such case, immediately claim from you all payments, costs and expenses associated with same. If you refuse or neglect to renew your lease when allowed for under your lease, we may (but are not obligated) to do so on your behalf. All of your lease renewals will be subject to this mortgage until the indebtedness is repaid in full.
- (e) If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide a final report and certificate of title and you will be responsible for all costs associated with so doing.

8.4. Defaults and Acceleration of the Indebtedness

- (a) All or any part or parts of the indebtedness will become payable immediately, at our sole discretion, if:

- (i) you default in making any regular loan payment, or any other payment you are obliged to make to us that is secured by the mortgage;
 - (ii) you fail to comply with any of your other obligations under the mortgage or under any agreement;
 - (iii) any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, utilities, unpaid condominium or strata maintenance fees, judgments, construction or builders' liens or other similar encumbrances;
 - (iv) your property is abandoned or is not visibly and consistently occupied;
 - (v) any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for fifteen (15) consecutive days;
 - (vi) your property is used for any illegal purpose or is used for a business purpose without our consent;
 - (vii) you sell or otherwise dispose of your property or mortgage your property to a person not approved in writing by us;
 - (viii) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the initial loan or any renewal thereof or for any other indebtedness, or in the mortgage is untrue;
 - (ix) if the property includes a condominium unit or strata lot, a vote authorizes termination of the condominium or strata property or the sale of all or substantially all of the condominium corporation's or strata corporation's assets or its common elements or the condominium corporation or strata corporation fails to insure the unit or strata lot and common elements; or
 - (x) a petition in bankruptcy is filed against you, you make a general assignment for the benefit of your creditors, a receiver or a similar person is placed or is threatened to be placed in control of your affairs or your property, or in our opinion, you become insolvent.
- (b) If your loan is so declared immediately payable is paid prior to the balance due date, you agree to compensate us by payment of a prepayment charge equal to three (3) months interest at the interest rate of the loan. Where default continues to or is made after the balance due date, the outstanding loan amount may only be paid upon payment of three (3) months interest on the loan amount. You further agree that we may recover such prepayment charge from the proceeds of any sale of your property or other proceedings for enforcement of the mortgage.

8.5. Enforcement

- (a) If any of the events set out in section 8.4 occurs, we may, with or without declaring the loan immediately payable, enforce our rights by taking certain actions, which may include:
- (i) **Launch legal action against you** - we may commence any legal action necessary or we deem warranted to recover payment of all or any part of the indebtedness and to make you perform any of your other obligations under the mortgage or agreements;
 - (ii) **Foreclosure or Sale** - we may commence court proceedings to foreclose your right, title and equity of redemption to your property with the result being that your property will belong to us;

We may also ask the court to order the sale of your property under the court's supervision. If the amount we receive from the sale of your property is less than the indebtedness, you will be required to pay us the difference;

- (iii) **Leasing your property and/or collecting rents** - we may lease your property without notice to you, with or without entering upon your property. If we deem same to be reasonable, we may cancel or amend any lease or enter into new leases without being responsible for any resulting loss, if any. We may apply the money collected under or in connection with any lease, after paying all costs and expenses, to any part of the loan amount and we will only be accountable for the money received which may remain after payment of all costs and expenses. If the money remaining, after paying all costs and expenses, does not pay the loan amount in full, you will be required to pay us the difference;
- (iv) **Power of Sale Proceedings** - where permitted by law and on the minimum period of written notice to you as is required by law, we may sell your property or any part of your property. We may sell your property for cash or on credit, or partly for cash and partly on credit. We may sell your property by private sale or public auction and on whatever terms we can obtain. If we deem it reasonable to do so, we may cancel or amend any contract of sale, or postpone any sale, without being responsible for any resulting loss, if any. We may apply the money from any sale, after paying all costs and expenses, to reduce any part of the indebtedness and we will only be responsible for the money received which may remain after we pay all costs and expenses. If the money remaining, after paying all costs and expenses, does not pay the indebtedness in full, you will be required to pay us the difference;
- (v) **Enter upon your property** - we may enter upon your property at any time, without your permission, and making any necessary arrangements to inspect, collect rent, manage, repair or complete construction. However, notwithstanding our actions in this regard, we will not be a mortgagee in possession of your property unless we actually take possession of your property and we may take possession of your property without any encumbrances or interference. If and while we are in possession, we will only be accountable to you for monies we actually receive;
- (vi) **Appoint a Receiver** - we may appoint, in writing, a receiver (which term includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for anything the receiver does or fails to do. We are not accountable for any money received by the receiver except for money that we actually receive. The receiver may use every available remedy or action that we have under the mortgage to collect the income from your property, take possession of part or all of your property, or to manage your property and keep it in good condition. From the income collected, the receiver can pay: all rents, taxes, insurance premiums and other expenses required to keep your property in good condition; its own commission as receiver; all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; interest secured by mortgage; and all or any part of the indebtedness, whether same is due and payable or not;
- (vii) **Cure the default** - we may cure any defaults under the mortgage and claim all costs associated with same from you, however, we are not obligated to do so; and/or
- (viii) **Other Action** - we may take any other steps or proceedings against you that are permitted by the laws of the province or territory in which your property is located and the laws of Canada.

- (b) We have the right to take one or more of these actions at the same time or in any order we choose.
- (c) If we take possession of your property for the purpose of enforcing our rights, you agree to not interfere with our possession or with the possession of your property by any receiver we appoint or with the possession of your property by any person we have leased or sold your property. You also agree not to make any claim against any person to whom your property has been leased or sold.
- (d) If we take possession of your property, any equipment (which is not part of the property) or furniture or household or personal belongings which remain on your property for a period of more than six (6) days after we take possession of your property shall be deemed abandoned and we may remove, store, dispose of or otherwise deal with such abandoned goods in such manner as we see fit. The costs associated with such removal, storage, etc. related hereto will be added to the indebtedness.
- (e) You agree to pay all of our fees and expenses related to our enforcing our rights (including legal fees in any court proceedings on a solicitor and its client or substantial indemnity basis) immediately when we demand. You also agree to pay all other costs we incur to protect our interests and to enforce any of our rights under the mortgage, and for the time and service our employees expend in such regard.
- (f) If we delay enforcing any of our rights or give you or any other person an extension of time to rectify any default, the delay or extension will not affect any of our other rights under the mortgage. If we delay or give such an extension, we may still: (1) require you to make all payments on time and meet your obligations under the mortgage; (2) require payment of the loan amount if you are in default; and, (3) require any other person who has obligations under the mortgage, including any guarantor, to take all action necessary and required to honour those obligations.
- (g) In the event we choose to not take enforcement action in connection with a particular default, such failure to take enforcement action does not act as a waiver or forgiveness of any other existing default or of any other default(s) in the future.
- (h) If we obtain a court order or judgment against you with respect to enforcing our rights as noted above, the judgment will not prevent us from pursuing any other remedies we may have or any of our other rights to enforce your obligations under the mortgage.

8.6. Doctrine of Consolidation

- (a) The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us.
- (b) In the event of a default under any of your mortgages to us then we may, as a condition of you repaying any of your mortgages, require that you repay the debt secured by all (or any) of the mortgages owed to us, at our sole discretion.

9. GUARANTORS

- (a) In consideration of your loan and for such good and other valuable consideration given to you (in this section 9 "you" will be referred to as the "borrower" and shall include the borrower's legal and personal representatives, successors and assigns), the receipt and sufficiency of such consideration is hereby acknowledged by all parties, each person who signs the mortgage as a guarantor or covenantor (hereinafter referred to as a "guarantor" or "guarantors", if more than one) signs as a principal debtor and not as surety and therefore agrees to pay the indebtedness and to meet all other obligations of the borrower as and when required by the mortgage and agreements.

- (b) If there is more than one guarantor named in the mortgage, all guarantors are responsible jointly and severally with each other and with the borrower(s) to meet all obligations under the mortgage and agreements.
- (c) We may, at any time and from time to time during the term of your loan and any renewals thereto, do any of the following (either with or without notice to any guarantor and without obtaining the consent of any guarantor): (1) extend the time for any payment; (2) provide a renewal of your loan; (3) provide an extension of your loan; (4) deal in any way we so determine with any additional security; (5) provide a release or discharge; (6) amend the interest rate; (7) amend the terms of the initial loan or any renewal thereof or any other indebtedness; or, (9) deal with any other matter affecting the mortgage, the indebtedness secured and the borrower's obligations. In the event we take any such actions without notice or consent of any of the guarantors, same will not in any way affect the guarantee or the obligations of any of the guarantors.
- (d) We may require payment from any guarantor before we attempt to obtain payment from the borrower. All obligations of any guarantor will also be obligations of the guarantor's heirs, executors, successors or personal representatives. The obligations of a guarantor will not be affected by the bankruptcy of the borrower or any other guarantor.

10. MISCELLANEOUS

10.1. Date of Mortgage

For the purpose of defining the date of the mortgage with respect to any statutory rights to prepayment only, the date of the mortgage will be deemed to be the interest adjustment date for the initial loan in the registered mortgage or other agreement.

10.2. Receipt of Mortgage

You, and all guarantors as applicable, hereby acknowledge receipt of a true copy of the mortgage and the foregoing standard charge terms before signing the mortgage

10.3. Exclusion of Statutory Covenants

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

10.4. National Housing Act

If the mortgage is insured by Canada Mortgage and Housing Corporation ("CMHC"), it is made according to the *National Housing Act*.

10.5. Partial Invalidity

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

10.6. Headings

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

10.7. Governing law

- (a) The mortgage shall be governed by the laws of the province or territory in which the property is located and the laws of Canada applicable in the province or territory.

- (b) Any reference in the mortgage to an act or statute includes amendments and replacements to that legislation in force from time to time.

10.8. Conflict

If there is any conflict between the terms of the mortgage and the terms of the agreements, the terms of the agreements will prevail.

10.9. Number

Words in the singular include the plural and words in the plural include the singular.

10.10. Consents and Disclosure

- (a) You consent to EFT transferring, selling or assigning the mortgage and all of its rights under the mortgage. If EFT does so, it may disclose information about you, including personal or financial information, and the mortgage to anyone to whom EFT transfers, sells or assigns its rights.
- (b) EFT may also disclose information about you and the mortgage to an insurer or other third party from whom EFT may obtain benefits that protect its security, including, but not limited to, regulators and auditors.
- (c) You consent to insurers and other third parties that provide benefits or services to EFT for the mortgage obtaining information about you from credit bureaus and other lenders to evaluate you and the mortgage.
- (d) You consent to EFT obtaining at any time, and from time to time during the term of your loan and all renewals thereof, periodic credit reports through any credit agency EFT chooses, as and when EFT may require in their sole discretion.

10.11. Telephone Calls

You agree that EFT may record any telephone calls to ensure quality service and to confirm your discussions with EFT and any of its employees.

10.12. Equivalent Rates

The following table lists interest rates calculated monthly not in advance per annum together with the equivalent interest rates calculated half-yearly not in advance per annum. You may determine the equivalent interest rate by looking at an interest rate under the heading "interest rate per annum calculated monthly not in advance (%)" and comparing that interest rate to the interest rate set forth in the column immediately to the right of the said interest rate in the column under the heading "interest rate per annum calculated half-yearly not in advance (%)". This table is provided in order to satisfy any requirement under the Interest Act (Canada) to provide equivalent interest rates calculated half-yearly not in advance per annum.

Interest rate per annum calculated monthly not in advance (%)	Interest rate per annum calculated half-yearly not in advance (%)	Interest rate per annum calculated monthly not in advance (%)	Interest rate per annum calculated half-yearly not in advance (%)
2.0000	2.00835	11.125	11.38605
2.1250	2.13443	11.250	11.51699
2.2500	2.26057	11.375	11.64800
2.3750	2.38678	11.500	11.77907
2.5000	2.51306	11.625	11.91021
2.6250	2.63940	11.750	12.04141
2.7500	2.76580	11.875	12.17269
2.8750	2.89228	12.000	12.30403
3.000	3.01881	12.125	12.43544
3.125	3.14542	12.250	12.56692
3.250	3.27208	12.375	12.69846

Interest rate per annum calculated monthly not in advance (%)	Interest rate per annum calculated half-yearly not in advance (%)	Interest rate per annum calculated monthly not in advance (%)	Interest rate per annum calculated half-yearly not in advance (%)
3.375	3.39882	12.500	12.83008
3.500	3.52562	12.625	12.96176
3.625	3.65249	12.750	13.09351
3.750	3.77942	12.875	13.22533
3.875	3.77942	13.000	13.35721
4.000	4.03348	13.125	13.48916
4.125	4.16061	13.250	13.62118
4.250	4.28781	13.375	13.75327
4.375	4.41507	13.500	13.88543
4.500	4.54240	13.625	14.01766
4.625	4.66979	13.750	14.14995
4.750	4.79725	13.875	14.28231
4.875	4.92478	14.000	14.41474
5.000	5.05237	14.125	14.54724
5.125	5.18003	14.250	14.67981
5.250	5.30776	14.375	14.81244
5.375	5.43555	14.500	14.94514
5.500	5.56341	14.625	15.07791
5.625	5.69133	14.750	15.21075
5.750	5.81932	14.875	15.34366
5.875	5.94738	15.000	15.47664
6.000	6.07550	15.125	15.60968
6.125	6.20369	15.250	15.74279
6.250	6.33195	15.375	15.87597
6.375	6.46027	15.500	16.00922
6.500	6.58866	15.625	16.14254
6.625	6.71711	15.750	16.27593
6.750	6.84564	15.875	16.40939
6.875	6.97423	16.000	16.54291
7.000	7.10288	16.125	16.67650
7.125	7.23160	16.250	16.81016
7.250	7.36039	16.375	16.94389
7.375	7.48925	16.500	17.07769
7.500	7.61817	16.625	17.21156
7.625	7.74716	16.750	17.34550
7.750	7.87621	16.875	17.47950
7.875	8.00534	17.000	17.61358
8.000	8.13452	17.125	17.74772
8.125	8.26378	17.250	17.88193
8.250	8.39310	17.375	18.01621
8.375	8.52249	17.500	18.15056
8.500	8.65195	17.625	18.28498
8.625	8.78147	17.750	18.41947
8.750	8.91106	17.875	18.55403
8.875	9.04072	18.000	18.68865
9.000	9.17045	18.125	18.82335
9.125	9.30024	18.250	18.95811
9.250	9.43010	18.375	19.09295
9.375	9.56002	18.500	19.22785
9.500	9.69002	18.625	19.36282
9.625	9.82008	18.750	19.49786
9.750	9.95021	18.875	19.63297
9.875	10.08040	19.000	19.76815
10.000	10.21066	19.125	19.90340
10.125	10.34099	19.250	20.03872
10.250	10.47139	19.375	20.17411

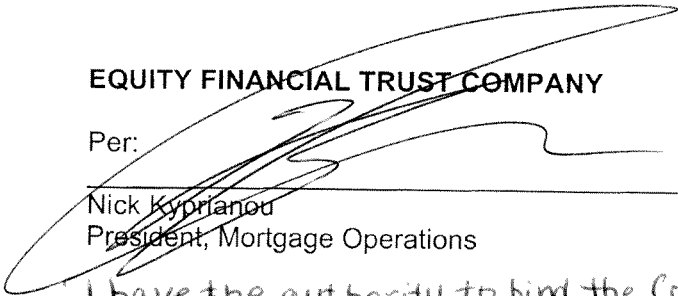
STANDARD CHARGE TERMS
 CLAUSES TYPES DE CHARGE
 Filing No. 201030 Cote

Interest rate per annum calculated monthly not in advance (%)	Interest rate per annum calculated half-yearly not in advance (%)	Interest rate per annum calculated monthly not in advance (%)	Interest rate per annum calculated half-yearly not in advance (%)
10.375	10.60185	19.500	20.30956
10.500	10.73238	19.625	20.44509
10.625	10.86298	19.750	20.58068
10.750	10.99365	19.875	20.71635
10.875	11.12438	20.000	20.85208
11.000	11.25519		

DATED the 4th day of October, 2010

EQUITY FINANCIAL TRUST COMPANY

Per:



Nick Kyprianou
President, Mortgage Operations

I have the authority to bind the Corporation ^{mk}

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 201030 Cote