



Land Registration Reform Act

SET OF STANDARD CHARGE TERMS NO. 201301

1. DEFINITIONS

In this set of standard charge terms, **mortgage** means, for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land, or, for the electronic registration system, the charge prepared in electronic format and registered electronically pursuant to the provisions of the *Land Registration Reform Act* (as amended or replaced), as well as any attached schedules and this set of standard charge terms. **You** and **your** mean each person who signs the mortgage as chargor. **We, our** and **us** mean Scotia Mortgage Corporation, the chargee. **Your property** means the land described under Description or under Properties in the mortgage, all buildings now or later on it and anything now or later attached or fixed to the buildings or the land, including additions, alterations and improvements. **Principal amount** means the amount specified as the Principal Amount or as the Principal in the mortgage. **Loan amount** means the outstanding balance of all amounts (including interest) owing to us from time to time under the mortgage, as amended from time to time. Any reference to signing any document includes an electronic signature.

Any reference to signing the mortgage means signing Form 2 Charge/Mortgage of Land or a schedule to it, or signing an Acknowledgement and Direction or any schedule to it for electronic registration. References to paragraphs refer to paragraphs of this set of standard charge terms.

If this mortgage is a CMHC-insured mortgage, it is made pursuant to the **National Housing Act**.

2. WHAT THE MORTGAGE DOES

In return for our making a loan to you in the principal amount (which, by signing the mortgage, you acknowledge having received from us), you:

- i) If you are the owner of your property, charge your property to us and our successors and assigns (called our **legal representatives**);
- or
- ii) If you are a tenant of your property under a lease, charge your interest in your property (including any option to purchase) to us and our legal representatives, for the entire term of the lease;

as security for repayment of the loan amount and the performance of all of your other obligations under the mortgage. This means you charge your entire interest in your property to us and to anyone to whom the mortgage is transferred in any way.

Termination of the Mortgage:

Our interest in the property terminates when you have:

- Repaid the loan amount (including interest) as provided in the mortgage; and
- Complied with all of your other obligations under the mortgage.

3. INTEREST

A. Interest Rate

The interest rate payable by you on the loan amount is specified as the Interest Rate in the mortgage. Interest is payable monthly and calculated half-yearly not in advance. The first half-yearly calculation of interest after the **interest adjustment date** (IAD) (which is one month before the date on which your first regular monthly loan payment is due) specified as the Interest Adjustment Date in the mortgage shall be for the six month period commencing on that date. That calculation shall be made six months after the interest adjustment date and half-yearly calculations of interest shall continue to be made every six months after that. Interest is payable on the loan amount at this rate both before and after the final payment date as well as both before and after default and judgment, until the loan amount has been paid in full.

B. Compound Interest

If on any monthly loan payment date you do not make the payment due on that day, we will charge you interest on any overdue portion of the loan amount (including interest) until paid to us. This is called **compound interest**. Compound interest shall be paid on your monthly loan payment dates. We will also charge interest, at the rate payable on the loan amount, on compound interest that is overdue until paid to us, both before and after the final payment date as well as both before and after default and judgment.

4. HOW YOU WILL REPAY YOUR LOAN

A. Currency and Place of Payment

You shall pay the loan amount to us in Canadian dollars. Your regular monthly loan payments and all other payments will be made at the Branch address set out as the Chargee(s) Address for Service in the mortgage, or at any other place we may designate, and are payable as follows:

B. Interest Payable Prior to your First Regular Payment Due Date

Before your term start date you will pay us interest, at the rate payable on the loan amount, calculated semi-annually, not in advance, on all money we have advanced to you.

If more than 1 month will elapse from the advance date to your 1st regular payment due date, you will owe interest for the period, separately. At our option, such interest will be due and payable one month prior to the 1st regular payment due date or on the 1st regular payment due date or it may be deducted from subsequent advances. We may also require you to pay this interest monthly, before we set a first regular payment due date.

C. Payments after the Interest Adjustment Date

The principal amount, together with interest calculated from the interest adjustment date, shall become due and be paid by you in regular monthly loan payments.

You will make your regular monthly loan payments to us in equal instalments in the amount specified as the Amount of Each Payment or as Payments in the mortgage beginning on the date specified as the First Payment Date in the mortgage and continuing monthly thereafter until the date specified as the Last Payment Date in the mortgage. Each date that you are required to make a monthly loan payment is called a **monthly loan payment date**. Each monthly loan payment consists of a portion of the principal amount together with the interest due and payable on the monthly loan payment date.

You will pay the balance of the principal amount, together with all interest due and payable on it, on the date specified as the Balance Due Date in the mortgage (which is the same as the date specified as the Last Payment Date in the mortgage and is called the **last payment date**).

D. Application of Monthly Loan Payments

Each monthly loan payment will be used: **first**, to pay interest due and payable and **next**, to reduce the principal amount.

E. Early Payment on sale or Mortgage

If you sell, transfer, mortgage or charge your property, we may, at our option, require you to pay all the money that you owe us under this mortgage immediately, unless we have given our prior written consent to the sale, transfer, mortgage or charge. If we consent to the sale, transfer, mortgage or charge and do not require you to immediately pay all the money that you owe us under this mortgage, your obligations to us under this mortgage and our rights against you or anyone else who is liable for the payment of money owing under this mortgage, are not affected.

5A. PREPAYMENT CHARGES – PAYING OFF YOUR MORTGAGE BEFORE THE MATURITY DATE.

You may prepay some, or the entire mortgage early, based on the type of mortgage you have. If we later agree to change or extend the terms of the loan, these prepayment conditions do not apply to the new renewal or extended term.

Closed Prepayment Type

Providing all your mortgage payments are up to date, you may increase your payments, or pay off some of your mortgage early in one of the three ways listed in the following chart. These options apply to partial prepayments only. The options are available each year and cannot be saved to use in a later year. Each year is defined as the 12-month period starting on the Term Start Date (also referred to as the Interest Adjustment Date) or the anniversary of that date. If your mortgage term is less than 12 months, these options are available in each term.

PREPAYMENT OPTIONS		
How	When	What it means
1 *by paying an extra regular mortgage payment (principal, interest and taxes)	on any regular payment date during the year	your principal mortgage balance will be reduced by that amount
2. *by paying one or more additional amounts up to a total of 15% of the original principal amount of your mortgage	at any time during each anniversary year (excluding day prepaid in full)	
3. by increasing your regular mortgage payment by up to 15% of the principal and interest payment set for the term of the mortgage	once each year of the term of your mortgage	

*Only items 1 & 2 qualify for the *Miss -a-Payment* option

Prepayment Charge

When you prepay some, or the entire principal of your mortgage, you will incur prepayment charges unless the partial prepayment is in accordance with the prepayment options chart. We use the following process to calculate the prepayment charge:

Step 1: We calculate the amounts that equal (A) and (B):

- (A) *3 months' interest costs* at the mortgage rate on the amount you want to pre-pay.
- (B) *The interest rate differential*. This means the difference between the amounts calculated in (1) and (2):
 - (1) The present value of all interest you would have paid from the date of prepayment until the maturity date on the amount you want to prepay at the mortgage interest rate
 - (2) The present value of all interest that would be paid from the date of prepayment until the maturity date on the amount you want to prepay at the Current Interest Rate, less any rate discount you received on your existing mortgage.

Where:

The present value is calculated based on the remaining term to maturity in months (rounded up to the nearest month) and the number of monthly payments remaining in the term. When calculating the present value in connection with (2), we adjust the principal and interest payment amounts because they would have been different using the Current Interest Rate.

The Current Interest Rate is the current posted interest rate offered by us for a new fixed rate closed term mortgage with a term that is closest to the remaining term of your existing mortgage (rounded up if exactly between 2 terms), which can be located at www.scotiabank.com. As noted above, the Current Interest Rate will be discounted by any rate discount you received on your existing mortgage.

Step 2: We determine which amount is higher. The prepayment charge to pay out some, or the entire principal amount of your mortgage early, is the **higher** of the amounts calculated for (A) and (B).

If your term is greater than 5 years and you prepay some or the entire principal amount of your mortgage after the 5th year, the maximum cost to prepay is (A) above.

If you received a cashback with your mortgage, the cashback amount will be repayable as outlined below under the heading *Cashback*.

Flexible Prepayment Type

In addition to the Closed Prepayment Type options and charges outlined above, if you have a flexible mortgage you may early renew your mortgage into a fixed rate closed term of one year or longer without a prepayment charge. If you receive a cashback with your mortgage, the cashback amount will be repayable as outlined below under the heading *Cashback*.

Portable Mortgage/Blended Rate

If you have a closed fixed rate mortgage, you may transfer your existing mortgage loan balance and the remaining term to a new home or you may combine your existing loan balance with an additional amount and extend your term. The interest rate on the new loan will be a blending of the rate you were paying on the amount transferred from your existing loan and the rate applicable to the extended term of the new loan and the additional amount. You must apply for a new mortgage and meet all our normal qualifications as if you were applying for any other new mortgage.

Prepayment Charge Reduction

If you payoff your entire mortgage early and concurrently provide us with a qualifying replacement mortgage, you may qualify for a prepayment charge reduction. Your Servicing Branch will review the details with you.

Miss-a-Payment® Option

You may miss any scheduled payment, as long as you have prepaid an amount equal to the amount of the payments you intend to miss in this term and your mortgage is not in default. You cannot, however, miss your Mortgage Protection premium, if applicable. Extra payments or prepayments may not be used to miss a payment if this mortgage is assumed by a subsequent purchaser.

Continuing Liability

Unless you prepay the balance of the principal amount owing, you must continue to make your regular mortgage payments.

B. Cashback

If you receive a cashback with your mortgage, the cashback amount will be repayable if your mortgage loan does not remain outstanding with us for the full term. If your mortgage is partially prepaid, paid off in full, transferred, assumed, or renewed prior to expiry of the term, the cashback amount will appear as payable in any assumption, discharge or early renewal statement and will be calculated on an even, prorated basis using the following formula;

$$\text{Cashback} = \frac{\text{Remaining Term in months (rounded up)}}{\text{Original Term in months}} \times \frac{\text{Cashback}}{\text{Amount Received}}$$

6. YOUR TITLE TO YOUR PROPERTY

- A. As Owner of Your Property, you certify that:
- i) You are the lawful owner of your property;
 - ii) You have the right to give us the mortgage;
 - iii) There are no encumbrances on the title to your property; and
 - iv) There are no limitations or restrictions on your title to your property except building by-laws, zoning regulations and registered restrictions.

This paragraph A applies unless you have advised us in writing that you are a tenant of your property under a lease, in which case paragraph B applies.

- B. If you Are a Tenant of Your Property
- i) You certify that:
 - a) The property is leased to you and your legal or personal representatives under a lease, a copy of which you have provided to us;
 - b) The lease is a binding and existing lease and all information you have provided to us concerning it is true;
 - c) All rents payable under the lease have been paid to the date you sign the mortgage;
 - d) You have permission or the right to assign and mortgage or charge the lease; and
 - e) Except as expressed in the lease, there are no limitations, restrictions or encumbrances on your interest under the lease other than building by-laws, zoning regulations and registered restrictions.
 - ii) You promise:
 - a) To pay the rent as it falls due;
 - b) To comply with all of the other terms of the lease and not to do anything that would cause the lease to be terminated;
 - c) Not to surrender the lease;
 - d) Not to make any change in the lease without first obtaining our written consent;
 - e) To give us a true copy of any notice or request you receive concerning the lease; and
 - f) To notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.
- C. You will not do anything that will interfere with our interest in your property.
- D. In order to ensure that your entire interest in your property is charged to us you will sign any other documents or do anything further that we think is necessary.

7. USE OF YOUR PROPERTY

You will not make any significant additions, alterations or improvements to your property or use your property for any business purposes without our prior written consent. You may not use your property for any illegal purposes.

8. WE ARE UNDER NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance the entire principal amount or any part of it to you then we do not have to do so, even though the mortgage is prepared, signed or registered, and whether or not any part of the principal amount has already been advanced. However, by signing the mortgage you charge all of your interest in your property to us. You will reimburse us, on demand, for all our expenses of investigating the title to your property and preparing and registering the mortgage.

9. TAXES

A. You will make **monthly tax payments** to us on account of property taxes on each monthly loan payment. The amount of each monthly tax payment will be 1/12th of our estimate of a year's taxes on your property next becoming due and payable and may change from time to time to reflect changes in the annual taxes on your property. The monthly tax payments should enable us to pay all property taxes on or before their annual due date. Or, if your property taxes are payable in instalments, the monthly payments should enable us to pay the full year's instalments of property taxes on or before the date on which the first instalment is due.

B. If, however, the annual due date or the first instalment date for the payment of your property taxes is less than one year from the interest adjustment date, you will pay us equal monthly tax payments during that period and during the next 12 months. These equal monthly tax payments will be based on our estimate of the total taxes payable for both periods so that we will receive enough money from you to pay all taxes for both of those periods.

C. You will also pay us, on demand, any amount by which the actual taxes on your property exceed our estimate of your taxes. Or, at our option, we may increase the monthly payment to cover this amount.

D. We will pay your taxes from the monthly payment we receive from you as long as you are not in default under the mortgage. We are not obliged to make tax payments on the dates they are due or more often than once a year. If you have not paid us enough for taxes, we may still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. We are under no obligation to advise you that a debit balance has been created.

E. We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by The Bank of Nova Scotia on savings-chequing accounts with the same credit balance. We will charge you interest on the debit balance in your tax account at the interest rate payable on the loan amount until the debit balance is paid to us in full.

F. If you fail to pay us any amount when it is due, we may apply the money in your tax account towards payment of such amount.

G. We can deduct from the total final advance of the principal amount enough money to pay all taxes due on or before the interest adjustment date and which have not been paid on the date the final advance is made.

H. You will immediately send us all assessment notices, tax bills or tax notices which you receive.

10. PAYMENTS WE CAN MAKE

We can pay off any liens, claims or encumbrances against your property which we consider to have priority over the mortgage. We can also pay all our expenses of collecting any payments not received from you when due. These expenses will include all our legal expenses on a solicitor and own client basis. You must immediately reimburse us for any amount so paid.

If we pay off any liens, claims or encumbrances against your property, we will be entitled to all the rights, equities and securities of the person, company, corporation or Government so paid off.

11. TRANSFER OF LEASES AND RENTS

A. If you have leased or, at a later date, lease all or part of your property to another person or persons, then, upon our written request, you will transfer and assign to us:

- i) All leases, lease agreements and their renewals;
- ii) All rents and other money payable under the terms of all leases and agreements. However, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your other obligations to us under the mortgage; and
- iii) All rights under the leases and agreements as they affect your property.

B. In addition, you confirm that:

- i) You must obtain our prior written consent for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease);
- ii) Nothing we do under this paragraph 11 shall put us in possession of your property;
- iii) However, if you default under the mortgage, we have the right to take possession of your property; and
- iv) We are not obliged to collect any rent or other income from your property nor to comply with any term of any lease or agreement.

12. INSURANCE

You will without delay insure, and keep insured, in our favour and until the mortgage is discharged, all buildings covered by the mortgage (including those which will be built in the future both during construction and afterwards) against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Such insurance must be provided by a company approved by us for the replacement cost of the buildings (the maximum amount for which the buildings can be insured) in Canadian dollars. Your policy must be in form satisfactory to us and must include extended perils coverage and a mortgage clause stating that loss is payable to us. You shall, at our request, transfer to us all insurance policies and receipts you have on the buildings and any proceeds from that insurance.

If you do not:

- Maintain insurance on the buildings that, in our opinion, complies with this paragraph;
- Deliver a copy of any insurance policy or receipt to us at our request; or
- Provide us with evidence, at our request, of any renewal or replacement of the insurance, at least fifteen full days before your insurance expires or is terminated,

we can, but are not obliged to, insure any of the buildings. What we pay for this insurance shall be added to the amount you owe under this mortgage and shall bear interest at the mortgage interest rate. You will pay this amount with your next monthly payment. If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. The production of this mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss.

Insurance proceeds may, in whole or in part, at our option, be:

- a Applied to rebuild or repair the damaged buildings;
- b Paid to you;
- c Paid to any other person who owns or did own the property, as established by the registered title; or
- d Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

This paragraph 12 does not apply (and paragraph 22E does apply) if your property is a condominium unit.

13. KEEPING YOUR PROPERTY IN GOOD CONDITION

You shall keep your property in good condition and make any repairs needed. You shall not do anything, or let anyone else do anything, that lowers the value of your property. We can inspect your property at any reasonable time. If, in our opinion, you:

- Do not keep your property in good condition; or
- Do or allow anything to be done that lowers the value of your property;

we can make any repairs we think are advisable. The costs of any inspections and any repairs we make are immediately payable by you.

14. ENVIRONMENTAL PROVISIONS

We (including, in this section, the Canada Mortgage and Housing Corporation if this is a CMHC-insured mortgage) may inspect your property and the buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, investigations or studies which we consider necessary. The costs of any testing, assessment or study will be payable by you and you will pay us the costs immediately after we give you notice of them. If you do not pay us when we request it, we can add the amounts to the outstanding balance under your mortgage and they will bear interest at your mortgage interest rate. If we do the things permitted under this section, we will not be considered to be in control of your property.

15. REPAYMENT OF LOAN AMOUNT ACCELERATED

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

- a) You default in making any regular monthly loan payment, or any other payment you are obliged to make to us under the mortgage.
- b) You fail to comply with any of your other obligations under the mortgage.
- c) Any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, unpaid condominium maintenance fees, judgements or construction liens or other similar encumbrances.
- d) Your property is abandoned.
- e) Any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for 30 consecutive days.
- f) You, or any party using your property with your permission, uses your property for illegal purposes.

16. APPOINTING A RECEIVER TO RECEIVE INCOME

If you default in making any regular monthly loan payment or any other payment which you have agreed to make to us, or in complying with any of your obligations under the mortgage, we can, in writing, appoint a receiver (which includes a receiver and manager) to collect any income from your property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and not ours and his defaults are considered to be solely your defaults.

The receiver has the right to:

- Use any available remedy (taken in your name or our name) to collect the income from your property;
- Take possession of your property or part of it; and
- Manage your property and maintain it in good condition.

From the income collected the receiver may:

- a) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.
- b) Retain enough money to pay disbursements spent on collecting the income.
- c) Pay all taxes, fire insurance premiums, expenses of keeping your property in good condition, interest on those payments and all other charges that have priority over the mortgage and interest on those charges.
- d) Pay us all interest that is due and payable under the mortgage and then pay us all or part of any other amount payable under the mortgage, whether it is due or not.

Nothing done by the receiver puts us in possession of your property or makes us accountable for any money except for money actually received by us.

17. ENFORCING OUR RIGHTS**A. Default in Payment**

If you default in making any regular monthly loan payment or any other payment that you are obliged to make to us under the mortgage, we may enforce any one or more of the following remedies in any order:

- i) Sue you — We may take such action as is necessary to obtain payment of the loan amount.
- ii) Foreclose or sell your property — We may commence court proceedings to foreclose your right, title and equity of redemption to all or part of your property. If we obtain a final order of foreclosure, your property will by law become our property.

We may also ask the court to order the sale of your property. If the court makes such an order, it will supervise the sale proceedings. The net proceeds of the sale will be applied to reduce the loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

- iii) Power of sale — If you default in making any payment for 15 days, we can on 35 days' notice to you enter on your property and:
 - a) Take possession of it;
 - b) Sell all or part of your property (for cash or on credit, or partly for cash and partly on credit) by private sale or public auction for the price and on those terms that can be obtained;
 - c) Lease it on such terms and for whatever period we may decide upon; or
 - d) Take any other remedy available to us under Ontario law.

Notice shall be given to you and to such other persons in the manner and as required by law at the time it is given. Where there are no such requirements, notice may be given to you, at our option, by one or more of the following means:

- Personal service at your last known address;
- Registered mail at your last known address;
- Publication in a newspaper published in the county or district where your property is located;
- Leaving it with an adult on your property; or
- Posting it on your property.

If default continues for three months, we may enter on, sell or lease your property without any notice unless notice is required by law.

We may apply the net proceeds of the sale or lease to reduce any part of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale or lease of your property is less than the loan amount, you must pay us the difference.

B. Default in your obligations including default in payment — If you default in any obligation under the mortgage (including any default referred to in paragraph A), we can enforce our above rights and we can enter on your property at any time, without the permission of any person, and make all arrangements that we consider advisable to:

- Inspect, lease, collect rents or manage your property;
- Repair or put in order any building on your property; or
- Complete the construction of any building on your property.

We can also take whatever action is necessary to take possession, recover and keep possession of your property.

C. Sale of goods (commercial mortgage only) —

If this is a commercial mortgage and you fail to make any payment to us when it is due, we can distrain against your goods. This means we can take any goods on your property and sell them as permitted by Ontario law. We may apply the net proceeds from the sale to reduce any part of the loan amount. Taking this action does not put us in possession of your property nor make us accountable for any money except the money we actually receive.

D. You will not interfere — You will not interfere with our possession of your property (if we go into possession of your property in enforcing our above rights) nor with the possession of anyone to whom your property is sold or leased by us or any receiver. You agree not to make any claim concerning the sale or lease of your property against anyone who buys or leases it from us or any receiver, or anyone who buys or leases it after that time.

E. Our expenses — You will immediately pay all our expenses of enforcing our rights. Our expenses include our costs of taking or keeping possession of your property, an allowance for the time and services of Scotia Mortgage Corporation's and/or The Bank of Nova Scotia's employees utilized in so doing, our legal fees on a solicitor and own client basis and all other costs related to protecting our interest under the mortgage.

F. Judgements — If we obtain a court judgement against you for your failure to comply with any of your obligations to us under the mortgage, the judgement will not result in a merger of the terms of the judgement with our other remedies or rights to enforce your other obligations under the mortgage. We will continue to be entitled to receive interest on the loan amount at the rate payable on the loan amount and at the same times as provided for in the mortgage. The rate of interest payable on any judgment shall be calculated and payable in the same way as interest is calculated under the mortgage and at the same rate that interest is payable on the loan amount until the judgment has been paid in full.

18. DELAY IN ENFORCEMENT OF OUR RIGHTS

No delay or extension of time granted by us to you or any other person in exercising the enforcement of any of our rights under the mortgage nor any agreement referred to in paragraph 21 shall affect our rights to:

- a) Receive all payments you are obliged to make to us, when they are due and payable.
- b) Demand that you repay the loan amount and all interest which is due and payable, on any default by you.
- c) Have you comply with all of your obligations to us under the mortgage.
- d) Have any other person comply with the obligations that person has to us under the mortgage.

19. BUILDING MORTGAGE TERMS

An improvement means any alteration, addition or repair to any building on your property or any construction, erection or installation on your property. If the purpose of the mortgage is to finance an improvement, you must so inform us in writing immediately and before any advances are made under the mortgage. You must also provide us immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. You agree that any improvement shall be made only according to contracts, plans and specifications approved in writing by us in advance. You must complete all such buildings or improvements as quickly as possible and provide us with proof of payment of all contracts from time to time as we require. We will make advances (part payments of the principal amount) to you based on the progress of the improvement, until either completion and occupation or sale of your property. We will determine whether or not any advances will be made and when they will be made. Whatever the purpose of the mortgage may be, we may in our sole and absolute discretion hold back funds from advances until we are satisfied that you have complied with the holdback provisions of the Construction Lien Act as amended or re-enacted. You authorize us to provide information about the mortgage to any person claiming a construction lien on your property.

20. RELEASING YOUR PROPERTY FROM THE MORTGAGE

We may establish the terms for releasing our interest in all or part of your property (that is, we may discharge, or partially discharge, your property) from the mortgage whether we receive value for our release or not. If we release part of your property from the mortgage at any time, the rest of your property will continue to secure the loan amount. We are only accountable for money actually received by us.

If your property is subdivided before our interest in your property comes to an end, the mortgage will be secured by each part into which your property is subdivided. This means that each part will secure repayment of the total amount you owe us, even if we release another part of your property from the mortgage.

In any part of the property, of any land adjoining the property, is taken by the exercise of any power of expropriation or similar power, the entire compensation which you may be entitled to receive shall, at our option, be applied to reduce the balance of the mortgage including any penalty, fee or interest to which we have a right under this mortgage or in the relevant legislation.

We can release you, any guarantor, or any other person from performing any obligation contained in the mortgage or any other security document, without releasing any part of your property secured by the mortgage or any other security, and any such release shall not release any other person from the obligations in the mortgage.

21. RENEWING OR OTHERWISE AMENDING THE MORTGAGE

We may from time to time enter into one or more written agreements with you (or with any one to whom your property is transferred) to amend the mortgage by extending the time for payment, renewing it or its term for further periods of time, changing the interest rate payable under the mortgage or otherwise altering the provisions of the mortgage. Whether or not there are any encumbrances on your property in addition to the mortgage at the time the agreement is entered into, it will not be necessary to register the agreement on title in order to retain priority for the mortgage, as amended, over any instrument registered after the mortgage. Any reference in this set of standard charge terms to the mortgage means the mortgage as amended by any such agreement or agreements.

22. CONDOMINIUM PROVISIONS

If your property is a condominium unit, you are also to comply with the provisions in this paragraph 22 in addition to all of the other provisions of the mortgage (except paragraph 12).

In this paragraph 22, the Condominium Act, as amended or re-enacted, is called the **Act**. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression **condominium property** has the same meaning as the word "property" in the Act.

A. You will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the **corporation**) relating to your property and provide us with proof of your compliance from time to time as we may request.

B. You will pay the common expenses for your property to the corporation on the due dates. Or, if we exercise our right to collect your contribution towards the common expenses from you, you will pay the same to us upon being so notified. We can accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due.

C. You will forward to us any notices, assessments, by-laws, rules and financial statements of the corporation you receive (or are entitled to receive) from the corporation.

D. You will maintain all improvements made to your unit and repair them after damage.

E. Insurance — In addition to the insurance which the corporation must obtain, you must:

- i) Insure all improvements which you or previous owners have made to your unit;
- ii) Obtain insurance for those additional risks that we require;
- iii) Insure your common or other interest in buildings (whether presently existing or built in the future, both during construction and afterwards) which are part of the condominium property or assets of the corporation if the corporation fails to insure the buildings or assets as required or if we require you to do so;
- iv) Assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the corporation.
- v) Provide us with proof that the required insurance is in force, as well as evidence of any renewal or replacement of the insurance, within fifteen days before the insurance expires or is terminated.
- vi) Do all that is necessary to collect insurance proceeds.

Each of your insurance policies (and those of the corporation) must comply with the following:

— Your property must be covered against destruction or damage by fire and other perils usually covered in fire insurance policies and against any other perils we require for its full replacement cost (the maximum amount for which it can be insured) in Canadian dollars;

— The insurance company and the terms of the policy must be satisfactory to us.

If you fail to insure your property as required in this paragraph 22, we can, but are not obliged to, obtain any insurance which you are required to obtain. What we pay for this insurance will immediately become payable by you to us. If any loss or damage occurs, you, on behalf of the condominium corporation and yourself, will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. You will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the **Condominium Act** and the Declaration and By-Laws of the condominium corporation.

To the extent permitted by law, insurance proceeds may, in whole or in part, at our option be:

- a) Applied to rebuild or repair the damage to your property;
- b) Paid to you;
- c) Paid to any other person who owns or did own the property, as established by the registered title; or
- d) Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

F. You must pay certain other expenses — In addition to our other rights and remedies contained in the mortgage, you will pay us immediately all our expenses in relation to:

- Any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required);
- The enforcement of our right to have the corporation or any owner comply with the Act, declaration, by-laws and rules; and
- Our exercising any voting rights we may have.

Where our expenses relate to other units as well as to your property, the amount you are required to pay will only be the expenses related to your property as we determine.

G. Voting and other rights — You authorize us to exercise your rights under the Act to vote, consent and dissent. You also authorize us to exercise your rights to:

- Demand the corporation purchase your unit and common interest, where provided under the Act;
- Elect to have the value of your unit and common interest or that of the condominium property determined by arbitration;
- Receive your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements.

If we do not exercise your rights, you may do so according to any instructions we may give you. Before making such a demand or election you must obtain our prior written approval. You must do this even if we do not have the right to make the demand or election as between ourselves and the corporation, and even if we had previously arranged for you to exercise that right.

Nothing done under this paragraph 22 puts us in possession of your property. We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act. We may at any time revoke any arrangement we make for you to do anything you have authorized us to do.

H. Our additional rights under the mortgage — You authorize us to do the following:

- i) Inspect your property at any reasonable time.
- ii) Do any needed maintenance or repairs after damage.
- iii) Inspect the corporation's records
- iv) Remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the corporation.

I. Repayment of the loan amount may be accelerated — The loan amount will become payable immediately, at our option, if:

- i) The corporation fails to comply with the Act and the declaration, by laws and rules of the corporation;
- ii) The corporation fails to:
 - insure all the condominium units and common elements according to law and according to any additional requirements of ours;
 - insure its assets if we so require and according to our requirements;
 - provide us with proof that the insurance is in force, if we ask for it; or
 - do all that is necessary to collect insurance proceeds;
- iii) The corporation does not, in our opinion, manage the condominium property and assets in a careful way;
- iv) The corporation fails to keep the corporation's assets in good repair and working order;
- v) The corporation makes any substantial modification to the common elements or the corporation's assets without our approval;
- vi) There has been substantial damage and the owners have voted for termination of the condominium;
- vii) A sale of the condominium property or any part of the common elements is authorized.
- viii) A court makes an order that the government of the condominium property by the Act be terminated; or
- ix) The condominium property ceases to be governed by the Act.

Our rights will not be affected by the fact that we voted for or consented to such termination, sale or order or to the condominium property not being governed by the Act.

J. Termination of the corporation — If your property ceases to be governed by the Act:

- All the terms of the mortgage continue to apply;
- You authorize us to agree with anyone to a partition of the condominium property. We can pay or receive money to ensure that the partition is equal and you will reimburse us, immediately, for any money we have paid. We can also execute all documents and do all acts needed to carry out the partition;
- Your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements shall be paid to us (unless we notify you to the contrary in writing) and you will do all things necessary to accomplish this; and
- Any money received by us (after payment of all our expenses) may be applied to reduce any part of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you.

23. DISCHARGE

When our interest in your property comes to an end, we will either prepare, execute and register a full discharge of our claim and provide you with confirmation of discharge, or, at our sole option, we will prepare and provide you with an executed but unregistered Discharge of Charge/Mortgage. You will give us a reasonable time in which to prepare, review, execute and register the discharge documents and you will pay our usual administrative fees for preparing, reviewing and executing the discharge document and, where we elect to register the discharge of our claim, our usual administrative fees for registering the discharge document. You will also pay all legal and other expenses that we incur in connection with the discharge of our claim. In the event that we provide you with an unregistered Discharge of Charge/Mortgage, you will be responsible for registering the documentation and for all costs relating to such registration.

When our interest in your property comes to an end and you request that we assign your mortgage, we will prepare and execute an assignment of the mortgage for you. You will give us a reasonable time in which to prepare, review and execute the assignment and you will pay our usual administrative fees for preparing, reviewing, and executing the documentation and all legal and other expenses we incur in so doing. You will be responsible for registering the assignment documentation and for all costs relating to such registration.

24. HEADINGS

Headings form no part of the mortgage. They are used so that parts of the mortgage can easily be referred to.

25. WHO IS BOUND BY THE MORTGAGE

You agree to observe and be bound by all of the terms and obligations contained in the mortgage. The mortgage will also be binding on your heirs, personal and legal representatives, successors or assigns, our successors, assigns or legal representatives and anyone else to whom your property is transferred. As well, the mortgage will be binding on anyone to whom it is transferred by us. All persons who sign the mortgage as chargors are collectively and individually (that is, jointly and severally) bound to comply with all obligations under the mortgage.

26. STATUTORY COVENANTS EXCLUDED

The covenants set out in Section 7(1) of the Land Registration Reform Act, 1984, as amended or re-enacted, are excluded from the mortgage.

27. GUARANTEE

In this paragraph 27, **guarantor** means each person who signs the mortgage as guarantor. **Chargor** means the person or persons who sign the mortgage as chargor and **property** means the property charged by the mortgage.

In return for us making a loan to the chargor, the guarantor, by signing the mortgage, guarantees the chargor's payments (including interest, whether or not the interest rate is changed), and compliance with the chargor's other obligations, under the mortgage. Each guarantor agrees that, if the chargor defaults in making any payment or in performing any other obligation under the mortgage, the guarantor will pay us all of the unpaid payments and comply with all of the obligations which have not been complied with by the chargor. Each guarantor will be collectively and individually (that is, jointly and severally) responsible with the chargor and with one another (if more than one) for all obligations under the mortgage.

It is understood that we can without lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor:

- Grant any extensions of time for payment and extensions of the term of the mortgage, including any renewals of the mortgage or its term for further periods of time;
- Increase the rate of interest payable under the mortgage, either during the initial term or in any subsequent renewal period;
- Release the whole or any part of the property from the mortgage or any other security;
- Otherwise deal with the chargor, any other person (including any guarantor), any security (including the mortgage) or the property, including releasing, realizing on or replacing any security we may hold;
- Waive any provision of the mortgage or change any of the terms of the mortgage at any time during the initial term of the mortgage or in any subsequent renewal period;

either before or after requiring payment from any person without affecting the guarantee. We may require payment from any guarantor without first trying to collect from the chargor or any other person (including any guarantor) or on any security (including the mortgage). Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.