

**LAND REGISTRATION REFORM ACT, 1984**  
**SET OF STANDARD CHARGE TERMS**

**FILED BY :  NATIONAL BANK OF CANADA**

**FILING DATE : November 23, 1988**

**FILING NUMBER : 8817**

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Land Registration Reform Act, 1984.

**DEFINITIONS**

1. In this set of standard charge terms:
  - a) **Charge** means the charge/mortgage of the Lands made between the Chargor and the Chargee on Form 2 and all schedules thereto pursuant to the Land Registration Reform Act, 1984, and any amendments thereto, which Charge is deemed to include these standard charge terms pursuant to section 9(1) of the said Act.
  - b) **Chargee** means NATIONAL BANK OF CANADA.
  - c) **Chargor** means the Chargor described in the Charge.
  - d) **Common Expenses** means the expenses of the performance of the objects and duties of the Condominium Corporation and any expenses identified to be common expenses in either the Condominium Act or the Declaration.
  - e) **Condominium Act** means the Condominium Act, R.S.O. 1980, Chapter 84, as amended and supplemented from time to time.
  - f) **Condominium Corporation** means the Condominium Corporation created by the registration of the Declaration and the description relating thereto.
  - g) **Declaration** means the Declaration which was registered under the Condominium Act with respect to the Condominium Corporation.
  - h) **Guarantor** means the Guarantor described in the Charge.
  - i) **Indebtedness** means all moneys and liabilities, whether direct or indirect, absolute or contingent, now or hereafter owing, where-soever or howsoever incurred by the Chargor, as principal or surety, whether alone or jointly with any other person, in whatever name, style or firm, whether otherwise secured or not and whether arising from dealings between the Chargee and the Chargor or from dealings or proceedings by which the Chargee may become a creditor of the Chargor, including, without limitation.
    - i) all moneys secured by a promissory note;
    - ii) all moneys advanced pursuant to any kind of account whether made prior to or at the time of execution of this Charge or at any time in the future;
    - iii) all advances upon overdrawn accounts or upon bills of exchange, or other obligations discounted for the Chargor or otherwise, all bills of exchange, and other obligations negotiable or otherwise representing money and liabilities, or any portion thereof, now or hereafter owing or incurred from or by the Chargor or advances made now or at any time in the future by the Chargee to the Chargor;
    - iv) all interest, damages, costs, charges or expenses, which may become due or payable to the Chargee or may be paid or incurred by the Chargee upon or in respect of any moneys or liabilities referred to herein or any portion thereof; and
    - v) all premiums of insurance upon the buildings, fixtures and improvements now or hereafter brought or erected upon the Lands which may be paid by the Chargee.
  - j) **Interest Rate** means the Interest Rate set out in the Charge.
  - k) **Lands** means the lands and premises described in the Charge and includes without limitation all buildings and improvements located thereon.
  - l) **Principal** means the principal amount in lawful money of Canada set out in the Charge.
  - m) **Taxes** means all taxes, rates and other impositions whatsoever charged by any authority on the Lands.

**CHARGE ON THE LANDS**

2. The Chargor hereby charges the Lands as continuing collateral security for payment of the Indebtedness and all other sums which may become due and payable under the Charge and the observance and performance of all of the obligations, provisions, covenants, agreements and stipulations contained in the Charge.

**PAYMENTS AND PERFORMANCE**

3. This Charge shall be void if the Chargor well and truly pays the Indebtedness, and observes and performs all of the covenants, provisos and conditions herein contained, provided that notwithstanding anything herein contained to the contrary, this Charge, until discharged in writing, shall stand as security for all Indebtedness of the Chargor to the Chargee, including any which may hereafter arise, notwithstanding that previous to such Indebtedness arising the Chargor may have paid all then existing Indebtedness to the Chargee and this Charge shall not be deemed to have been repaid by reason only that any Indebtedness owed by the Chargor to the Chargee has been repaid or that the Chargor's account ceases to be in a debit position. This Charge shall remain in force until the Chargee shall have executed and delivered to the Chargor a release or discharge of this Charge.

**COMPOUND INTEREST**

4. In case default shall be made in payment of any sum to become due for interest, at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Lands.

**SHORT FORMS OF MORTGAGES ACT  
AND EXCLUSION OF STATUTORY COVENANTS**

5. a) If any of the forms of words contained herein are also contained in Column One of Schedule B of the Short Forms of Mortgages Act, R.S.O. 1980, Chapter 474, and distinguished by a number therein, the Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the Short Forms of Mortgages Act distinguished by the same number, and the Charge shall be interpreted as if the Short Forms of Mortgages Act was still in full force and effect.
  - b) The provisions hereof added to the short form clauses shall not derogate from the Chargee's rights under the long clauses in the Short Forms of Mortgages Act, but shall be in addition thereto or in substitution for part or parts thereof as the Chargee may elect and shall all have the force of covenants.
  - c) The implied covenants deemed to be included in a charge under subsection 7(1) of the Land Registration Reform Act, 1984, shall be and are hereby expressly excluded and replaced by this set of standard charge terms, which are covenants by the Chargor, for the Chargor and the Chargor's successors and assigns, with the Chargee and the Chargee's successors and assigns.
- CHARGOR'S COVENANTS**
6. The Chargor covenants with the Chargee:
    - a) that the Chargor will, on demand, pay the Indebtedness and observe and perform the covenants herein contained;
    - b) that the Chargor has good title in fee simple to the Lands except as the records of the land registry office disclose;
    - c) that the Chargor has the right to give the Charge;
    - d) that on default the Chargee will have quiet possession of the Lands free from all encumbrances except as the records of the land registry office disclose;
    - e) that the Chargor will execute such further assurances as may be requisite;
    - f) that the Chargor has done no act to encumber the Lands except as the records of the land registry office disclose;
    - g) that the Chargor will pay all Taxes and will in each year within ten (10) days after the Taxes become due and payable produce to and leave with the Chargee the duly receipted tax bills for that year covering the Lands;
    - h) that the Chargor hereby releases to the Chargee all his claims upon the Lands;
    - i) that the Chargor shall be bound by any account settled between the Chargee and the Chargor and, if no such account has been so settled immediately before demand of payment hereunder, any account stated by the Chargee shall be accepted by the Chargor as conclusive evidence of the amount which at the date of the account so stated is due by the Chargor of the Chargee or remains unpaid by the Chargor to the Chargee; and
  7. That no part of the Indebtedness of the Chargor to the Chargee whether existing at the date of the Charge or incurred or arising thereafter shall be deemed to be unsecured by the Charge.

**CHARGE NOT A SUBSTITUTE FOR ANY OTHER SECURITY**

7. The Charge shall be deemed to be taken as security for the ultimate balance of the Indebtedness and the Charge shall not nor shall anything herein contained operate so as to create any merger or discharge of any debt owing to the Chargee or of any lien, bond, promissory note, bill of exchange or other security held by or which may hereafter be held by the Chargee from the Chargor or from any other person or persons. The Charge shall not in any way prejudicially affect any security held or which may hereafter be held by the Chargee for the Indebtedness or any part thereof, or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Chargee for or on account of the Indebtedness or any part or parts thereof. The remedies of the Chargee in respect thereof shall not be prejudiced or delayed in any manner whatsoever by the taking of the Charge.

**POWER TO LEASE OR SELL**

8. The Chargee, on default of payment for at least fifteen (15) days, may, on at least thirty-five (35) days' notice, enter on and lease or sell the Lands. Notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act. The Chargee may lease or sell as aforesaid without entering into possession of the Lands. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the Lands, if occupied, or by placing it on the Lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the Lands are situate. Such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability.
- Provided further, without prejudice to the statutory powers of the Chargee under the foregoing proviso, that in case default be made in payment of the Indebtedness, or any part thereof, and such default continues for two (2) months after payment falls due, then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them, without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law, then notice shall be given to such persons and in such manner and form and within such time as so required by law.
- And it is hereby further agreed that the whole or any part or parts of the Lands may be sold by public auction or private contract, or partly one and partly the other, and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Lands or by reason of non-payment or procuring payment of moneys secured hereby or otherwise. The Chargee may sell any of the Lands on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor, and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such moneys as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder. The title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exer-

case of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damaged by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The above powers may be exercised by the successors and assigns of the Chargee and against the heirs, executors, administrators, successors and assigns of the Chargor.

#### QUIET POSSESSION

9. Provided that until default of payment, and while not in breach of any or part of any agreement, covenant or proviso herein contained the Chargor shall have quiet possession of the Lands.

#### INSURANCE

10. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the Lands to the amount of not less than their full insurable value in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the Lands, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning flood and all other extended perils customarily provided in insurance policies. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof, otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the Lands. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of its own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the Lands. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada, which shall be attached to the policy of insurance.

And the Chargor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance moneys; the production of these presents shall be sufficient authority for the said insurance company to pay such loss to the Chargee, and the said insurance company is hereby directed thereupon to do the same; and any insurance money received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the said premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on the indebtedness or any part thereof whether due or not then due.

#### REPAIR

11. The Chargor will keep the Lands and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever it deems necessary, by its agent enter upon and inspect the Lands and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the Principal and be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the Lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

#### PAYMENTS BY CHARGEE

12. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the Lands. Such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the Lands and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the Land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the Interest Rate provided for in the Charge, a charge upon the Lands in favour of the Chargee pursuant to the terms of the Charge. The Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the Lands, which payments with interest at the Rate provided for in the Charge shall likewise be a charge upon the Lands in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the indebtedness secured by the Charge and shall be payable forthwith with interest at the Interest Rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

#### NON-MERGER OF COVENANTS

13. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest on the indebtedness at the Interest Rate provided for in the Charge. Any judgment shall provide that interest thereon shall be computed at the Interest Rate as provided in the Charge until the judgment shall have been fully paid and satisfied.

#### DISCHARGES

14. a) The Chargee may, in its discretion at any time, release any part or parts of the Lands or any other security or any surety for the money secured by the Charge either with or without any consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Lands or any person from the Charge or from any of the covenants therein contained and without being accountable to the Chargor for the value thereof, or for any money except that actually received by the Chargor. Every part or lot into which the Lands are or may hereafter be divided does and shall stand charged with the whole money secured by the Charge.
- b) The Chargee shall be allowed a reasonable time following payment in full of the Indebtedness secured by the Charge to provide the Chargor with a discharge of the Charge, or an assignment or transfer of the Charge, if so required and directed by the Chargor. The discharge, assignment or transfer shall be prepared by the Chargee at the expense of the Chargor.

**FIXTURES**

15. All erections and improvements fixed or otherwise now on or hereafter put upon the Lands, including but without limiting the generality of the foregoing, all fences, heating, plumbing, air conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto are and shall, in addition to other fixtures thereon, be and become fixtures and in accession to the freehold and a part of the realty as between the parties hereto and all persons claiming by, through or under them and shall be a portion of the security hereunder.

**DATE OF CHARGE**

16. The Chargor and the Chargee hereby agree that the date of the Charge, unless otherwise provided, shall be the earliest date of signature by the Chargor.

**EXTENSIONS**

17. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the Lands or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers. It shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

**NO OBLIGATION TO ADVANCE**

18. Neither the execution nor the registration of the Charge shall bind the Chargee to advance the Principal secured, nor shall the advance of a part of the Principal secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the Lands shall take effect forthwith upon the execution of the Charge by the Chargor. The expenses of the examination of title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the Principal not being advanced, the same to be charged hereby upon the Lands and shall be without demand therefor, payable forthwith with interest at the Interest Rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

**CHANGE IN STATUS**

19. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a matrimonial home within the meaning of the Family Law Act, 1986, and (c) the legal title or beneficial ownership of the Lands, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the Lands and of any spouse who is not an owner but who has a right of possession in the Lands by virtue of the Family Law Act, 1986. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.

**GUARANTEE**

20. The Guarantor, in consideration of the making by the Chargee to the Chargor of the loan secured by the Charge,
- a) agrees to be liable with the Chargor as principal debtor and not as surety, for due payment of all moneys payable under the Charge at the times and in the manner provided in the Charge;
  - b) unconditionally guarantees full performance and discharge by the Chargor of all of the obligations of the Chargor pursuant to the provisions of the Charge at the times and in the manner provided in the Charge;
  - c) agrees to indemnify and save harmless the Chargee against and from all losses, damages, costs and expenses which the Chargee may sustain, incur or be or become liable for by reason of:
    - i. the failure, for any reason whatsoever, of the Chargor to pay the monies expressed to be payable pursuant to the provisions of the Charge;
    - ii. the failure, for any reason whatsoever, of the Chargor to do and perform any other act, matter or thing pursuant to the provisions of the Charge; or
    - iii. any act, action or proceeding of or by the Chargee for or in connection with the recovery of the said moneys or the obtaining of performance by the Chargor of any other act, matter or thing pursuant to the provisions of the Charge;
  - d) agrees that the Chargee may, at any time and from time to time, without notice to, or any consent or concurrence by the Guarantor, make any settlement, extension or variation in the terms of the Charge or take or surrender any security, and that no such thing done by the Chargee nor any carelessness or neglect by the Chargee in asserting its rights nor any other thing whatsoever, including, without in any way limiting the generality of the foregoing, the loss by operation of the law of any right of the Chargee against the Chargor or the loss or destruction of any security shall in any way release or diminish the liability of the Guarantor under the Charge, so long as any moneys expressed by the Charge to be payable remain unpaid or the Chargee has not been reimbursed for all such losses, damages, costs, charges and expenses as aforesaid; and
  - e) agrees that the Chargee shall not be obligated to proceed against the Chargor or to enforce or exhaust any security before proceeding to enforce the obligations of the Guarantor as set out in the Charge, and that enforcement of such obligations may take place before, after or contemporaneously with the enforcement of any debt or obligation of the Chargor or the enforcement of any security for any such debt or obligation.

**WRIT OF EXECUTION**

21. If there should be issued against the Chargor any writ or process for a money demand or any writ of execution or any warrant of distress for any rent or taxes in respect of the Lands or if the Chargor shall suffer, allow or permit a judgment to be obtained against him for any debt, or shall suffer the Lands to be seized or taken in execution, or shall suffer, allow or permit a lien to be registered against the Lands, or if the Chargor shall abandon the Lands or any part thereof or make an assignment for the benefit of his creditors, or commit any act of bankruptcy, or be arrested on any criminal charge, or should the Chargor grant any easement, licence or other interest affecting the Lands, then and in every such case all moneys secured by this Charge shall, at the option of the Chargee, immediately become due and payable.

**LIENS AND CONSTRUCTION**

22. Upon the registration of any lien pursuant to the Construction Lien Act, S.O. 1983, Chapter 6, as amended from time to time, against the Lands, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the Indebtedness hereby secured shall, at the option of the Chargee, forthwith become due and payable.

**ASSIGNMENT OF RENTS**

23. To further secure the indebtedness, the Chargor hereby transfers and assigns all rents payable by any tenants of any and all parts of the Lands. It is understood and agreed that the Chargee may, without notice to the Chargor or to any other party hereunder, exercise at any time the powers hereby conferred. It is further understood and agreed that neither the existence of this clause nor the exercising of any of the powers conferred by this assignment of rentals nor the collection of any rents hereunder shall constitute the Chargee a mortgagee in possession, nor shall they render the Chargee liable to account to any of the parties hereunder for failure to collect or for neglect in collecting any of the rentals, nor shall they impose any obligation whatsoever on the Chargor to take any proceedings whether in a court of law or otherwise to enforce payment of the said rentals, nor shall they render the Chargee liable for any neglect to repair or to supply heat or electricity or any other service to the tenants or to pay taxes but such responsibility, notwithstanding the collection of any rentals as aforesaid, shall rest entirely with the Chargor.

**ADMINISTRATION FEES**

24. The Chargor agrees to reimburse the Chargee, at the rate then in effect, for administration fees and service charges incurred by the Chargee relative to processing a cessation of the charge, a renewal of the charge or a transfer of charge in the event the Chargor transfers the Charge to another Chargee.

**CONDOMINIUM**

25. In the event that the Charge creates a charge upon a condominium unit, the following provisions shall apply:

a) The Charge is made in pursuance of the Condominium Act.

b) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on him by the Condominium Act and by the Declaration and the by-laws, as amended from time to time, of the Condominium Corporation, by virtue of his ownership of the condominium unit. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge.

c) Without limiting the generality of the foregoing, the Chargor covenants and agrees that he will pay promptly when due any contributions to Common Expenses required of him as an owner of the condominium unit and in the event of his default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the condominium unit and shall bear interest at the same rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.

d) The Chargee is hereby irrevocably authorized and empowered to exercise the right of the Chargor as an owner of the condominium unit to vote or consent in all matters relating to the affairs of the Condominium Corporation provided that:

i. The Chargee may at any time or from time to time give notice in writing to the Chargor and the Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event, until the Chargee revokes the said notice, the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.

ii. The Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor.

iii. The exercise of the right to vote or consent shall not constitute the Chargee a mortgagee in possession.

**FAILURE TO ENFORCE**

26. No failure to enforce, at any time or from time to time, any of the rights of the Chargee hereunder shall prejudice such rights of the Chargee. No performance or payment by the Chargee in respect of any breach or default hereunder of the Chargor shall relieve the Chargor from any default hereunder. No waiver, at any time or from time to time, of any such rights of the Chargee shall prejudice such rights in the event of any future default or breach.

**INTERPRETATION**

27. a) The words "Chargor" and "Guarantor" and the personal pronoun "he" or "his" relating thereto and used therewith shall be read and construed as "Chargor" or "Chargors" or "Guarantor" or "Guarantors" and "he" or "she", "his", "her" or "their" respectively as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. All rights, advantages, privileges, immunities, powers and things secured by the Charge to the Chargee shall be equally secured to or exercisable by its successors and assigns. All covenants and liabilities entered into or imposed under the Charge upon the Chargor and the Guarantor shall be equally binding upon their respective heirs, executors, administrators and assigns or successors and assigns as the case may be and all such covenants, liabilities and obligations shall be joint and several. Time shall be of the essence of the Charge. All provisions hereof shall have effect, any statute to the contrary notwithstanding.

b) Headings are not to be considered part of these standard charge terms and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents of the paragraphs to which they relate.

This Set of Standard Charge Terms is included in a Charge made by

as Chargor(s) to **NATIONAL BANK OF CANADA** as Chargee and the Chargor(s) hereby acknowledge receipt of a copy of this Set of Standard Charge Terms prior to signing the Charge.

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Chargor