



LAURENTIAN BANK
OF CANADA

LAND REGISTRATION REFORM ACT, 1984
SET OF STANDARD CHARGE TERMS
For the Province of Ontario
(Residential Charge)

Filed by: LAURENTIAN BANK OF CANADA

Filing Date: November 9, 1992

Filing No. 9222

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.

1. LANDS INCLUDE ALL ADDITIONS

The lands which shall be subject to this Charge and the lands against which this Charge shall be registered shall hereinafter be referred to as the 'said lands' or the "lands". The parties guaranteeing the obligations of the Chargor shall hereinafter be referred to as the Guarantors.

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of our especially adapted for the buildings thereon whether or not affixed (in law) to the said lands, including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and it is understood and agreed that the same shall become fixtures and an accession to the freehold and a part of the realty.

2. PAYMENT PROVISIONS – BLENDED

Unless otherwise specified in a schedule in the Charge or the Charge itself the following blended payment provisions shall apply.

WITH RESPECT to interest payable up to and including the interest adjustment date, interest at the interest rate on the amounts advanced from time to time shall be computed monthly from the date of such advances, and shall become due and be paid on the interest adjustment date.

PROVIDED that the Chargee may require the aforesaid interest on the principal advances from time to time, computed and calculated monthly from the date of such advance, to become due and payable in monthly instalments on the first day of the month following the first advance, and on the first day of each and every month thereafter and the balance, if any, of the aforesaid interest on advances shall become due and be paid on the date for adjustment of interest. At the option of the Chargee, interest so due and payable may be deducted from any or all of such advances. Except for the rate of interest payable up to the interest adjustment date, wherever in this Charge reference is made to "the rate of interest provided for in this Charge" or the "said rate of interest", the rate of interest shall be deemed to be a reference to the said rate of interest calculated half-yearly not in advance.

NOTWITHSTANDING the foregoing, the date for adjustment of interest, the date for commencement of the monthly instalments and the date for payment of the balance of the principal sum secured hereby, may, at the option of the Chargee, be changed, altered or varied, so that the date for adjustment of interest shall be the first day of the month following the month in which the final advance on the principal sum is made by the Chargee (hereinafter sometimes referred to as the "revised date for adjustment of interest") and, in such event, the date for the first monthly instalment shall be the first day of the month next following the revised date for adjustment of interest and the balance due date of the principal sum secured hereby shall be extended by the period of time equivalent to the period of time from the Interest Adjustment Date and the revised date for adjustment of interest, and the Chargee shall be the sole judge of when the final advance has been made.

EACH PAYMENT when received is to be applied firstly to interest calculated as aforesaid on the principal sum from time to time unpaid, and the balance, if any, of the said monthly instalments shall be applied on account of and in reduction of the principal.

NOTWITHSTANDING the foregoing, in the case of default by the Chargor, the Chargee may then apply any payments received in whatever order it may elect as between taxes, interest, repairs, insurance premiums, any other advances or payments made by the Chargee, hereunder, and the unpaid balance of the principal.

AND taxes and performance of Statute Labour; and payment of taxes as hereinafter set forth; and observance and performance of all covenants, provisos and conditions herein contained.

3. PREPAYMENT PRIVILEGES

Provided you are not in default in making any payments required under this Charge or in default of any of your covenants or other obligations under this Charge, then you shall have the following privileges to make additional payments on account of the principal amount, on any regular mortgage payment date:

- (a) The amount of the regular monthly payment payable by you on account of principal and interest may be increased by up to fifteen (15%) percent of such monthly mortgage payment. This privilege may be availed of only once in each calendar year and is not cumulative.
- (b) You may prepay not more than fifteen (15%) percent of the original principal amount of the mortgage without notice, bonus or penalty. This privilege may be availed of only once in each calendar year and is not cumulative.

Except as provided for herein, no prepayment privileges of any kind are permitted.

4. COMPOUND INTEREST

AND it is hereby agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, 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 aforesaid, and in case the interest and compound interest are not paid in six (6) months from the time of default a rest shall be made, the compound interest at the rate aforesaid 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 said lands.

5. STATUTORY COVENANTS

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7(l) of the Land Registration Reform Act, R.S.O. 1990 c.L4 (as varied herein) shall be in addition to, and not in substitution for, the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

6. PROVISIO FOR REDEMPTION

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

7. RELEASE

THE CHARGOR releases to the said Chargee all its claims upon the said lands, subject to the proviso for redemption herein.

8. ADVANCE OF FUNDS

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be, without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

9. CHARGOR'S COVENANTS

THE CHARGOR covenants with the Chargee that:

- (a) the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;
- (b) the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge, including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums, the amount paid for its supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise.
- (c) the Chargor has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee.
- (d) on default the Chargee shall have quiet possession of the said lands free from all encumbrances;
- (e) the Chargor will execute such further assurances of the said lands as may be requisite; and
- (f) the Chargor has not done, committed, executed, or wilfully or knowingly suffered any act, matter or thing whatsoever whereby or by means whereof the said lands, or any part of parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the Land Registry Office disclose;

10. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

11. REPAIR

THE CHARGOR will keep the said lands, including the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commits or permits any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of

payment thereof with interest as in the case or payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the costs, charges and expenses including servicing fees for the time and services of any employee of the Chargee with interest at the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the lands prior to all claims thereon subsequent to this Charge.

12. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee, which consent may be withheld in the Chargee's sole discretion or may be given only subject to the compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

13. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands without the prior written consent of the Chargee and, further, at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances and regulations of any applicable governmental authority in force from time to time.

14. UREA FORMALDEHYDE FOAM INSULATION

THE CHARGOR warrants and represents that the subject property has not been insulated with urea formaldehyde foam insulation and the Chargor covenants that this warranty will not merge on the closing of this transaction, notwithstanding the advance of funds, and will survive same and will continue in full force and effect thereafter.

15. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Guarantors or any of them to pay any instalment of principal, interest and for taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due;
- (b) Failure of the Chargor or Guarantors to strictly and fully observe or perform any condition, agreement, covenant or term set out in the application for this Charge or the letter of commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein, or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) The registration of any construction lien against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof, or the filing of a writ of execution in the hands of the sheriff in the judicial district where the lands are situate.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam Insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

16. DEFAULT

THE CHARGEES on default of payment or any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice, enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. 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 said lands, if occupied, or by placing it on the said 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 the newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person who may be affected thereby may be unknown, unascertained, or under disability. If there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

WITHOUT PREJUDICE to the statutory powers as aforementioned, in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two (2) months, after any payment of either principal or interest falls due, the Chargee without any notice whatsoever (unless lawful requirement at such time requires that notice be given and then notice shall be given to the extent, in the manner and to the persons as required by such lawful requirement) may exercise all or any of the powers given under the preceding paragraph with or without entry on the said lands; and that the Chargee may sell the said lands or any part thereof by public auction or private contract, or partly one or 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 said lands by reason of non-payment or procuring payment of monies secured hereby or otherwise; and that the Chargee may sell the whole or any part of the said lands on such terms as to credit including, without limitation the taking back of a mortgage by the Chargee as part of the sale price, and otherwise as shall appear to him most advantageous to it and for such prices as can reasonably be obtained therefore and may make any stipulations as to title or evidence of 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 said 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

and/or any subsequent encumbrancers or parties having a subsequent interest in the lands, only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee (including repayment in full of any mortgage taken back by the Chargee) and for any of the 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 lessee or be affected by express notice that any sale or lease is improper and no want or notice or publication when required hereby shall invalidate any sale or lease hereunder.

THE CHARGEES may distrain for arrears of interest and the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears or interest.

IN DEFAULT of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

UPON DEFAULT of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

THE CHARGEES may lease or sell as aforesaid without entering into possession of the said lands.

THE CHARGEES may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of principal secured herein shall be set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

UNTIL DEFAULT hereunder the Chargor shall have quiet possession of the said lands.

THE CHARGEES may, at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned, the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee.

NO SALE or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

THE CHARGEES may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering, leasing and selling herein contained) shall be with interest at the rate aforesaid, a charge upon the said lands in favor of the Chargee and it is hereby agreed that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable.

THE CHARGEES shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargee, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no conflict, the provisions of this Charge shall remain unchanged.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge in such order and at such time as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its right under any other provisions contained in this Charge.

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee, in exercising any of the rights given to the Chargee under this Charge, shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

17. TAXES

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.
- (b) The Chargee may at its sole option estimate the amount of taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon the demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on each monthly payment date during the term of this Charge. The Chargee shall apply such payments to the taxes so long as the Chargor is not in default, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided, however, that if the Chargor shall pay any sum or

sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee there shall be default by the Chargor hereunder, the Chargee may at its option apply such sum or sums in or towards curing the default. In no event shall the Chargee be liable for any interest on any amount paid to it and the monies so received may be held with its own funds pending payment or application thereof.

- (c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency.
- (d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt, together with such receipts or evidence of payment of taxes as the Chargor may require in the event the Chargor pays taxes directly to the taxing authority.
- (e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.
- (f) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

18. TAKING OF JUDGMENT NOT A MERGER

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and, further, the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

19. PAYMENT TIMES

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail or any other means of delivery, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

ANY payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest, to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due to and including the date on which the payment is deemed by this provision to have been received.

20. PRE-AUTHORIZED CHEQUE PLAN

PROVIDED that all payments made under this Charge by the Chargor shall be made by preauthorized cheque payment plan as approved by the Chargee or at the Chargee's option by post-dated cheques which shall be provided annually for the next ensuing twelve (12) payments. The Chargee shall not be obligated to accept any payment excepting payment made by pre-authorized cheque or post-dated cheque. Failure to make all payments in the manner required by the Chargee shall be an act of default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. NO DEEMED RE-INVESTMENT

THE PARTIES hereto agree that the Chargee shall not be deemed to re-invest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

22. RENEWAL OR EXTENSION OF TIME: ATTENTION SUBSEQUENT INTEREST

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands shall in any way affect or prejudice the rights of the Chargee against the Chargor or any person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount, notwithstanding that then may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge.

PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfil and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof, notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from or be implied from any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only by express agreement in writing between the Chargor and the Chargee.

23. INSURANCE

THE CHARGOR will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risk basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money secured herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. All such policies shall provide for loss payable to the Chargee and contain such clauses, coverages and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefore and charge the premium paid therefore and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge.

IN THE EVENT that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant). In the event that the Chargee, pursuant to the within provision, arranges insurance coverage with respect to the said lands, the Chargee, in addition to the afore noted servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering, leasing and selling herein contained) shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and it is hereby agreed that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government, so paid and it hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

IN THE EVENT of any loss or damage, the Chargor shall forthwith notify the Chargee in writing and, notwithstanding any other provision to the contrary, statutory or otherwise, and in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received or, in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured, whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

24. SALE OR CHANGE OF CONTROL

PROVIDED that, in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him, and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

25. CONSTRUCTION LIENS

THE CHARGOR and Chargee hereby acknowledge, confirm and agree that the funds committed by the Chargee to the Chargor pursuant to this loan are not intended to be utilized for the purposes of securing financing of any improvements whatsoever with regard to the subject lands on the security of which the funds shall be advanced pursuant to this Charge, nor for the purposes of repaying any financing, charge or otherwise, which was utilized or intended for the financing of an improvement with regard to the subject lands, and accordingly, it is not the intention for the security to be taken pursuant to the letter of commitment to be a "Building Mortgage" within the definition of the Construction Lien Act, R.S.O. 1990, or a charge taken out to repay a "Building Mortgage" within the meaning of the Construction Lien Act, R.S.O. 1990.

IN THE EVENT that the funds committed by the Chargee to the Chargor pursuant to this loan are intended to be utilized for the purpose of securing financing of an improvement with regard to the subject lands, then the following provisions shall apply:

THE CHARGEe may, at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee, in its sole discretion, considers advisable to protect its position under the provisions of the Construction Lien Act, R.S.O. 1990, as amended, so as to secure its priority over all liens, until the Chargee is fully satisfied that all lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer", as defined under the Construction Lien Act, R.S.O. 1990, as amended, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, R.S.O. 1990, as amended.

26. EXPROPRIATION

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with

the powers of expropriation, the principal sum herein remaining unpaid shall, at the option of the Chargee, forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus to be determined by the Chargee which shall not be limited to but may, at the option of the Chargee, be equal to the aggregate of (a) three months interest the said rate calculated on the amount of the principal remaining unpaid AND (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

27. DISCHARGE

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

28. DISHONOURED CHEQUES

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

29. SERVICING FEES

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees, if not paid, shall be added to the principal amount secured hereunder and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to the collection of same as it does with respect to the collection of principal and interest hereunder or at law.

30. STATEMENTS OF ACCOUNT

THE CHARGOR shall be entitled to receive, upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement. Provided however that the Chargor shall be entitled to one annual statement of account free of charge.

31. THE FAMILY LAW ACT

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of any shareholding within the meaning of the Family Law Act, as the case may be, 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 said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act.

In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

32. INDEPENDENT LEGAL ADVICE

THE CHARGOR and Guarantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction and that, if required, they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required regarding their knowledge and understanding of this transaction.

33. NON-MERGER

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto the terms and/or conditions of the letter of commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge, nor in any document executed and/or delivered on the closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such letter of commitment and this Charge, the Chargee in its sole discretion shall determine which of the provisions shall apply.

34. CONSENT OF CHARGEES

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

35. GUARANTEE CLAUSE

IN CONSIDERATION of the Chargee making the loan hereby secured, the Guarantors for themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, (a) agree to be liable with the Chargor as principal debtors and not as sureties for the due payment of all monies payable under the Charge at the times and in the manner provided; (b) unconditionally guarantee full performance and discharge of the Chargor's obligations pursuant to the

provisions of the Charge at the times and in the manner provided; (c) agree 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 this Charge; ii) the future for any reason whatsoever of the Chargor to do and perform any other act, matter or thing pursuant to the provisions of this Charge; iii) any act, action or proceeding of or by the Chargee for or in connection with the recovery of the said monies or the obtaining of performance by the Chargor of any other act, matter or thing pursuant to the provisions of this Charge, (d) agree that the Chargee shall not be obliged to proceed against the Chargor or to enforce or exhaust any security before proceeding to enforce its obligations herein set out 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 of the Chargor, (e) agree that the Chargee may at any time and from time to time and without notice to us or any comment or concurrence by the Guarantors, grant time, renewals, extensions, indulgences, releases, and discharges to, take securities (which would include other guarantees) from and give the same up to, abstain from taking securities from or from perfecting securities of, and otherwise deal with the Chargor and others and all securities including without limitation the giving of time for payment of the Charge, the varying of terms of payment of the Charge or the varying of the rate of interest on the Charge, as the Chargee may see fit, and no such thing done by the Chargee nor any carelessness or neglect by the Chargee in asserting its rights nor the loss by operation of law of any right of the Chargee against the Chargor shall in any way release or diminish the Guarantors liability hereunder, so long as any monies expressed by this Charge to be payable remain unpaid or the Chargee has not been reimbursed for all such losses, damages, costs, charges and expenses as aforesaid, (f) no invalidity, irregularity or unenforceability of all or any part of the Chargor's obligations or of any security provided to secure the Chargor's obligations shall affect, impair or be a defence to this guarantee; and (g) this is a contract of continuing guarantee and the obligations of the Guarantors shall be continuing obligations and a fresh cause of action and shall be deemed to arise in respect of each such default on the part of the Chargor.

36. CONDOMINIUM CLAUSES

THE CHARGOR and Chargee covenant and agree that in the event that the security for the within Charge shall be a condominium unit the following provisions shall apply.

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, R.S.O. 1990 and by the Declaration and By-Laws, as amended from time to time, of the Condominium Corporation, by virtue of his ownership of the unit. Any breach of the said duties and obligations shall constitute a breach of covenant under this Charge.

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 unit and in the event of his default in doing so, the Chargee, at its option, may pay the same and exercise all or any of its rights under the Charge whether or not any payment in default has priority to this Charge or any part of the monies secured hereby.

THE CHARGEES is hereby authorized and empowered to exercise the right of the Chargor as an owner of the said unit to vote or to consent in all matters relating to the affairs of the said Corporation provided that:

- (a) The Chargor shall be entitled to exercise such right to vote or consent unless and until the Chargee gives notice in writing to the Chargor and the said Condominium Corporation that the Chargee intends to exercise the said right to vote or consent in accordance with the provisions of the Condominium Act, R.S.O. 1990. Any such notice may be for an indeterminate period of time or for a limited period of time or for 2 specific meeting or matter.
- (b) The Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent by under any obligation to vote or consent or to protect the interests of the Chargor, and the Chargee shall not be responsible to the Chargor in connection with any exercise of the right to vote or consent, or for any failure to exercise such right.
- (c) The exercise of the right to vote or consent shall not constitute the Chargee a Chargee in possession.

ALL WORDS used in this Charge which are defined in the Condominium Act, R.S.O. 1990 as amended, shall have ascribed to them the meanings set out in the said Act, as amended from time to time.

THE CHARGOR covenants and agrees with the Chargee that he will not make or permit to be made any alterations, or additions to the unit without the consent of the Chargee, which consent may not be unreasonably withheld, and will not use the unit or permit it to be used for the purpose of any business, trade or manufacture of any description without the written consent of the Chargee.

THE CHARGOR covenants and agrees with the Chargee that he will not make or permit to be made any alterations, or additions to the unit without the consent of the Chargee, which consent may not be unreasonably withheld, and will not use the unit or permit it to be used for the purpose of any business, trade or manufacture of any description without the written consent of the Chargee.

IN THE EVENT that the government of the property included in the Condominium Corporation is terminated, or in the event of a sale such property or a part of the common elements of the Condominium Corporation, the monies hereby secured shall become forthwith due and payable at the option of the Chargee.

37. ASSIGNMENT OF RENTS

PROVIDED FURTHER that the Chargor hereby assigns and transfers unto the Chargee, its successors and assigns as security for the principal and interest secured by said Charge, all rents and other monies (herein called the "rents") which now are or which may at any time hereafter become due or owing under or by virtue of any lease or license whether written or verbal, or any letting of, or of any agreement for the use and occupancy of the whole or any portion of the land or premises which may have been heretofore or may be hereinafter made or agreed to by the Chargor, it being the intention of the parties to establish an absolute assignment of all such rents under such leases, licenses and agreements and the Chargor hereby authorizes the Chargee to collect, sue for, recover, receive, and give receipts for the rents and to enforce payment thereof in the name of the Chargor and, where applicable, his heirs, executors, administrators, successors and assigns.

THE CHARGOR further covenants and agrees that: (a) it has not and will not do any act or omission having the effect of terminating, cancelling, or accepting surrender of any existing or future lease or license or of waiving, releasing, reducing or abating any rights or remedies of the Chargor or obligations of any other party thereunder or in connection therewith without the written consent of the Chargee; (b) none of such rights, remedies and obligations are or will be affected by any other agreement, document or understanding, or by any reduction, abatement, defence, set off or counterclaim; (c) none of the leases or licences or the Chargor's rights thereunder, including the right to receive the rents, has been or will be amended, assigned, encumbered, discounted or anticipated; (d) none of the rents has been or will be paid in advance and none of the remainder of the rents has been or will be paid prior to the due date for payment thereof; (e) there has been no default under any of the leases or licences by any of the parties thereto and there is no outstanding dispute under any of the leases or licences between the Chargor and any other party thereto; (f) the Chargor will observe and perform all of its obligations under each of the leases or licences and the Chargee shall not be liable or accountable for any failure to collect, recover, distraint for, or receive the rents or any part of them or for the performance of any of the obligations or conditions under or in respect of the leases or licences or any of them to be observed and performed by the Chargor and the Chargee shall not by virtue of this assignment or its receipts of the rents or any of them become or be deemed a Chargee in possession of the premises and the Chargee shall not be under any obligation to take any action or exercise any remedies in the collection or recovery of the rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the leases or licences or any of them, and the Chargee shall be liable to account only for such monies as shall actually come into its hands, less proper collection charges, and such monies may be applied on account of any indebtedness of the Chargor to the Chargee; (g) all rents collected or received by the Chargor in respect of the premises shall be received as trustee for the Chargee and shall be paid over to the Chargee; (h) any waiver by any party hereto of any breach of any of the covenants or provisions contained herein, whether expressed or implied or negative or positive in form or any failure to enforce any of its rights contained herein shall extend only to the particular breach so waived or particular failure and shall not limit or affect the rights of any party hereto with respect to any other or future breach.

THE CHARGOR further covenants and agrees to execute and deliver at the request of the Chargee, all such further assurances and assignments with respect to such existing or future rents, leases and licences as the Chargee shall from time to time require and shall do all other acts with respect to such rent, leases and licences as requested by the Chargee within five (5) days from receipt of request and at no expense to the Chargee.

THE CHARGOR agrees that all leases, licences, offers to lease and agreements to lease shall be bona fide and shall be at rates, on terms and conditions and to tenants which are not less favourable or desirable to the Chargor than those which a prudent landlord would expect to receive for the premises to be leased or licensed and provided further that the Chargor shall obtain the consent of the Chargee prior to the execution of any lease, licence or offer or agreement to lease.

THE CHARGOR acknowledges that the Chargee may register a financing statement against it pursuant to the provisions of the Personal Property Security Act, R.S.O. 1990 and covenants to provide forthwith to the Chargee all such information as it may require to make such registration.

38. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof, if any, and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, or pursuant to the Trustees Act (as the Chargee may at its sole option require).

Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee in its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitations charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (a) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (b) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (c) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (d) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a charge in possession in respect of the said lands or any part thereof;
- (e) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (f) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor;

- (g) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (h) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (i) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges which may be registered against the lands from time to time, whether or not such charges are prior to the interest of the Chargee in the said lands: sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any re-zoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements or rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance, with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium, completing any application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein;
- (j) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received, every such Receiver shall pay in the, following order:
 - i) its remuneration;
 - ii) payments made or incurred by it in the exercise of its powers hereunder;
 - iii) any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if such documentation was duly executed by the Chargor himself.

39. ENVIRONMENT CLAUSE

THE Chargor represents and warrants, which representations and warranties shall survive the advance of funds under the Charge, that the lands have never been used as a waste disposal site nor have they been contaminated by polychlorinated byperhals or any other dangerous or noxious chemicals or materials and that same are not subject to any outstanding work orders or deficiency notices or requests for compliance issued by any governmental authority under any applicable legislation. In the event that such representation and warranty is not true, or in the future the Chargee becomes aware of any such matter affecting the lands, then at the option of the Chargee this Charge shall immediately become due and payable, notwithstanding the stated date of maturity of the Charge.

40. CROSS-DEFAULT

IN the event that the Chargor at any time has any other charges outstanding with the Chargee including any that pre-date this Charge (the "Other Security"), then at the option of the Chargee, default under any such other Security shall be deemed default under this Charge and conversely a default under this Charge shall be deemed default under the other security. The Chargee's rights hereunder shall in no way merge or be affected by any proceedings which the Chargee may take under the other security and the Chargee shall not be required to take the proceedings under the other security before proceeding under this Charge. Conversely, no proceedings under this Charge shall, in any way, affect the rights of the Chargee under any other security and the Chargee shall not be required to take proceedings under this Charge before proceeding under the other security.

41. INVALIDITY

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

42. HEADINGS

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only, and the wording of such headings is not intended to have any legal effect.

43. INTERPRETATION

PROVIDED and it is hereby agreed that in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one guarantor, or there is a female party or a corporation or there is one guarantor or no guarantor,

the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

44. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R. S. O. 1980, c. 474 and distinguished by a number therein, this 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 said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in force and effect.

45. COSTS

IN THIS CHARGE the word "cost" shall be extended to and include legal costs incurred by the Chargee as between a solicitor and his own client.

46. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address noted on page 1 of the Charge document to which these standard charge terms form a part or such other address communicated in writing by the addressee in a written notice to the sender.

ACKNOWLEDGEMENT

The set of Laurentian Bank of Canada Standard Charge Terms No.: 9222 is included in a charge dated the _____ day of _____, made by _____ as Chargor(s)

TO

LAURENTIAN BANK OF CANADA

as Chargee

and each Chargor and Guarantor hereby acknowledges receiving a copy of this Set of Standard Charge Terms No: 9222 before signing the Charge.

