



CHARGE TERMS

LAND REGISTRATION REFORM ACT

ROYAL BANK OF CANADA

ROYAL TRUST CORPORATION OF CANADA

SET OF STANDARD CHARGE TERMS
FOR ELECTRONIC DOCUMENTS
(COMMERCIAL CHARGES)



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Filed by:
ROYAL BANK OF CANADA
ROYAL TRUST CORPORATION OF CANADA

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The following set of standard charge terms shall apply to electronic documents submitted for registration under Part III of the *Land Registration Reform Act*, RSO. 1990, c.L.4, as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this set of standard charge terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act.

Any charge in an electronic format of which this set of standard charge terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge". Whenever reference is made in this set of standard charge terms to the Charge, it shall include this set of standard charge terms and all terms and provisions of this set of standard charge terms.

Any reference to the "Computer Field" in the Charge means a computer data entry field in a charge registered pursuant to Part III of the Land Registration Reform Act into which the terms and conditions of the Charge may be inserted.

1. PRINCIPAL AMOUNT SECURED

The amount of principal money secured by the Charge is the amount indicated in the Computer Field of the Charge which is entitled "Principal" (the "Principal Amount") and any additional principal amounts advanced by the Chargee to the Chargor from time to time under the Charge ("Additional Principal Amounts"). The Chargee and the Chargor acknowledge that at any one time the aggregate amount of the principal amounts advanced under and secured by the Charge (being the aggregate of the initial advance or advances made by the Chargee, less the principal amounts repaid by the Chargor, plus the Additional Principal Amounts, if any) may not exceed the Principal Amount.

2. CHARGE

The chargor or chargors indicated in the Computer Field of the Charge entitled "Chargor" (the "Chargor") charges the lands and premises indicated in the Computer Field of the Charge entitled "Description" together with all buildings, fixtures, improvements and facilities whatsoever situate thereon at the time of delivery for registration of the Charge or thereafter constructed or placed thereon (the "Charged Premises") with the payment to the chargee indicated in the Computer Field of the Charge entitled "Chargee" (the "Chargee") of the Principal Amount and interest thereon and any Additional Principal Amounts and interest thereon, and all other monies secured by the Charge upon the terms as set out in the Charge including this set of standard charge terms.

3. INTEREST

(a) VARIABLE INTEREST RATE

If the interest rate indicated in the Computer Field of the Charge entitled "Rate" is based upon the Prime Rate, as hereinafter defined, the rate of interest chargeable on the Principal Amount and any Additional Principal Amounts is a rate equal to the Prime Rate per annum as the same will vary from time to time, plus the number of percentage points per annum, if any, indicated in the Computer Field of the Charge entitled "Rate" (the "Variable Interest Rate") and shall be payable monthly, and calculated monthly, not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

The Variable Interest Rate will vary automatically, without notice to the Chargor, each time there is a change in the Prime Rate. The Variable Interest Rate will always be the Prime Rate plus the number of percentage points per annum, if any, indicated in the Computer Field of the Charge entitled "Rate", payable monthly and calculated monthly, not in advance, as well after as before maturity of the Charge and both before and after default and judgment until paid.

“Prime Rate” means the annual rate of interest announced from time to time by the Chargee as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada. In the event that it may be necessary at any time for the Chargee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate as set forth in the said certificate.

For the purposes of the *Interest Act*, R.S.C. 1 985, cl-i 5, as amended (the “Interest Act”), it is understood, agreed and declared that the amount of principal money secured by the Charge is the Principal Amount and the Additional Principal Amounts, if any, and the rate of interest chargeable thereon, calculated half-yearly, not in advance, is the half-yearly rate set forth in the table of equivalent interest rates below:

These equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under the Charge as set out in this Section 3(a). The following table sets out interest rates calculated half-yearly, not in advance, which are equivalent to interest rates calculated monthly, not in advance. The Chargor may determine the equivalent rate by locating the Variable Interest Rate payable under the Charge in the column entitled “Interest Rate Calculated Monthly Not in Advance (%)” and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled “Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)”.

EQUIVALENT RATES

Interest Rate calculated Monthly Not In Advance 1%)	Equivaient Interest Rate calculated Not In Advance (%)	Half-Yearly Interest Rate calculated Monthly Not In Advance 1%)	Equivalent Interest Rate calculated Half-Yearly Not In Advance 1%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.500	18.151
8.125	8.264	17.625	18.285
8.250	8.393	17.750	18.419
8.375	8.522	17.875	18.554
8.500	8.652	18.000	18.689
8.625	8.781	18.125	18.823
8.750	8.911	18.250	18.958
8.875	9.041	18.375	19.093
9.000	9.170	18.500	19.228
9.125	9.300	18.625	19.363
9.250	9.430	18.750	19.498
9.375	9.560	18.825	19.633
9.500	9.690	19.000	19.768
9.625	9.820	19.125	19.903
9.750	9.950	19.250	20.039
9.875	10.080	19.375	20.174
10.000	10.211	19.500	20.310
10.125	10.341	19.625	20.445
10.250	10.471	19.750	20.581
10.375	10.602	19.875	20.716

(b) FIXED INTEREST RATE

If the interest rate indicated in the Computer Field of the Charge entitled "Rate" is a specified annual percentage not based on the Prime Rate (the "Fixed Interest Rate"), the rate of interest chargeable on the Principal Amount and any Additional Principal Amounts is that Fixed Interest Rate per annum, payable monthly, and calculated half-yearly, not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

- (c) For the purposes of the Charge, the Fixed Interest Rate or the Variable Interest Rate, as the case may be, shall be hereinafter referred to as the "Charge Rate" .. Whenever reference is made to the "Charge Rate" it shall mean the rate of interest indicated in the Computer Field of the Charge which is entitled "Rate", and shall be calculated and payable as set out in the Charge.

4. DEFEASANCE

- (a) The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act, shall be and are hereby expressly excluded from the terms of the Charge.
- (b) The Charge shall be void upon the Chargor paying to the Chargee in lawful money of Canada, the Principal Amount and any Additional Principal Amounts, with interest thereon computed from the date of advance thereof at the Charge Rate, which interest is either payable monthly and calculated monthly (in the case of a Variable Interest Rate as set out in Section 3(a) hereof), or payable monthly and calculated half-yearly (in the case of a Fixed Rate of Interest as set out in Section 3(b) hereof), not in advance, as well after as before maturity and both before and after default and judgment until paid. Such interest shall be calculated as follows:

Interest at the Charge Rate on the amounts from time to time advanced, computed from the respective dates of such advances until the date indicated in the Computer Field of the Charge entitled "Interest Adjustment Date" (such date being hereinafter referred to as the "Interest Adjustment Date"), shall become due and be paid on the Interest Adjustment Date. Provided that the Chargee may require such interest at the Charge Rate on the principal amounts advanced from time to time, computed from the respective dates of such advances, to become due and payable in monthly instalments on a date in the month next following the first advance which date shall be the day of the month for payment indicated in the Computer Field of the Charge entitled "Payment Date", and on the same day of each and every month thereafter and the balance, if any, of the interest on such advances shall become due and be paid on the Interest Adjustment Date. At the option of the Chargee interest so due and payable may be deducted from such advances. Thereafter, the Principal Amount together with interest thereon at the Charge Rate, computed from the Interest Adjustment Date, shall become due and be paid by consecutive monthly instalments. Such instalments shall be in the amount indicated in the Computer Field of the Charge entitled "Payment" and shall be paid in each and every month in each and every year on the payment dates specified in the Charge from and including the date indicated in the Computer Field of the Charge entitled "First Payment Date" and to and including the date indicated in the Computer Field of the Charge entitled "Last Payment Date" and the balance, if any, of the Principal Amount and interest thereon shall become due and payable on the date indicated in the Computer Field of the Charge entitled "Balance Due Date" (the "Balance Due Date"); and also paying to the Chargee in lawful money of Canada, any Additional Principal Amounts with interest thereon at the Charge Rate at the times and in the manner set out in the Charge, or as otherwise agreed to by the Chargor and the Chargee; and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions in the Charge.

5. NO PREPAYMENT

The Chargor shall have no right to prepay the loan secured by the Charge except as otherwise provided in the Charge.

6. ADDITIONAL ADVANCES

Upon repayment to the Chargee of the Principal Amount in whole or in part, the Chargor may from time to time, at the Chargee's option, borrow Additional Principal Amounts, in which event, the Charge will remain as security for all principal amounts, interest and other amounts owing by the Chargor to the Chargee whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, it being agreed that the Charge at any one time will secure only that portion of the Principal Amount then outstanding not exceeding the Principal Amount, together with any interest or compound interest accrued on the principal amount outstanding at such time at the Charge Rate.

7. APPLICATION OF PAYMENTS AND WITHHOLDING FROM PAYMENTS

- (a) Provided that if the Charge is repayable by blended instalments of principal and interest, the instalments payable under the Charge are to be applied firstly to any life insurance premiums payable by the Chargor in respect of the Charge, secondly to bring into good standing any accounts in which funds are held pending payment to third parties or from which amounts are debited in respect of the Charge, including tax accounts, if any, thirdly to interest calculated as provided in the Charge on the principal amounts from time to time outstanding (the "Outstanding Principal Amount") and the balance of the said instalments shall be applied on account of the portion of the Principal Amount then outstanding:

except, however, in the case of default by the Chargor, the Chargee may then apply any payments received during the period of default in whatever order it may elect as between principal, interest, taxes, repairs, insurance premiums or other advances made on behalf of the Chargor.

Also, if the Charge Rate is a Variable Interest Rate, while the amount of each consecutive monthly instalment to be paid by the Chargor under the Charge is fixed under the terms of the Charge, the respective portions of interest and principal which comprise each instalment may vary as the Prime Rate varies.

"Deferred Interest" shall mean the amount by which the interest that has accrued on the Outstanding Principal Amount from one payment date under the Charge to the next payment date exceeds the amount of each installment (or such other amount agreed to by the Chargor and the Chargee, in writing, as the amount to be paid on a payment date) and thus remains unpaid. So long as the Chargor is not in default under the Charge the Chargee shall apply each monthly installment, and any other payment that may be made from time to time by the Chargor firstly to life insurance premiums payable by the Chargor in respect of the Charge, if any, secondly to bring into good standing any accounts in which funds are held pending payment to third parties or from which amounts are debited in respect of the Charge, including tax accounts, if any, thirdly to interest at the Charge Rate calculated as provided in the Charge on the Outstanding Principal Amount, fourthly to Deferred Interest and interest thereon calculated in accordance with the Charge and fifthly to the reduction of the Outstanding Principal Amount, interest, taxes, repairs, insurance premiums or any other amounts payable by the Chargor under the Charge.

If the Prime Rate rises, a larger portion of any instalment will be applied against the accrued interest then outstanding, thus delaying the reduction of the portion of the Principal Amount then outstanding under the Charge. If the Prime Rate falls, a larger portion of any instalment will be applied against the portion of the Principal Amount then outstanding, thus accelerating the reduction of the principal amount outstanding under the Charge.

In the event that any monthly instalment is not sufficient to pay all accrued interest on the date of such payment, the Deferred Interest will form a charge on the Charged Premises and shall bear interest at the Charge Rate. On the next payment date if all accrued interest is not paid the amount of interest that remains unpaid will bear interest at the Charge Rate and the unpaid interest will be added to the Deferred Interest and so on.

- (b) **Withholdings from Payments:** If the Chargor is required by law to make any deduction or withholding from any sum payable by the Chargor to the Chargee under the Charge, then the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Chargee receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or been required to be made; and the Chargor shall pay the full amount to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Chargee within thirty days after the Chargor has made such payment to the applicable authority a receipt issued by such authority evidencing such payment.
- (c) **Tax on Loan:** The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Chargee's income taxes) (the "Income Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon that the Chargee may be called upon to pay, together with interest from the date on which such Income Taxes are paid by the Charge at the rate and compounded in the manner provided in the Charge.

8. COMPOUND INTEREST

It is agreed that if default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof, 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 Charge Rate, and if the interest and compound interest are not paid on the next payment date after the date of default a rest shall be made and compound interest at the Charge Rate 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 Charged Premises.

9. TAXES

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the Charged Premises, it is mutually agreed between the parties to the Charge that:

- (a) The Chargee may deduct from any advance of the monies secured by the Charge an amount sufficient to pay the taxes which have become or will become due and payable at the Interest Adjustment Date in the Charge and are unpaid at the date of such advance.
- (b) The Chargor will pay all taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

- (c) The Chargor shall, if directed by the Chargee, pay to the Chargee in monthly instalments on the dates on which instalments of principal and interest are payable under the Charge, sums which in the sole opinion of the Chargee will be sufficient to enable the Chargee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof.
- (d) The Chargee agrees to apply the foregoing deduction and payments to the taxes chargeable against the Charged Premises so long as the Chargor is not in default under any covenant, proviso or agreement contained in the Charge, but nothing contained in the Charge shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as provided in the Charge, the Chargee may apply such sum or sums in or towards payment of the portion of the Principal Amount and/or interest in default. The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.
- (e) The Chargee shall allow the Chargor interest on the average monthly balance standing in the Charge account from time to time to the credit of the Chargor for payment of taxes, at a rate per annum, and at such times, as the Chargee may determine in its sole discretion, and the Chargor shall be charged interest at the Charge Rate on the debit balance, if any, in the Charge account outstanding after payment of taxes by the Chargee until such debit balance is fully repaid.

10. DEEMED COVENANTS EXCLUDED

The covenants deemed to be included in a charge by subsection 7(l) of the Land Registration Reform Act shall be and are hereby expressly excluded from the terms of the Charge.

11. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor does hereby covenant, promise and agree to and with the Chargee as follows:

(a) To Pay and Observe Covenants

That the Chargor shall pay or cause to be paid to the Chargee, without deduction or abatement, the Principal Amount with interest at the Charge Rate and any Additional Principal Amounts and interest thereon, at the times and in the manner limited for payment thereof in the Charge, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge, and without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or has been rendered liable to pay and shall also pay all other sums as the Chargee may be entitled to under the Charge.

(b) For Good Title

That the Chargor, at the time of delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same.

(c) Right to Charge

That the Chargor has good right, full power and lawful and absolute authority to charge the Charged Premises with their appurtenances unto the Chargee in the manner set out in the Charge.

(d) Quiet Possession on Default

That from and after default in the payment of the portion of the Principal Amount then outstanding or the interest thereon, or any part thereof, or of any other amounts payable under the Charge, or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge, contrary to the true intent and meaning thereof, then in every such case, it shall be lawful for the Chargee peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Charged Premises or lands and premises intended to be charged by the Charge, with their appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizances and of any other charges or encumbrances whatsoever.

(e) Further Assurances

That from and after default in the payment of the portion of the Principal Amount then outstanding, or the interest

thereon, or any part thereof of any other amounts payable under the Charge or of or in the doing, observing, performing, fulfilling or keeping of some one or more of the provisions, agreements or stipulations in the Charge contrary to the true intent and meaning thereof, then and in every such case the Chargor and all and every person or persons whatsoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in to or out of the Charged Premises, by, from, under or in trust for the Chargor shall and will, from time to time, and at all times thereafter, make, do, suffer and execute, deliver, authorize and register or cause or procure to be made, done, suffered, executed, delivered, authorized and registered all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying, charging and assuring the Charged Premises unto the Chargee, as by the Chargee or its solicitor shall or may be lawfully and reasonably devised, advised, or required.

(f) Done No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the lands described in the Charge or intended so to be, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever. The Chargor further covenants and agrees that there will be no subsequent encumbrances on the Charged Premises other than those consented to in writing by the Chargee.

(g) Insurance

The Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire and such insurable perils as are covered by an "all risks" policy and such other perils as the Chargee may require, to the full extent of their replacement cost, each and every building comprised in the Charged Premises and which may hereafter be erected thereon, both during construction and thereafter, in lawful money of Canada, with an insurance company duly authorized to carry on business as such and under a policy or policies satisfactory in form and content to the Chargee; and the policy or policies of insurance shall not contain co-insurance clauses and the Chargor will forthwith deliver to the Chargee certified copies of the policy or policies of insurance and all renewal receipts thereto appertaining. Without limiting the foregoing, such policy or policies shall include the following insurance coverage:

- (i) "All risks" of direct physical loss or damage with respect to the Charged Premises and any personal property located thereon on a replacement cost basis with loss under each policy payable to the Chargee pursuant to the standard mortgage clause approved by the Insurance Bureau of Canada or otherwise approved by the Chargee, with preference in its favour over any claim of any other person; permission shall be granted thereby for the improvements to be vacant or unoccupied for a period of at least thirty (30) days and it shall provide for partial occupancy;
- (ii) Comprehensive broad form boiler and machinery insurance including unfired pressure vessels insurance and air-conditioning equipment, if any, including repair and full replacement cost for amounts satisfactory to the Chargee with loss payable first to the Chargee by way of a charge clause approved by the Chargee;
- (iii) Business interruption or rental loss insurance covering perils insured in paragraphs (a) and (b) above acceptable to the Chargee for an indemnity period of not less than twelve (12) months and with coverage of not less than 100% of the resulting loss of rents or loss of business income from the business conducted on the Charged Premises; and
- (iv) Commercial general liability insurance, including personal injury, products, and completed operations subject to a limit per occurrence of not less than Two Million (\$2,000,000.00) Dollars or such amount as the Chargee shall reasonably require, inclusive of bodily injury, death or property damage.

All cancellation clauses in the above referenced policies, including those contained in the mortgage clauses, are to provide for at least thirty (30) days prior written notice to the Chargee of such cancellation.

Such policies shall also provide that the Chargee shall receive at least thirty (30) days prior written notice of any material alteration of such policy.

The Chargee shall be entitled to require coverage of such other risks and perils as the Chargee may from time to time consider advisable or desirable and in respect of which insurance coverage may be available. Should an insurer, at any time, cease to have the approval of the Chargee, the Chargor shall effect such new insurance as the Chargee may desire.

The Chargee is hereby irrevocably appointed by the Chargor as attorney of the Chargor to assign any policy of insurance in the event of the foreclosure of the Charge or other extinguishment of the indebtedness secured by the Charge.

The Chargor will not do or omit or cause or suffer anything to be done, omitted, caused or suffered whereby the policy or policies of insurance, as aforesaid, may be voided or become void; and the Chargor will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Chargee at least fifteen (15) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting

insurance, the Chargee, without prejudice to its other rights under the Charge, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Chargee, adequate to protect the Chargee's insurable interest and any amount paid therefor by the Chargee shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate from the time of such payment and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; provided that in no event shall the Chargee be liable for failure to have insurance placed or for any loss growing out of any defects in any policy, or for failure of an insurance company to pay for any loss or damage insured against.

Forthwith on the happening of any loss or damage, the Chargor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a printed copy of the Charge shall be sufficient authority for the said insurance company to pay every such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee.

Any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged 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 Charged 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 debt secured by the Charge or any part thereof whether due or not then due.

If the Charged Premises are part of a Condominium the insurance provisions set out in this paragraph (g) will not apply and the following will apply to the Charge:

The Chargor or the Condominium Corporation or both of them will forthwith insure and during the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, earthquake, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee; and the Chargor or the Condominium Corporation will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured aforesaid, or to deliver such policies and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Chargor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policies of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on him by the Condominium Act, R.S.O 1990, c.C.26, as amended or replaced (the "Condominium Act") and by the Declaration and By-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

(h) Compliance with Laws

That the Chargor will at all times observe and comply in all material respects with the provisions of all applicable laws, regulations, by-laws, ordinances and work orders of any lawful authority, whether federal, provincial, municipal or otherwise, including, without restriction, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, building construction, public health and safety, and of all private covenants and restrictions, affecting the Charged Premises or any portion thereof and will from time to time upon request of the Chargee, provide to the Chargee evidence of such observation and compliance.

(i) Compliance with Leases

That the Chargor will observe promptly, as lessor, the terms and conditions contained in any and all leases and/or subleases of any portion of the Charged Premises and that the Chargor will not accept any prepayment of rent or other monies payable under any such lease or proposed lease in excess of the first or final month's rent.

(j) Contiguous Property

That the Chargor will not acquire any real property which is contiguous to the Charged Premises without the written consent of the Chargee.

12. ASSIGNMENTS OF RENTS AND LEASES

The Chargor covenants and agrees to execute and deliver and to authorize and direct the registration in favour of the Chargee from time to time as and when required by the Chargee assignments of leases and assignments of rents (subject to no prior claim or assignment) with respect to any and all leases and offers to lease and agreements to lease of portions of the Charged Premises now or hereafter from time to time granted or entered into by the Chargor (the "Assigned Leases"), all of such assignments to be held by the Chargee as further security for the monies owing and secured under the Charge. The form and content of all leases and offers to lease and agreements to lease relating to the Charged Premises or any part thereof and all

tenants thereof under leases must be expressly approved in writing by the Chargee. All of the Assigned Leases as and when required by the Chargee shall, at the option of the Chargee, be duly registered in such places and at such times as the Chargee may require from time to time.

The Chargor further covenants and agrees that, at the request of the Chargee, it shall cause any tenant or lessee in possession of the Charged Premises at the time of such request to execute and deliver and authorize and direct the registration in favour of the Chargee a postponement agreement in favour of the Chargee's interest in the Charged Premises.

13. RELEASE

And the Chargor has released, remised and forever quitted claim, and by these presents does release, remise, and for ever quit claim unto the Chargee, all right, title, interest, claim and demand whatsoever of, unto, in and out of the Charged Premises and every part thereof, so as that the Chargor shall not or may not at any time hereafter have, claim, pretend to, challenge or demand the Charged Premises or any part thereof, in any manner howsoever, subject always to the proviso for defeasance.

14. FINANCIAL STATEMENTS

The Chargor further covenants with the Chargee to provide annually to the Chargee detailed financial statements of the income and expenses of the Charged Premises, including a current rent roll, for each calendar year as applicable. Such statements shall be prepared by a chartered accountant and shall be provided to the Chargee within sixty (60) days after the end of each calendar year or fiscal year of the Chargor, as applicable. In the event that the Chargor is a corporation, the Chargor shall provide to the Chargee audited financial statements within one hundred and twenty (120) days after each fiscal year-end of the Chargor for the duration of the term of the Charge. In the event that the Chargor is an individual, the Chargor shall provide to the Chargee a statement of net worth, a copy of current tax returns and a copy of Revenue Canada assessment notices, in each case by May 30 of each year during the term of the Charge.

15. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on default by the Chargor of payment of the portion of the Principal Amount then outstanding or the interest thereon or any part thereof as required by the Charge or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge may enter into possession of the Charged Premises or the lands and premises intended to be charged by the Charge and take the rents, issues and profits and, whether in or out of possession, make such lease or leases as it or they shall think fit, and also on fifteen days' default as aforesaid and after giving at least thirty-five days written notice to the persons and in the manner prescribed by Part III of the Mortgages Act, R.S.O.1 990, c.M.40, as amended (the "Mortgages Act"), may sell the Charged Premises or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser thereof, or as the purchaser shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its wilful neglect or default. 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 Charged Premises, if occupied, or by placing it on some portion of the Charged Premises, if unoccupied, or at the option of the Chargee, by mailing it by registered mail addressed to the Chargor at the Chargor's last known address and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. It is hereby further agreed that the proceeds of sale under the Charge may be applied in payment of any costs, charges, and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured hereby otherwise, and that the Chargee may sell all or any part of the Charged Premises 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 stipulation 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 Charged Premises and resell without being answerable for loss occasioned thereby, and in the case of a sale or lease under the Charge, the title of a purchaser or lessee created 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 exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given in compliance with the Mortgages Act, or had been given improperly, but any person damnified by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The Chargee may sell fixtures, machinery, crops and standing or fallen trees apart from the lands, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing contained in this section shall prejudice or diminish any other rights and remedies and powers of the Chargee or in the Charge contained or existing at law by virtue thereof. And it is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the Charged Premises in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, leases or conveyances, secondly in payment of all costs, charges, damages and expenses of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises, thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the portion of the Principal Amount then outstanding, fifthly in payment of any subsequent encumbrancers according to their priorities

and the residue shall be paid to the Chargor as the Chargor may direct and shall also in such event, at the request, cost and expense of the Chargor, transfer, release and assure unto the Chargor or to such person or persons as the Chargor shall direct and appoint, all such parts of the Charged Premises as shall remain unsold for the purposes aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the parties to the Charge, that notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the Charged Premises fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been contained in the Charge.

16. DISTRESS

Provided that and it is further stipulated, provided and agreed by and between the parties to the Charge that the Chargee may distrain for arrears of interest against the Charged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

17. PRINCIPAL DUE ON DEFAULT

It is agreed by the Chargor and the Chargee that if any default shall occur in the payment of the interest money secured by the Charge, or any part thereof, or in payment of any instalment of principal as the same matures or of any instrument, promissory note, bill of exchange or other obligations now or at any time held by the Chargee in respect of or representing or securing the money secured by the Charge or any part thereof, or in the performance of any covenant, proviso or agreement contained in the Charge or if any waste be committed or suffered on the Charged Premises, then at the option of the Chargee, the portion of the Principal Amount then outstanding secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time in the Charge mentioned for payment of such principal amounts had fully come and expired, subject to any relief afforded to the Chargor at law. The Chargee may, however, waive its right so to call in the principal and shall not be therefore debarred from asserting and exercising its right to call in the principal upon the happening of any future default or breach.

18. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT

Provided and it is agreed that until default in the payment of principal or interest secured by the Charge or intended so to be, or any part of either of the same, or in the performance of any of the provisions set forth in the Charge contrary to the true intent and meaning thereof, it shall be lawful for the Chargor, peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee.

19. BUILDINGS, ADVANCES AND COST OF SEARCH

It is the intention of the parties to the Charge that the building or buildings erected or to be erected on the Charged Premises form part of the security for the full amount of the monies secured by the Charge, and that all advances are to be made in such manner at such times and in such amounts up to the Principal Amount as the Chargee, in its sole discretion, may determine and subject always to the provision to which the Chargor hereby agrees that notwithstanding the Chargor's authorization of registration and the registration of the Charge or the advancement of any part of the Principal Amount, the Chargee is not bound to advance the full Principal Amount or any unadvanced portion thereof and the advance of the full Principal Amount and any part thereof from time to time shall be in the sole discretion of the Chargee, but nevertheless the Charge shall take effect forthwith upon the delivery for registration of the Charge and the expenses of the examination of the title and of the Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum not being advanced, the same to be charged by the Charge upon the Charged Premises and shall be without demand thereof, payable forthwith with interest at the Charge Rate and in default the Chargee's power of sale and all other remedies under the Charge or at law shall be exercisable.

20. FIXTURES

It is mutually covenanted and agreed by and between the Chargor and the Chargee that all erections and improvements, fixed or otherwise either on the date of delivery for registration of the Charge or thereafter put upon the Charged Premises, including but without limiting the generality of the foregoing, all fences, paving, heating, piping, plumbing, aerials, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters, awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Charged Premises and shall be a portion of the security for the amounts secured by the Charge.

21. PARTIAL RELEASE

The Chargee may at all times release any part or parts of the Charged Premises or any other security or any surety for payment of all or any part of the monies secured by the Charge or may release the Chargor or any other person from any covenant or other liability to pay the said monies or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for monies except those actually received by the Chargee and without thereby releasing any other part of the Charged Premises, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release the Charged Premises, securities and covenants remaining unreleased shall stand charged with the whole of the monies secured by the Charge and all legal and other expenses incurred by the Chargee in connection with such release or releases.

22. DEFAULT IN PRIOR CHARGES

It is hereby agreed by and between the Chargor and the Chargee that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge, lien or other encumbrance to which the Charge is subject or subordinate, then and in that event the monies secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as therein provided.

23. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, 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 portion of the Principal Amount then outstanding and interest and all other amounts secured by the Charge shall, at the option of the Chargee, forthwith become due and payable. In the event that a construction lien is registered against the Charged Premises, the Chargee shall have the right, but not the obligation, to pay into court such amounts as may be required to remove the lien from title to the Charged Premises. Any amounts so paid by the Chargee, together with all expenses incurred by the Chargee in connection therewith, including all solicitor's charges or commissions, as between a solicitor and his client, shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

24. WASTE, VACANCY AND REPAIR

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee who, in accordance with paragraph 25 herein, may inspect, or may designate someone to inspect on the Chargee's behalf, the Charged Premises at any reasonable time or times to determine the status of repair and maintenance that may be required in respect of the Charged Premises, and will not permit or suffer them to become or remain vacant and that the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

25. ACCESS TO PROPERTY AND INSPECTION

The Chargee, its agents, employees, and independent contractors shall have the right at any reasonable time to enter upon the Charged Premises to fully inspect the interior and exterior of the Charged Premises and the financial status of the operation thereof, and where deemed necessary and/or advisable by the Chargee, and notwithstanding paragraph 1 8 hereof, to conduct investigations including intrusive testing and sampling on the Charged Premises for the purpose of determining the presence of or the potential for environmental contamination, and the reasonable cost of such inspection and investigations including any intrusive testing and sampling shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable by the Chargor to the Chargee forthwith on demand.

26. ALTERATIONS

The Chargor covenants and agrees with the Chargee that the Chargor will not make or permit to be made any alterations or additions to the Charged Premises without the prior written consent of the Chargee.

27. PARKING AREA

The Chargor covenants and agrees that, where there is a parking area associated with the Charged Premises, the parking area shall not be used for any purpose other than for the parking of motorized vehicles, except with the prior written approval of the Chargee.

28. RESIDENTIAL RENTAL PROPERTY

Notwithstanding anything contained in the Charge to the contrary, if the Charged Premises is residential rental property then the Chargor represents and warrants that with respect to the Charged Premises, except as permitted under laws applicable to residential housing:

- (a) no demolition, conversion, renovation, repair or severance has taken place with respect to any part of the Charged Premises;
- (b) there have been no increases in the rental charged for any residential rental unit or units on the Charged Premises except in accordance with laws applicable to residential housing; and, as provided in laws applicable to residential housing:
- (c) all rents charged with respect to the Charged Premises or any part thereof are lawful rents and all required rebates have been paid;
- (d) all required filings have been made and were timely, accurate and complete; and, pursuant to laws applicable to residential housing:
- (e) no applications, investigations or proceedings have been commenced or made; and
- (f) there are no outstanding orders or decisions made by any ministry, board or commission with respect to the Charged Premises or any residential rental unit or units on the Charged Premises.

Before the first advance the Chargor agrees to provide a statutory declaration by the Chargor or by an officer/director of the Chargor where the Chargor is a corporation, that the above representations and warranties are true and correct. The Chargor agrees to deliver to the Chargee before the first advance all documents required to establish the legality of rents on the Charged Premises.

The Chargor hereby authorizes all government ministries, boards or commissions having jurisdiction over residential housing to release to the Chargee or to its solicitors any and all information contained in their files.

The Chargor further agrees to comply with the provisions of all laws applicable to residential housing during the term of the Charge. In the event of a breach of this covenant or in the event that any of the representations and warranties contained in this provision are false, the then outstanding portion of the Principal Amount, any Additional Principal Amounts and any accrued interest thereon shall, at the option of the Chargee, become immediately due and payable.

29. PROPERTY MANAGEMENT

The Chargor covenants and agrees that the Chargee may, at its option, require that the Chargor enter into an agreement with a professional independent property management firm (the "Property Management Firm") for the management of the Charged Premises. The selection of the Property Management Firm and the term of the agreement shall be subject to the approval of the Chargee. Where the Chargee has not instructed the Chargor to engage a Property Management Firm, the Chargor or, subject to the Chargee's approval, a corporation affiliated with the Chargor, shall manage the Charged Premises in accordance with the provisions of the Charge.

30. NON-MERGER

Provided and it is agreed, that the taking of a judgement or judgements on any of the covenants contained in the Charge shall not operate as a merger of the said covenant or affect the Chargee's right to interest at the rate and times provided in the Charge, and further that said judgement shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the said judgement shall have been fully paid and satisfied.

31. RIGHTS ON DEFAULT

And the Chargor covenants and agrees with the Chargee that in the event of default in the payment of any instalment of principal, interest or taxes secured by the Charge or any other monies payable under the Charge by the Chargor or on breach of any covenant, proviso or agreement contained in the Charge after all or any part of the monies secured by the Charge have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person enter upon the Charged Premises and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Charged Premises, or for remediation to bring the Charged Premises into compliance with recognized environmental standards, statutory or otherwise, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Charged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable by the Chargor to the Chargee, and shall be a charge upon the Charged Premises prior to all claims thereon subsequent to the Charge and shall bear interest at the Charge Rate until paid.

32. OBLIGATIONS SURVIVE SALE

Provided further that no sale or other dealing by the Chargor with the Charged Premises 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 secured by the Charge.

33. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge now existing or existing after the date of the Charge, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including any taxes, utility charges or other rates on the Charged Premises or any of them, and may pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and his client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatever properly taken in connection with or to realize the security of the Charge, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other monies paid under the Charge by the Chargee shall be added to the debt secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a default of payment within the meaning of those words in paragraph 1 5 and shall entitle the Chargee to exercise the power of sale and all other remedies given by the Charge. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid off, and is hereby authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

34. EXTENSIONS

It is agreed that no extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, 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 monies secured by the Charge.

35. RENEWAL

Without prejudice to any rights of the Chargee against the Chargor or any other persons liable for the payment of the monies secured by the Charge, the Charge may be renewed or extended by an agreement in writing at or before maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to register any such agreement in order to retain priority of the Charge so altered over any instrument registered subsequently to the Charge provided, however, that the Chargee may at any time, at its option, register a notice of such renewal or extension agreement and the Chargor shall execute any authorizations or further documents required in order to effect such registration. In the event a charge renewal or extension agreement is sent to the Chargor but the Chargor does not sign and return the charge renewal or extension agreement to the Chargee by the Balance Due Date of the Charge, the Charge may, at the option of the Chargee, be automatically renewed on the terms contained in the charge renewal or extension agreement. The Interest Act permits the prepayment of charges with three (3) months' further interest once five (5) years have elapsed from the date of the Charge. For the purpose of this statutory right of prepayment only, the Chargor agrees that the date of the Charge if so renewed or extended will be the renewal date stipulated in the renewal or extension agreement. Nothing contained in this paragraph shall confer any right of renewal or extension upon the Chargor.

36. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the monies secured by the Charge within which to prepare and register a discharge or, if requested, and if required by law to do so, an assignment of the 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 registration of such discharge and assignment shall be borne by the Chargor.

37. OTHER SECURITY

The Charge is in addition to and not in substitution for any other security held by the Chargee including any promissory note or notes for all or any part of the monies secured under the Charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the Charge either concurrently or successively at its option. Any judgment or recovery under the Charge or under any other security held by the Chargee for the monies secured by the Charge shall not affect the right of the Chargee to realize upon this or any other such security.

Without limiting the generality of the foregoing, the Charge is in addition to, and not in substitution for, any other charges now or hereafter held by the Chargee over the Charged Premises as security for monies secured under the Charge or any other monies due to the Chargee. It is understood and agreed that the aggregate of principal amounts secured by the Charge and any such

other charges shall be the aggregate of the Principal Amount of the Charge and the principal amounts secured under any such other charges.

38. PLACE OF PAYMENT

Provided that all payments secured by the Charge shall be made at the branch or unit of the Chargee designated in the Charge, or at such other place as the Chargee may designate in writing to the Chargor, in lawful money of Canada.

39. SPOUSES'S CONSENT

The spouse of the Chargor, if so named in the Charge, hereby consents to the transaction evidenced by the Charge and releases all interest in the Charged Premises to the extent necessary to give effect to the rights of the Chargee under the Charge and agrees that the Chargee may, without further notice, deal with the Charged Premises and the debt created by the Charge as the Chargee may see fit.

40. FAMILY LAW ACT

The Chargor covenants and agrees that forthwith after any change or happening affecting:

- (a) the spousal status of the Chargor; or
- (b) the qualification of the Charged Premises as a matrimonial home within the meaning of the Family Law Act, R.S.O. 1990, c.F.3, as amended (the "Family Law Act"); or
- (c) the ownership of the equity of redemption in the Charged Premises;

the Chargor will without request by the Chargee 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 Chargor and the owner or owners for the time being of the equity of redemption in the Charged Premises, and of any spouse who is not an owner but who has a right of possession in the Charged Premises by virtue of the said Family Law Act. In addition, the Chargor covenants and agrees to promptly furnish the Chargee with such evidence of such change or happening as the Chargee may from time to time request.

41. SEVERABILITY OF ANY INVALID PROVISIONS

It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with the provisions of any applicable statute or regulation thereunder or other applicable law, or would by reason of the provisions of any such statute or regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the advances secured by the Charge which it would otherwise be able to collect under such statute or regulation or other applicable law, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

42. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

Provided that no failure to enforce at any time or from time to time any of the rights of the Chargee under the Charge shall prejudice such rights or any other rights of the Chargee, no performance or payment by the Chargee in respect of any breach or default under the Charge of the Chargor shall relieve the Chargor from any default under the Charge and 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.

43. SALE OF THE CHARGED PREMISES

The Chargor agrees that the Principal Amount, any Additional Principal Amounts and all accrued interest shall at the option of the Chargee become immediately due and payable in full if the Charged Premises or any part thereof or any interest therein is sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, leased or otherwise disposed

of without the prior written consent of the Chargee, or if the Chargor enters into an agreement to effect any of the foregoing, whether for valuable or nominal consideration, without the prior written consent of the Chargee.

44. CHANGE OF CORPORATE CONTROL

Where the Chargor is a corporation the Chargor covenants and agrees that in the event that:

- (a) the Chargor fails to supply to the Chargee, in a form satisfactory to the Chargee, such information relating to the ownership of its shares as the Chargee may from time to time require; or
- (b) without the written consent of the Chargee first had and obtained,

- (i) the Chargor issues or redeems any of its shares or transfers any of its shares,
- (ii) there is a sale or sales of the shares of the Chargor which result in the transfer of the legal or beneficial interest of any of the shares of the Chargor, or
- (iii) the Chargor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Chargor, then all monies secured by the Charge together with accrued interest thereon shall forthwith become due and payable at the option of the Chargee and the Chargee's powers of sale hereby given and all other remedies for enforcement shall be exercisable.

45. RECEIVERSHIP

Notwithstanding anything contained in the Charge, it is declared and agreed that any time and from time to time when there shall be default under the provisions of the Charge, the Chargee may, at such time and from time to time and with or without entry into possession of the Charged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Charged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in his stead, and that in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

- (a) Every such receiver shall have unlimited access to the Charged Premises as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority (which power and authority shall not be revoked by the Chargor) to:
 - (i) collect the rents and profits from tenancies whether created before or after these presents;
 - (ii) rent any portion of the Charged Premises which may be or become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (iii) complete the construction of any building or buildings or other erections or improvements on the Charged Premises left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including without limitation appliances and equipment necessary or desirable to render the Charged Premises operable or rentable and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and
 - (iv) manage, operate, repair, alter or extend the Charged Premises or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the Charged Premises.

- (b) The Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.
- (c) The Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises.
- (d) Every such receiver shall be deemed to be the agent or attorney of the Chargor and in no event the agent or attorney of the Chargee and the Chargee shall not be responsible for the receiver's acts or omissions.
- (e) The appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a chargee in possession of the Charged Premises
- (f) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by the receiver in respect of the Charged Premises or any part thereof and out of such monies so received every such receiver shall in the following order pay:
 - (i) the remuneration of the receiver as aforesaid;
 - (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authority hereby conferred;
 - (iii) interest, principal and other monies from time to time that may be or become charged upon the Charged Premises in priority to the Charge including taxes;

(iv) to the Chargee all interest, principal and other monies due under the Charge to be paid in such order as the Chargee in its discretion shall determine;

(v) and thereafter every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Charged Premises and shall bear interest from the date of demand at the Charge Rate.

- (g) Save as to claims for accounting under clause (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature whether sounding in damages or not which may arise or be caused to the Chargor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.
- (h) The Chargee may at any time and from time to time terminate any such receivership by notice in writing to the Chargor and to any such receiver.
- (i) The statutory declaration of an officer of the Chargee as to default under the provisions of the Charge and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers provided for in the Charge and such dealing shall be deemed as regards such person to be valid and effectual.
- (j) The rights and powers conferred by the Charge in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

46. COMPLIANCE WITH THE LAW AND ENVIRONMENTAL COMPLIANCE

The Chargor hereby represents and warrants to the Chargee that:

- (a) there is not in, on or about the Charged Premises any product or substance, or condition (including, without restriction, contaminants, wastes, moulds or hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;
- (b) to the best of the knowledge of the Chargor, no circumstance has existed on the Charged Premises or exists or has existed on any land adjacent to the Charged Premises which constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;
- (c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued or is pending relating to an environmental condition on the Charged Premises; and
- (d) the Charged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment.

The Chargor hereby covenants and agrees with the Chargee as follows:

- (a) the Chargor shall give to the Chargee immediate notice of any material change in circumstances in respect of the Charged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (d) inclusive to become untrue; and
- (b) the Chargor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Charged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

The Chargor further covenants and agrees with the Chargee at all times promptly to observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, contaminants, wastes, hazardous or toxic materials, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor shall from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance and pay immediately when due the cost of removal of any such contaminants, wastes and materials, and shall at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and shall take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent; and the Chargor shall cause its tenants, agents and invitees to comply with all the foregoing at their own expense.

The Chargor shall indemnify and hold harmless the Chargee (and its directors, officers, employees and agents) from and against all loss, cost, damage or expenses (including, without limitation, legal fees and costs incurred in the investigation, defense and settlement of any claim) due to the Chargor's failure to comply with any of the covenants and agreements in this clause, or due to the presence of any contaminant, waste, mould or hazardous or toxic material referred to in this clause, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of the Charge or the release from the Charge of part or all of the Charged Premises.

47. CONDOMINIUMS

If the Charge is of a unit or units within a Condominium the following provisions shall apply:

- (a) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration, the by-laws, and the rules as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Charged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge.
- (b) Without limiting the generality of the foregoing, the Chargor covenants and agrees that the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as an owner of the Charged Premises and in the event of 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 Charged Premises and shall bear interest at the Charge 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.
- (c) The Chargor hereby irrevocably authorizes and empowers the Chargee to exercise the right of the Chargor as an owner of the Charged Premises to vote or to 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 said 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; and
 - (iii) the exercise of the right to vote or consent shall not constitute the Chargee a chargee in possession.
- (d) The Chargor covenants and agrees to advise the Condominium Corporation to send all notices to the Chargee and to notify the Chargee of any breaches by the Condominium Corporation that come to the attention of the Chargor, in order that the Chargee is kept fully informed.

48. CHARGE EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to the Charge, and to any and all other documents required in connection therewith and of any amendment, renewal or extension thereof and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any monies payable under the Charge including, without limiting the generality of the foregoing, all solicitors' fees on a solicitor and client basis, costs and expenses and expenses in valuing the Charged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of the Charge against third parties. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Charge Rate and shall be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge.

49. DEBT SERVICE COVERAGE

In the event that at the time of a review of the Chargor's financial statements or an inspection of the Charged Premises by the Chargee, the gross annual rental income relating to the Charged Premises has fallen below the minimum gross annual rental income required by the Chargee pursuant to any loan agreement or loan commitment between the Chargor and the Chargee relating to the Charge, the Chargee may require reimbursement of a part of the principal amount of the Charge in order to ensure compliance with such requirement.

50. EXPROPRIATION

In the event of any expropriation affecting the whole or part of the Charged Premises, the Chargor agrees that the proceeds from the expropriation shall be paid to the Chargee in priority to the claims of any other party.

51. TAX ON LOAN

The Chargor shall pay to the Chargee on demand the amount of any taxes (other than the Chargee's income taxes) which may be imposed upon or in respect of the principal of, or the interest on, the amounts secured by the Charge and which the Chargee may be called upon to pay, together with interest from the date on which such taxes are paid by the Chargee at the Charge Rate and compounded in the manner provided in paragraph 8.

52. COMMITMENT LETTER

The provisions set forth in any loan agreement or loan commitment between the Chargor and the Chargee in respect of the Charge will not merge with the Charge but shall survive the registration of the Charge unless otherwise expressly provided .

53. INTERPRETATION

It is hereby agreed and declared that the expression "the Chargor" used in these standard charge terms and the Charge shall include the heirs, personal representatives, executors, administrators, successors and assigns of each and every Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and (if the Charge affects a Condominium) the expression "Condominium Corporation" shall mean the Condominium Corporation referred to

in the description and the expression "Declaration" shall mean the declaration registered in connection with the Condominium Corporation and the words in the singular include the plural and words in the plural include the singular and words importing the masculine gender include the feminine and neuter genders where the context so requires and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, executors, personal representatives, administrators, successors and assigns and that all such covenants, liabilities, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor herein contained or implied are and are to be construed as both joint and several.

54. PARAGRAPH HEADINGS

The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

55. DATE OF CHARGE

The Charge unless otherwise specifically provided shall be deemed to be dated as of the date of delivery for registration of the Charge.

56. EFFECT OF DELIVERY

The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in a written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and any other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

RECEIPT

The Chargor(s) hereby acknowledges receipt of a true copy of the Charge and the foregoing Standard Charge Terms before signing the Charge.

DATED the _____ day of _____, _____

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

The Guarantor(s) hereby acknowledges receipt of a true copy of the Charge and the foregoing Standard Charge Terms before signing the Charge.

DATED the _____ day of _____, _____

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title: