

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

SET OF STANDARD CHARGE TERMS
Land Registration Reform Act

Province of Ontario

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DIRECTOR OF TITLES

DIRECTRICE DES DROITS IMMOBILIERS

The following set of standard mortgage terms is included in every charge/mortgage in which the set is referred to by its filing number, as provided by section 9 of the *Land Registration Reform Act*, or, as the case may be, in every charge/mortgage to which it is attached, except to the extent that the provisions of these terms are modified by additions, amendments, or deletions as set forth elsewhere in the charge/mortgage.

PART I - DEFINITIONS

1. DEFINITIONS

In this set of standard mortgage terms, unless otherwise defined or the context in which they are used necessarily otherwise requires, the following words and expressions mean:

- (a) **Applicable Law** means any law, statute, rule, requirement, demand, order, direction, code, guideline, ordinance, by-law, policy, or regulation of any government, governmental authority or agency as may be applicable, whether to the Land, your Property or otherwise, including those pursuant to which you provide the Mortgage to us and which govern the Mortgage, all as may be amended, enacted, re-enacted, replaced, or substituted from time to time;
- (b) **approved, approve, approval, agreed, and agree** mean, when referring to us, agreed to by us in writing in advance;
- (c) **Balance Due Date** means the date set out in a Loan Details Area as being the date on or before which the Loan Amount is to be paid to us in full (whether by those words or otherwise), and this expression also means such date as changed in accordance with the terms of the Mortgage or as agreed between you and us, provided that, in the event that the Balance Due Date is specified as being "On Demand", whether by those words or otherwise, the Balance Due Date will be the date on which we demand that the Loan Amount is paid to us in full;
- (d) **Condominium Act** means the *Condominium Act, 1998* (Ontario) and all regulations thereunder, as such legislation is amended, enacted, re-enacted, replaced, or substituted from time to time;
- (e) **Condominium Corporation** means the corporation defined as such in paragraph 16 of Part IV of these Terms;
- (f) **Current Mortgage Rate** means the Interest Rate applicable to the Loan at any particular time or as described or provided for in paragraph 2(a)(ii) of Part III of these Terms;
- (g) **Deferred Interest** means interest described as such in paragraph 2(a)(ii) of Part III of these Terms;
- (h) **First Payment Date** means the date set out in a Loan Details Area as being the first date on which a payment is to be paid to us either in relation to payment of interest or repayment of any Loan Amount and also means such date as changed in accordance with the terms of the Mortgage or as agreed between you and us;
- (i) **Guarantor** means any person, and all such persons, who signs the Mortgage and/or the Loan Agreement as a guarantor or as a covenantor or indemnifier, including any person named as guarantor on any part of the Mortgage Document;
- (j) **Hazardous Substance** means a substance or condition that is prohibited, controlled, or otherwise regulated by any Applicable Law or is otherwise hazardous in fact such as contaminants, pollutants, toxic, dangerous, or hazardous substances, designated substances, controlled products, including subject wastes, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, PCBs or PCB contaminated fluids or equipment, explosives, home heating oil, radioactive substances, petroleum and associated products, former or current use as a burial ground, underground storage tanks or surface impoundments and, without limiting the generality of the foregoing, any illegal substance, including the growth or manufacture thereof, shall be deemed to be a Hazardous Substance;
- (k) **includes and including** mean, unless the context otherwise requires, "including but not limited to";
- (l) **Interest Adjustment Date** means the date set out in a Loan Details Area as being the interest adjustment date (whether by those words or otherwise) and also means such date as changed in

accordance with the terms of the Mortgage or as agreed between you and us, provided that, in the event that no Interest Adjustment Date is set out in a Loan Details Area, the Interest Adjustment Date shall be deemed to be the earlier of the registration of the Mortgage and the date of the initial advance;

- (m) **Interest Rate** means the rate of interest set out in a Loan Details Area (whether by those words or otherwise) and also means such rate as changed in accordance with the terms of the Mortgage or as agreed between you and us;
- (n) **Land** means the lands and properties legally described in a Loan Details Area, whether described by those words or otherwise;
- (o) **Last Payment Date** means the date set out in a Loan Details Area as being the date on which the last Regular Payment Amount is to be paid to us (whether by those words or otherwise) and also means such date as changed in accordance with the terms of the Mortgage or as agreed between you and us;
- (p) **Lease** means the lease, sublease, or agreement to lease under which you now or hereafter hold possession of your Property as lessee, tenant, sublessee or subtenant thereof (which is referred to in paragraph 1(b) of Part IV of these Terms);
- (q) **Loan** means a particular loan or credit facility which the Mortgage is intended to secure, and which may be referred to in the Loan Agreement, and which may include a mortgage taken back by us as part of a transaction in which we acted as vendor or seller;
- (r) **Loan Agreement** means the agreement(s), whether in the form of a letter agreement, commitment letter, promissory note, or another type of agreement(s) (if any such agreement(s) has been or is hereafter entered into) between you and us which refers to or provides for the making of the Loan by us to you, and includes any promises or representations which you make in any application to us for the Loan, and any communication we make to you renewing, extending, or amending the terms of the Loan, the Loan Agreement, and/or the Mortgage, together with all other amendments, supplements, and restatements of the Mortgage and/or of the Loan Agreement as may from time to time exist;
- (s) **Loan Amount** means the Principal Amount, interest, and all other amounts owing to us from time to time under and as secured by the Mortgage;
- (t) **Loan Details Area** means any portion, sentence, paragraph, area, text, box, or field in a part of the Mortgage other than these Terms, or in a part of the Loan Agreement, in which information or data pertaining to the indebtedness secured or intended to be secured by the Mortgage is set forth and includes any amendments or renewals thereto from time to time, and any reference in these Terms to any identified part of the Loan Details Area shall be interpreted as being a reference to the relevant information whether identified by the exact wording referencing the Loan Details Area or otherwise;
- (u) **Mortgage**, when used as a noun, means a mortgage or charge given by you to us to secure the Loan into which these Terms are incorporated or to which they are attached, and includes the provisions contained within these Terms and all other components of said mortgage or charge in addition to these Terms and any renewals or amendments to such mortgage or charge and, without limiting the generality of the foregoing, includes, for the non-electronic paper-based registration system, the mortgage or charge of your Property signed by you in the Form 2 Charge/Mortgage of Land and any Schedule attached to it or, for the electronic registration system, the mortgage or charge of your Property given by you to us pursuant to your signed authorization and direction and prepared in the electronic format and registered electronically pursuant to the *Land Registration Reform Act* (Ontario) or any successor thereto, it being noted that the Mortgage is and shall be in addition to and not in substitution for any other security held by us or given to us by you;
- (v) **Mortgage Document** means all components of the Mortgage except these Terms, except that if these Terms are physically attached to the rest of the Mortgage Document rather than being incorporated by reference thereto into the Mortgage, then "Mortgage Document" has the same meaning herein as given to the word "Mortgage";
- (w) **Mortgage Prime Rate** means that fluctuating rate of interest charged by the head office of the Royal Bank of Canada called by the Royal Bank of Canada as its prime rate, as is designated by the Royal Bank of Canada from time to time, or such other prime rate set by us or of any other Canadian financial institution (a chartered bank, trust company, loan company, credit union, or caisse populaire) that we may announce (or have previously announced) from time to time;
- (x) **Obligations** means your past, present, and future obligations to:
 - (i) pay any debts, fees, expenses, liabilities, interest, and other amounts, whether owing to us or otherwise, in accordance with all Promises; and
 - (ii) strictly comply with all non-monetary Promises.

You must comply with all of your Obligations whether secured by the Mortgage or not, whether absolute or contingent, and whether matured or not;

- (y) **Original Amortization Period** means the period set out in a Loan Details Area as being the original period of time the Loan is to be amortized over (whether by those words or otherwise) and also means such period as changed in accordance with the terms of the Mortgage or as agreed between you and us;
- (z) **paragraph** refers to a numbered paragraph in these Terms;
- (aa) **Payment Frequency** means the frequency of payment required for the Regular Payment Amount set out in a Loan Details Area (whether by those words or otherwise) and also means such frequency as changed in accordance with the terms of the Mortgage or as agreed between you and us;
- (bb) **Principal Amount** means the amount set out in a Loan Details Area as being the principal amount of the Loan (whether by those words or otherwise) and also means such amount as changed in accordance with the terms of the Mortgage or as agreed between you and us;
- (cc) **Promises** means those promises, covenants, undertakings, warranties, and agreements made by you, for your benefit, or on your behalf, including those promises, covenants, undertakings, warranties, and agreements that are: (i) contained in the Mortgage Document; (ii) contained in the Loan Agreement; (iii) contained in these Terms; (iv) contained in any other agreement with us (whether or not that other agreement is related to the Mortgage or the Loan); (v) contained in any agreement with any person affiliated or related to us (whether or not that agreement is related to the Mortgage or the Loan); (vi) related, directly or indirectly, to your Property; and/or (vii) related, directly or indirectly, to the Loan;
- (dd) **Registry Office** means the office from time to time established under Applicable Law for the registration, filing, or similar recording of the Mortgage, which includes a record or records of the Land and interests (or some of the interests) therein;
- (ee) **Regular Payment Amount** means the amount set out in a Loan Details Area as being the amount you are to pay to or for our benefit on a regular basis (whether by those words or otherwise), and also means such amount as changed in accordance with the terms of the Mortgage or as agreed between you and us;
- (ff) **Regular Payment Date** means the date(s) set out in a Loan Details Area as being the date(s) on which you are to pay the Regular Payment Amount (whether by those words or otherwise) and also means such date(s) as changed in accordance with the terms of the Mortgage or as agreed between you and us;
- (gg) **Schedule** means any document or schedule (except these Terms) attached to and forming part of the Mortgage Document;
- (hh) **statutory holiday** means every "public holiday" as defined in the *Employment Standards Act, 2000* (Ontario), every "holiday" as defined in the *Interpretation Act* (Canada), and every day on which our financial institution does not process deposits;
- (ii) **Term** means the period of time commencing on the Interest Adjustment Date and ending on the Balance Due Date, or, if increased, decreased, renewed, or extended in accordance with the terms of the Mortgage or as agreed between you and us, the then period of time so established as the term of the Loan;
- (jj) **Terms** means this set of standard mortgage terms incorporated into any mortgage or charge which you provide to us and which is either incorporated (pursuant to Applicable Law) by reference thereto into the Mortgage in a part of the Mortgage other than these Terms, or which is physically attached to and forms part of the Mortgage Document;
- (kk) **we, our, and us**, and word of similar meaning, mean the mortgagee or chargee described in a Loan Details Area (whether by those words or otherwise, such other words including "Lender") and the successors and assigns of the mortgagee or chargee;
- (ll) **you and your**, and words of similar meaning, mean each person described in a Loan Details Area as mortgagor, chargor, or borrower (whether by those words or otherwise) and the successors and assigns of each mortgagor, chargor, or borrower; and
- (mm) **your Property** means the Land and all buildings and structures now on same or later added, and anything now or later attached to or affixed to the building or the Land or placed on and used in connection with them, including additions, alterations, substitutions, and improvements, together with all growing things (including crops and trees and products of the soil) on, under or upon the Land, and, unless legally excluded from your ownership of the Land, all mines and minerals and sand and gravel on, under, or upon same, and together with all from time to time existing easements, covenants, powers, privileges, and other rights appurtenant to or benefiting the Land.

PART II - MORTGAGING AND PROMISE TO FULFILL OBLIGATIONS

1. WHAT THIS MORTGAGE DOES / YOUR BASIC PROMISES

In consideration for our extending credit to you (including our making the Loan or any of it to you from time to time):

- (a) you promise and agree to pay, fulfill, and perform all of the Obligations in accordance with their terms, and you promise us that all representations or other statements which you have made to us, or which you make to us in the future, pertaining to the Loan, the indebtedness now or in the future secured by the Mortgage and your Property, contained in the Loan Agreement, in the Mortgage or elsewhere is now and will, as and when made in the future, be true and correct; and

- (i) to secure the payment, fulfillment and performance of the Obligations, if you are the owner of your Property, you mortgage and charge to us your entire present and future interests in your Property; or
 - (ii) to secure the payment, fulfillment and performance of the Obligations, if you are a tenant or lessee of your Property under a Lease, you mortgage, charge, and sublease to us your entire present and future interests (including any present or future option or right of first refusal to purchase and any present or future option or right given to you to renew or extend any term of your Lease) in your Property, for the term of the Lease, including any renewals or extensions of the term of the Lease (excepting always, in all cases, the last day of any such original or renewed or extended term); and
- (b) subject to the other provisions contained in any Loan Agreement, in any Mortgage Document and in these Terms, our interest in your Property ends only when you have paid, fulfilled and performed all of the Obligations and you and we have agreed that the Mortgage will thereafter not be available to secure new credit or advances, as evidenced by the Mortgage being discharged pursuant to these Terms.

2. CONDITIONS PRECEDENT

(a) Conditions Precedent to the Initial Advance

Our obligation to make available the initial advance under this Mortgage is subject to the terms and conditions contained within the Loan Agreement and the Mortgage and is also conditional upon receipt of the documents listed below and satisfactory evidence being given to us and our lawyer as to compliance with the following conditions:

- (i) all documents, including this Mortgage, being in forms prepared or approved by us, being executed and delivered to us or our lawyer;
- (ii) registration, recording, filing, and/or perfecting in all jurisdictions of all security deemed necessary by us and our lawyer;
- (iii) you providing us with all certificates, resolutions, and legal opinions requested by us or our lawyer;
- (iv) you being in good standing with all necessary permits, licenses, authorizations, and other approvals as may be required to enter into the Mortgage;
- (v) you paying us all fees, expenses, and other amounts due and payable to us, unless we agree to deduct such fees from the initial or a subsequent advance;
- (vi) completion by us of all our due diligence with respect to you and any Guarantor, and being satisfied with the results in our sole discretion;
- (vii) receipt by us of all information and documentation executed by you that is required for the purposes of establishing payments to be made by pre-authorized withdrawal;
- (viii) receipt by us of a commitment to title insure from a reputable title insurer confirming that a lender's title insurance policy is in effect in such amounts and with such endorsements as are required by us;
- (ix) receipt by us of a certificate of insurance in respect of all policies of insurance maintained by you confirming compliance with these Terms; and
- (x) receipt by us, to our satisfaction, of any other documents, agreements, or statements as may be required by us, whether provided in the Loan Agreement or otherwise.

(b) Conditions Precedent to All Advances

Our obligation to make available the initial advance under this Mortgage and any other advance subsequent to the initial advance and to perform our other obligations under this Mortgage is subject to the provisions contained within the Loan Agreement and the Mortgage and is also conditional upon our receipt of the documents listed below and satisfactory evidence being given to us and our lawyer as to compliance with the following conditions:

- (i) receipt by us of a duly executed notice of borrowing in respect of the requested advance;
- (ii) the representations and warranties of you in the Loan Agreement, the Mortgage and these Terms being true and correct in all material respects as if made on and as of the date of each advance;
- (iii) no material adverse change having occurred since the date of the most recent financial reporting delivered by you to us;
- (iv) the Loan Agreement and the Mortgage being in full force and effect;

- (v) no default having occurred, and satisfactory evidence that no default would occur as a result of the advance;
- (vi) all conditions on each advance being satisfied in our sole opinion;
- (vii) all indebtedness owing to any creditor by you as determined by us being repaid in full on or before the advance is made;
- (viii) confirmation to our satisfaction that the advance shall have such priority as agreed to by us, provided that if no priority is specified in the Loan Agreement the Loan Agreement will be deemed to require that the Mortgage and any other security given to us must form a first charge/mortgage on your Property; and
- (ix) receipt by us, to our satisfaction, of any other documents, agreements, or statements as may be required by us, whether provided in the Loan Agreement or otherwise.

(c) Waiver of Conditions

The conditions provided for in this paragraph 2 of Part II of these Terms are for our sole and exclusive benefit. We may agree to waive such conditions precedent, in whole or in part, with or without conditions, without prejudice to any other or future rights that we may have against you and any other person. We may also agree to allow certain conditions precedent to be satisfied after an advance. If we agree to allow any condition precedent to be satisfied after an advance and that condition is not satisfied prior to whatever deadline we establish for doing so, we may choose, in an exercise of our sole discretion, to either (a) satisfy the outstanding condition on your behalf at your sole cost and expense; or (b) consider you in default of your Obligations.

PART III - TERMS OF PAYMENT AND REPAYMENT OF YOUR MORTGAGE LOAN

1. TYPES OF MORTGAGE LOANS

For the purpose of stating different types of payment/repayment terms and provisions which, unless otherwise specified in the Mortgage, will apply to different types of loans which we make to you and which are secured by the Mortgage, loans which we may make are categorized as follows (and are referred to as such elsewhere in these Terms, and/or elsewhere in the Mortgage):

- (a) **"Fixed Rate Loan"**; and
- (b) **"Variable Rate Loan"**.

If the Loan we are making to you and which is to be secured by the Mortgage falls within one of the above-described categories of mortgage loans, the same may be indicated by a reference to the appropriate category in a Loan Details Area.

If the type of mortgage is not set forth in a Loan Details Area then the Mortgage will, if the Interest Rate is a fixed rate, be deemed to be a Fixed Rate Loan or, if the Interest Rate is a variable rate or a rate referenced in relation to the Mortgage Prime Rate (whether by that name or otherwise), be deemed to be a Variable Rate Loan, subject always to the provisions set forth in a Loan Details Area.

If, instead of referring solely to either a Fixed Rate Loan or a Variable Rate Loan, a Loan Details Area provides that the Interest Rate shall be either a fixed rate or a variable rate (or a rate referenced in relation to the Mortgage Prime Rate by that name or otherwise) depending on certain circumstances (for example, the Interest Rate being either the greater of or lesser of two different rates), for the purposes of interpreting these Terms the Mortgage shall be considered a Fixed Rate Loan during the period of time in which a fixed rate of interest is applicable and the Mortgage shall be considered a Variable Rate Loan during the period of time in which a variable rate of interest (or a rate referenced in relation to the Mortgage Prime Rate by that name or otherwise) is applicable.

2. INTEREST RATE AND REGULAR PERIODIC PAYMENTS

(a) Determination and Application of Interest Rate:

Unless otherwise specified in a Loan Details Area, the provisions following each subheading apply only to the type of Loan specified in the applicable subheading:

(i) Fixed Rate Loan

The Interest Rate payable by you is the fixed rate per annum specified in a Loan Details Area showing same and it is compounded periodically as specified in the Loan Details Area showing same. If the periodic compounding of interest specified in a Loan Details Area showing same is semi-annual, the first semi-annual compounding of interest will take place on the date which is six months after the Interest Adjustment Date, and thereafter, semi-annual compounding of interest will be made at six-month intervals. Interest is payable on the Loan Amount at this rate both before and after the Balance Due Date, default, acceleration, and judgment, until the Loan Amount has been paid in full. If interest is compounded more or less frequently than semi-annually, as may be specified in a Loan Details Area showing same, compounding of interest will be made at the frequency indicated in a Loan Details Area showing same with the first calculation to be made on the

appropriate date, based on such frequency, following the Interest Adjustment Date, and thereafter at the same frequency. If no compounding period is identified in a Loan Details Area, interest shall compound semi-annually as provided above.

If you do not make your Regular Payment Amount payments or any other payment when required under the Mortgage, we will charge interest at the Interest Rate on all overdue amounts (including on overdue interest), payable and, if not paid, compounded at the same frequencies as are specified in the Mortgage for interest which is payable on the Loan Amount prior to default, such interest to be payable both before and after the Balance Due Date, default, acceleration, and judgment. This additional interest must be paid by you immediately when we require, whether we ask for it before or after the Balance Due Date, default, acceleration or judgment.

(ii) Variable Rate Loan

The Interest Rate payable by you is a variable rate per annum equal to the Mortgage Prime Rate plus or minus a certain number of percentage points per annum as specified in a Loan Details Area showing same. The Interest Rate will change each time there is a change in the Mortgage Prime Rate. Notice of changes to the Mortgage Prime Rate will be given via updates either on the web site of the financial institution setting the Mortgage Prime Rate, which are deemed to be announced by us, or on our web site or otherwise provided by us to you. At any particular time, the Interest Rate chargeable under the Mortgage, charged according to this paragraph, is called the "**Current Mortgage Rate**". Interest is payable monthly, compounded monthly not in advance and is payable on the Loan Amount both before and after the Balance Due Date, default, acceleration, and judgment, until the Loan Amount has been paid in full.

The Mortgage Prime Rate and the Current Mortgage Rate payable on the Loan Amount remain in effect until varied as above. The Interest Rate will still vary even if we fail to send you such a notice or you fail to receive it or the web site is not functioning or you are unable to access the web site. The Mortgage Prime Rate in effect at any time is available from us either on our web site or on the web site for the financial institution setting the Mortgage Prime Rate (provided that you can access same and it is functioning), or at the telephone number (provided that it is working and you can access it) provided to you in the Loan Agreement or in such other manner as we have otherwise advised you.

The amount of interest that has accumulated on the Loan Amount from one Regular Payment Date to the next which exceeds the Regular Payment Amount is called "**Deferred Interest**". On the next Regular Payment Date, all interest which has accumulated on Deferred Interest from the previous Regular Payment Date shall be added to and become part of the Loan Amount and will bear interest from and including the Regular Payment Date at the Current Mortgage Rate.

If you do not make your Regular Payment Amount payments or any other payment when required under the Mortgage, we will charge interest at the Interest Rate on all overdue amounts (including on overdue interest), payable and, if not paid, compounded at the same frequencies as are specified in the Mortgage for interest which is payable on the Loan Amount prior to default, such interest to be payable both before and after the Balance Due Date, default, acceleration, and judgment. This additional interest must be paid by you immediately when we require, whether we ask for it before or after the Balance Due Date, default, acceleration or judgment.

(b) Regular Repayment of the Loan Amount:

(i) Currency and Place

You will pay the Regular Payment Amount, and as required by us the Loan Amount, to us at the address set out in a Loan Details Area showing same or at such other address as may be otherwise advised to you by us. We may change the place for you to make payments by notice to you at any time. Monies received by us after 1:00 p.m. (or such other time as we may advise you of from time to time) or on a Saturday, Sunday, or statutory holiday shall be deemed to be received on and shall not be applied as a payment until the next day which is not a Saturday, Sunday, or statutory holiday.

(ii) Interest Adjustment Date

Unless we exercise the rights granted to us in paragraph 8 of Part IV of these Terms, interest on advances up to the Interest Adjustment Date will be calculated utilizing simple interest (although if not paid when required by us, interest will be charged on such overdue interest at your Interest Rate) at the rate in effect as applied to your Loan on the date of each advance, and at our option, such interest will be paid by you monthly in arrears on the first day of each month (or such other day of each month as determined by us), or may be deducted by us from any advance or advances we make, or may be deducted by us from the last advance made by us prior to the Interest Adjustment Date. If you have a Variable Rate Loan, interest will be applied at the rate in existence as applied to your Loan at the time of the making of the first advance, and will be adjusted thereafter from time to time (both before and after the Interest Adjustment Date) at the Current Mortgage Rate in existence at the time.

(iii) Regular Payment Amount Payments

You will make regular payments of principal and interest to us in amounts equal to the Regular Payment Amount on each of the Regular Payment Dates periodically as specified in the Mortgage or in the Loan Agreement, starting with the First Payment Date and continuing to and including the Last Payment Date. The full unpaid balance of the Loan Amount shall be payable on the Balance Due Date, or if the Balance Due Date is the same as the Last Payment Date, you will make such payment in full on the Last Payment Date. When not in default, you shall have the privilege of requesting our approval for a change of your Payment Frequency to any other Payment Frequency then currently offered by us applicable to your Term, provided that you give us not less than ten days' prior notice of your wish to make such change. Any change of your Payment Frequency requires our approval prior to any change. If your Payment Frequency is so changed, then corresponding changes will be made to your Regular Payment Date and any other terms of the Loan required by virtue of such change in the Payment Frequency. Should we allow you to change the Payment Frequency, an interest adjustment amount may be payable by you in an amount equal to the interest accumulated from the last Regular Payment Date prior to the change in Payment Frequency to the first Regular Payment Date after the change in Payment Frequency. In the event that no Payment Frequency is specified in a Loan Details Area, the Payment Frequency shall be monthly unless otherwise agreed to by us.

(iv) Change in Term, Regular Payment Amount and/or Amortization

This paragraph applies only to a Variable Rate Loan. The Regular Payment Amount is fixed during the Term, unless changed pursuant to the terms of the Loan as contained in the Loan Agreement, in the Mortgage or in these Terms. The Interest Rate for your Loan, however, may be subject to variations as set forth in these Terms or in a Loan Details Area. Regular Payment Amounts are applied to the current interest on the outstanding principal owing up to the date of such payment, and then the balance, if any, of the Regular Payment Amounts will be applied to the Principal Amount. If the Interest Rate increases, a larger portion of the Regular Payment Amount will be applied to interest, and a smaller portion to principal, with the result that the balance owing on the Balance Due Date may be larger than the amount originally advanced to you by us (or the amount which would have been due on the Balance Due Date if this had not happened). If the Interest Rate rises above the rate of interest which we determine from time to time to be the maximum Interest Rate that we allow before the Regular Payment Amount changes then, at our option, the Original Amortization Period for the Loan may increase, or the amount of the Regular Payment Amount will increase so that the Loan will be paid in full over the Original Amortization Period less the amount of time which has elapsed since the Interest Adjustment Date to the date when we make this determination and requirement. Without limiting our right to set the maximum Interest Rate, we reserve the right to set the maximum Interest Rate as the original Interest Rate, meaning that any increase in the Mortgage Prime Rate shall increase the Regular Payment Amount. In the event that the Regular Payment Amount increases pursuant to this paragraph, you acknowledge that we may withdraw all increased amounts from your account from which the Regular Payment Amount is paid, without further notice to you, provided that, in the event that the Regular Payment Amount is paid by any method other than automatic debits, you will deliver to us, within five days of our request, additional or replacement funds to ensure any increased Regular Payment Amount is paid in full and on time.

(v) Alternative Payment Provisions on Default

If you fail to make any payment or do not fulfill and perform any of the others of the Obligations, you must immediately pay to us all outstanding arrears. We may, if we wish, also require you to make all subsequent payments of principal and interest, taxes (if paid to us), and life insurance premiums (if applicable) on a monthly basis. In such an event, we may also require you to pay interest to the first day of the following month (or such other day of the month determined by us) within fifteen days of notice from us for same, which will be added to the Loan Amount if you do not do so. We may also terminate any automatic debits and require you to deliver to us, within five days of our request, cheques made payable to us for all Regular Payment Amounts payable for the remainder of the Term. We may also exercise the rights which we additionally have under paragraph 14 of Part IV of these Terms if a payment owed by you is dishonoured, not made or not made in full.

(vi) Bank Account for Payments

You must maintain an account with a Canadian financial institution (a chartered bank, trust company, credit union, or caisse populaire) and provide us with authorization to automatically debit each payment of principal, interest, taxes (if paid to us), and life insurance premium (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization provided to us to automatically debit payments from the account, or closing of the account will be considered to be a default under the Mortgage. You agree to pay us our administration and processing fees for any actions that we have to take under this paragraph.

(vii) Application of Your Payments

Each payment by you of the Regular Payment Amount or otherwise will be applied in the following order: (a) to pay collection expenses, if any; (b) to reimburse us for or to pay any fees, charges, or expenses owing to us; (c) to bring into good standing any accounts in which funds are held pending payment to third parties, including accounts which are or have been debited in respect of the Loan or the Mortgage, including tax accounts and life insurance premiums (if any); (d) to pay interest or to reduce the interest on the Principal Amount accumulated to but not including the date upon which such Regular Payment Amount is received; and (e) to reduce the Principal Amount of the Loan Amount. However, if you are in default of any of the Obligations, we may apply your payment or any other money we receive without needing to comply with the order provided above. You must pay arrears of interest by separate payment, as your Regular Payment Amount will not be applied to such interest. Information concerning the amount of interest in arrears may be obtained by contacting us. If the Mortgage secures Obligations relating to multiple loans at any time, we have the right to allocate and apply all payments (including prepayments, if allowed) received from you or on your behalf to any loan, including the Loan, as we may determine in our sole discretion, both before and after default, regardless of any other designation or allocation of such payments by you.

(viii) Interest-Only Mortgages

Notwithstanding any other provision of the Terms, we may agree that some or all of your Regular Payment Amount shall be applied to interest and not to principal. If your Mortgage in an interest-only Mortgage, being defined as such in a Loan Details Area or as otherwise agreed to by us, then you will make regular payments of interest only, to us in amounts equal to the Regular Payment Amount on each of the Regular Payment Dates, starting with the First Payment Date and continuing to and including the Last Payment Date. All other provisions of these Terms apply to an interest-only Mortgage, amended as may be required to provided that, during the Term, you will not be making any payments towards the Principal Amount. The Principal Amount, plus any unpaid interest, plus any interest on unpaid interest, plus any other sums owing by you to us in relation to the Mortgage, is to be paid by you to us in full on the Balance Due Date, or if the Balance Due Date is the same as the Last Payment Date, then on the Last Payment Date. Unless we have agreed to allow you to prepay any or all of your Loan amount, any amounts paid by you to us beyond the amount of interest then owing will not be applied by us against the Principal Amount but held by us, without interest, to be applied against the Principal Amount then owing on the Balance Due Date, or if the Balance Due Date is the same as the Last Payment Date, then on the Last Payment Date.

(ix) Compounded Interest

If you do not pay your Regular Payment Amount on each of the Regular Payment Dates or as otherwise required by the Mortgage, we will charge interest on all overdue amounts, including unpaid interest. Compound interest is payable both before and after the Balance Due Date, before and after default, and before and after any court judgment obtained against you. If we demand it, you must pay us this compound interest immediately. Compound interest is calculated at your Interest Rate, provided that, if you have a Variable Rate Loan, interest will instead be calculated at your Current Mortgage Rate.

3. PREPAYMENT RIGHTS/PRIVILEGES

(a) Prepayment

Unless otherwise specified in a Loan Details Area, you have no prepayment rights or privileges, and the Mortgage and the Loan are closed to the Balance Due Date. Unless we have agreed to allow you to prepay the whole or a part of the Principal Amount of the Loan Amount then outstanding, any amounts paid by you to us beyond the Regular Payment Amount will not be applied by us against the Principal Amount but will be held by us, without interest, to be applied against the Principal Amount then owing on the Balance Due Date, or if the Balance Due Date is the same as the Last Payment Date, then on the Last Payment Date.

(b) If Permitted to Prepay

If we grant you a prepayment right in a Loan Details Area then, whenever you exercise a right you have to prepay in part, the Principal Amount prepaid will be applied by us to satisfy the principal components of what would have been your Regular Payment Amount payments which you would have been obliged to have made if you had not prepaid, in inverse order of their due dates, and any such prepayment by you will not reduce the amount of the Regular Payment Amount payments due following the time of prepayment. If we grant you a prepayment right in a Loan Details Area, you are only entitled to exercise such prepayment right if, at the time you wish to do so, you are not in default in the payment, fulfillment, or performance of any of the Obligations.

Notwithstanding any provision of these Terms or as specified in a Loan Details Area, we may, in our sole discretion, deem you to have no prepayment rights or privileges, even if those rights are provided in a Loan Details Area, if we believe that the purpose of the prepayment is to transfer the Mortgage or the Loan to a different lender.

PART IV - PROVISIONS RELATING TO THE SECURITY

1. CERTAIN PROMISES YOU MAKE TO US

- (a) You promise, warrant and agree with us that:
- (i) you will pay the Loan Amount as required by the Mortgage and the Loan Agreement, without abatement, set-off, counterclaim, deduction, or withholding of any kind and will comply with all other Obligations;
 - (ii) you will pay taxes assessed against your Property directly to the appropriate tax office or, if directed to do so by us, to us;
 - (iii) your Property will be used only for the purposes we have agreed to, unless we agree to a change of purpose, and that at all times you will only allow your Property to be used for purposes permitted by Applicable Law;
 - (iv) unless you are the tenant or lessee of your Property, you have good title to your interest in the Land and are the lawful freehold owner of your Property in fee simple;
 - (v) you have the right to charge or mortgage your interest in the Land and give us the Mortgage;
 - (vi) except as otherwise agreed to by us, your interest in the Land is free from all encumbrances, and there are no limitations or restrictions affecting title to your interest in your Property or affecting the use of your Property, except for any restrictions registered in the Registry Office at the time you signed the Loan Agreement acceptable to us and except for building and zoning laws, and you agree that you and your Property are in compliance with all such restrictions and all Applicable Law;
 - (vii) if we agree that the Mortgage is not a first charge/mortgage on your Property, you agree not to increase the principal amount owing under any other mortgage or to re-borrow any amount repaid under any other mortgage without our approval. In all cases, including if the Mortgage is a first charge/mortgage on your Property, you promise not to default under any other mortgage, and you consent to us giving notice to the holder of any other mortgage of the existence of this Mortgage and all the terms of this Mortgage and the Loan Agreements;
 - (viii) to the best of your knowledge and belief, after reasonable enquiry and investigation:
 - (A) no part of your Property or of any adjoining land is or has ever been used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any Hazardous Substances except in strict compliance with all Applicable Law; and
 - (B) no part of your Property contains, has ever contained or will in the future contain any Hazardous Substance that may lower the value of or adversely affect the marketability of your Property.

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your Property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your Obligations including those provided in this paragraph. If we determine (whether by virtue of the conducting of an environmental audit or otherwise) that your Property or any adjoining land is or has become contaminated with any Hazardous Substances, you may be, at our option, deemed to be in default under the Mortgage, and we need not advance or further advance any value (or further value) to or for you.

You agree that we will not be responsible to you or to anyone else by virtue of the existence (past, present, or future) of any Hazardous Substance in and about your Property or by virtue of our conducting one or more environmental audits or by virtue of our choosing to ameliorate or to attempt to ameliorate the existence and effect of any such Hazardous Substance, and you agree to indemnify us for any liabilities, costs (on a full indemnity basis), and/or claims which we may suffer or sustain by virtue of the existence (past, present, or future) of any Hazardous Substance in or about your Property. You agree that this indemnification shall continue in effect after repayment of the Loan Amount and after the discharge of the Mortgage;

- (ix) you will not permit any Hazardous Substance to be in or about your Property, you will immediately advise us if you learn of the existence of any Hazardous Substance in or about any property adjoining your Property and you will, in the use and occupation of your Property, at all times, comply with all Applicable Law pertaining to the protection of the environment;
- (x) if any Hazardous Substance is found in and about your Property, you will immediately carry out all work required to remove the Hazardous Substance from your Property and repair the damage to your Property. All plans and proposals for doing the work and repairs must be prepared in consultation with us and must be approved by us in advance. When the work is complete, you must provide us with confirmation in writing that the work has been

completed in a form acceptable to us. You are responsible for all of the costs associated with this work, including providing evidence that the work has been completed;

- (xi) no part of your Property is or will be used for any illegal or illicit purpose, including as a brothel or a gaming house, or for the cultivation, processing, storage, manufacturing, refining, sale, distribution, handing, or treating of any illegal or illicit substances;
- (xii) unless we approve otherwise, no part of your Property is or will be used for the cultivation, processing, manufacturing, sale, distribution or handling of cannabis;
- (xiii) you will, at your expense, insure your Property as provided in these Terms and, should we request you to do so, you will, at your expense, insure you, the Mortgage, the Loan, and/or title to your Property with a company or companies satisfactory to us, which insurance policy shall contain provisions satisfactory to us, in our sole discretion;
- (xiv) you will, at your expense, execute such further assurances of your interest in your Property as may be required by us and sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your Property has been fully charged to us and that the Loan Amount is adequately secured;
- (xv) unless previously agreed to by us, you promise that, as of the date of this Mortgage, you are not and will not be a non-resident of Canada as defined in the *Income Tax Act* (Canada). If you become a resident of the United States of America or any country other than Canada for tax purposes, and we thereby become subject to a tax payable to the government of the United States of America or any government other than that of Canada on the interest we receive from you through any payment under this Mortgage, or if we are required to withhold or pay or transfer to any person or government any part of any payment made by you to us because you are no longer a resident of Canada for tax purposes, the Interest Rate on this Mortgage will be increased by multiplying by a factor, which we will set from time to time at our sole discretion, to offset our obligations in that regard, all amounts paid by us will be added to the Principal Amount, and you will be required to pay all withholding and other taxes and to provide us with proof of payment;
- (xvi) you promise that, as of the date of this Mortgage and until the date being eight years after the date on which all Obligations have been satisfied in full, you have made and will make all remittances to the Receiver General, the Canada Revenue Agency, the Ministry of Revenue, the Ministry of Finance and any other governmental ministry, department, or agency, all as required by Applicable Law, including remittances relating to income tax, source deductions and the *Excise Tax Act* (Canada). If we are required to pay to any governmental ministry, department, or agency any amount relating to you or to any Guarantor, save and except for taxes on our income, all amounts paid by us will be added to the Principal Amount, and you will be required to pay all remittances and to provide us with proof of payment. You agree to indemnify us for any liabilities, costs (on a full indemnity basis), and/or claims which we may suffer or sustain by virtue of your failure to make all remittances as and when they become due. You agree that this indemnification shall continue in effect after repayment of the Loan Amount and after the discharge of the Mortgage;
- (xvii) you promise that, except if previously agreed to by us, you are not a "farmer" as defined in the *Farm Debt Mediation Act* (Canada), you promise that you will promptly notify us if you ever become a "farmer" as defined by that Act, and you promise that you will not become a "farmer" as defined by that Act without us first giving our approval for you to do so;
- (xviii) you will promptly give us notice of any event which constitutes default, together with particulars in reasonable detail specifying the nature thereof and the steps being taken to cure such default;
- (xix) you have disclosed to us all matters known to you that, in each case, individually or in the aggregate, could, by their existence or if breached by you, reasonably be expected to negatively impact your Obligations or our interest in your Property;
- (xx) if you default in any of the Obligations, we will be entitled to have possession of your Property without any interference and free and clear of all encumbrances and other claims and interests excepting only those to which we have approved, provided that we will not be deemed to be in possession of your Property until we or our agent has taken actual physical possession thereof;
- (xxi) the Loan is for your sole benefit and is not for the benefit of any other person;
- (xxii) you will take any action necessary to protect your title to your Property, and will not in any way interfere with our interest in your Property; and
- (xxiii) all promises, warranties, and agreements as set out herein, and elsewhere in these Terms and elsewhere in the Mortgage and elsewhere in the Loan Agreement, shall survive each advance and shall continue until the later of (A) eight years after you have fully satisfied all of your Obligations; and (B) eight years after the date the Mortgage is discharged.

- (b) If you are a tenant or lessee of your Property, you promise, warrant and agree with us that:
- (i) your Property is leased to you under a valid Lease (a current copy of which you have given us), and it will at all times, while the Mortgage is not discharged, be a valid lease in full force and effect, and that you have a good leasehold title to your Property validly issued to you under Applicable Law;
 - (ii) all rents and other moneys payable under the Lease have been paid, and you have complied with all of your other obligations set out in the Lease, in both cases up to the date you sign the Mortgage;
 - (iii) you have the unconditional consent of your landlord or lessor (or if such consent has been issued under conditions, we have agreed to same), or you have the right without such consent, to charge your interest in the Lease to us, and any such consent is in writing and has been provided to us;
 - (iv) there are no limitations on your interest in the Lease or in your landlord's or lessor's ownership of the property covered by the Lease, except for any set out in the Lease, and except for limitations or restrictions registered against your leasehold title or against the landlord's or lessor's title, and except for building and zoning laws, and you and your landlord or lessor have complied with and will in the future comply with each of the same;
 - (v) you will pay rents and other payments required by the Lease as they fall due;
 - (vi) you will comply with all your other obligations set out in the Lease;
 - (vii) you will not surrender the Lease or cause or permit it to be terminated, and you will notify us in writing immediately upon your learning of any condition or situation which results or may result in a termination of the Lease;
 - (viii) you will not make or agree to any change in the Lease without first obtaining our approval;
 - (ix) you will promptly give us a copy of any notice, demand, or request which you may receive relating to the Lease, and whenever we ask for it, you will promptly provide us with evidence acceptable to us as to the due performance of the obligations of all parties under the Lease;
 - (x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that all your interest in your Property and in the Lease have been fully charged to us and that the Loan Amount is adequately secured;
 - (xi) you will indemnify us against all actions, claims, costs (including legal costs, and on a full indemnity basis), demands, and liabilities that we may suffer or sustain by virtue of your default under your Lease, and you agree that this indemnity will continue after any discharge of the Mortgage;
 - (xii) you will hold the last day of the term of your Lease or any renewal term in trust for us and will only deal with it in such manner as we require;
 - (xiii) at our request, but at your expense, you will transfer to us (or to any person to whom we sell your interest in your Property) the last day of the term of the Lease or of any renewal. If we enforce our rights under the Mortgage, then you will hold the last day of the term of the Lease and of any renewal in trust for any person to whom we sell your interest in your Property and for that person's legal and personal representatives and successors;
 - (xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the Lease and the last day of the term and of any renewal and convey your interest in your Property as we may require to perfect any sale we may make under the default provisions of the Mortgage;
 - (xv) we may remove you or any other person as trustee of the trust referred to above and appoint a new trustee or trustees;
 - (xiii) you have possession of your Property in accordance with the terms and requirements of the Lease, and you promise us that you will, for so long as the Mortgage is not discharged, so hold your Property;
 - (xiv) you agree that unless we otherwise agree, neither your giving the Mortgage to us nor any act or omission taken or made by us at any time will make us responsible for the payment and performance of any of the obligations of the tenant or lessee under the Lease or any renewal thereof;
 - (xv) if you acquire the landlord's interest in your Property (whether by exercising any option to purchase there may be in the Lease or any renewal thereof or otherwise), the Mortgage will automatically extend to such interest, provided that you agree that we are entitled to require you to provide us with a new mortgage against such additionally acquired interest substantially on the same terms and conditions as those set forth in the Mortgage;

- (xvi) you will, if we request you to do so, obtain a written agreement from the landlord under the Lease in which the landlord agrees with us, in a manner satisfactory to us, as to the actions which we may wish to take if you default under either one or both of the Lease and the Mortgage; and
- (xvii) all promises, warranties, and agreements as set out herein, and elsewhere in these Terms and elsewhere in the Mortgage and elsewhere in the Loan Agreement, shall survive each advance and shall continue until the later of (A) eight years after you have fully satisfied all of your Obligations and (B) eight years after the date the Mortgage is discharged.

2. NO DEMOLITION

- (a) You promise not to demolish any building or structure or part of any building or structure on your Property without first obtaining our approval.
- (b) Any demolition must be completed as quickly as possible, in accordance with all Applicable Law, governmental requirements, and building, plumbing, electrical, and other applicable standards that apply to your Property at your expense, and you will provide us with proof of payment and compliance with Applicable Law, governmental requirements, and such standards when requested. You must retain all required holdbacks. We may obtain an order vacating any builders', construction, or mechanics' lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us, and if you do not pay them, we will add them to the Loan Amount, and the same will be secured by the Mortgage.

3. INSURANCE

- (a) We may, if we so choose to do so, require you to take out and maintain a life and/or disability insurance policy for not less than the original Principal Amount of the Mortgage, to be maintained until the Mortgage has been discharged. If we require you to do so, you will pay us on each Regular Payment Date the amount of money estimated by us to be sufficient to permit us to pay the premiums on any insurance policy when they are due, and failure to do so shall constitute default under this Mortgage.
- (b) You must insure and keep insured all buildings, structures, fixtures, and improvements on your Property for not less than their full replacement value until the Mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker, sprinkler system, or any other comparable apparatus are operated on your Property then you must also insure and keep insured, until the Mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus.
- (c) All insurance policies must be carried with a company or companies satisfactory to us and contain provisions which are acceptable to us and must include mortgage clauses in the form approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds, unless we otherwise agree. You must, upon our request, let us have certified copies of every insurance policy and, not less than fifteen days before any policy expires, evidence of its renewal.
- (d) During such time or times as there is construction or renovation of any buildings or structures or any other improvements on your Property, you will maintain builder's all-risk insurance with a stated amount clause for all such improvements for full insurable value.
- (e) We may, but are not required to, place and/or pay for any insurance policy if you fail to do so. If we insure, we need only insure our own interests and not any of yours, and we need only insure to the extent we determine necessary for our purposes. Any premiums or sums of money that we pay for insurance will be immediately payable by you to us or added to the Loan Amount if not so paid and bear interest at your Interest Rate and the same will be secured by the Mortgage.
- (f) If any insurable event, loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the Mortgage will be sufficient authority for the insurance company to pay the same to us. If you fail to take the steps required to cause the insurance proceeds to be paid to us, you give us full authority to take those steps and all others required and to do so, to the extent required, in your name and on your behalf. Insurance proceeds may, at our option, in whole or in part be:
 - (i) used to repair or rebuild your Property; and/or
 - (ii) paid to you; and/or
 - (iii) used to reduce any part of the Loan Amount, whether due or not (and if not due, you agree that if we require it, the full unpaid amount of the Loan Amount will become immediately payable in full for this purpose), and including such additional amount to compensate us for loss of interest which we would otherwise have received over the balance of the term of the Mortgage, determined in accordance with those provisions set forth in Part III of these Terms which are applicable to early repayment of the indebtedness secured by the Mortgage; and/or

- (iv) paid on account of any lien, charge, mortgage, or encumbrance registered against the title to your Property.

4. PROPERTY TAXES

- (a) In these Terms, “**taxes**” mean all taxes, rates, and assessments of any nature or kind, including property taxes, school taxes, local improvement rates, and interest and penalties thereon, and any other taxes or similar charges imposed (currently or in the future) against your Property or our interest in the Mortgage or against us with respect to the same (but excluding any income tax imposed upon us).
- (b) We may withhold from any advance under the Mortgage any amount we feel necessary to pay past, current, and/or anticipated future payments of taxes.
- (c) You promise to pay all taxes when they are due and to immediately send to us all notices of taxes that you receive and proof of payment of all taxes once they are paid.
- (d) You will apply for all government grants, assistance, and rebates respecting taxes for your Property as may from time to time be available.
- (e) If we require you to do so, you will pay us on each Regular Payment Date the amount of money estimated by us to be sufficient to permit us to pay the taxes when they are due, and any money in addition to the money already paid towards the taxes so that we will be able to pay the taxes in full.

5. REPAIRS, MAINTENANCE AND COMPLIANCE WITH APPLICABLE LAW

- (a) You must keep your Property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything that lowers the value of your Property.
- (b) You will comply with every present and future Applicable Law affecting the condition, repair, use or occupancy of your Property.
- (c) If, in our opinion, you do not keep your Property in a good condition and state of repair or do, or allow to be done, anything which lowers its value or do not comply with any of your obligations under this paragraph, we can make whatever repairs or changes are, in our opinion, necessary. The costs of repairs and of any inspections are payable by you immediately and if not paid, will be added to the Loan Amount and secured by the Mortgage. You authorize us to enter your Property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.
- (d) As long as the Mortgage is not discharged, you will not change or permit any change in the use of your Property nor will you request or support any rezoning of your Property (or any portion of your Property) without obtaining our approval, and you will not leave your Property unoccupied or vacant without obtaining our approval and, if required under any applicable insurance policy, the consent of the applicable insurer.
- (e) If your Property, or any part of it, is farm or agricultural land, then you will, in each year during the Term, either put into crop or summer fallow in good, proper and husbandlike manner every portion of your Property which has been or may hereafter be brought under cultivation, and if applicable, you will manage the farm operation and any livestock operation conducted on your Property in a manner consistent with best practices of farming and in strict compliance with all Applicable Law, you will keep your Property clean and free from all noxious weeds, and you will generally see that your Property does not depreciate in any way as a result of your actions, omissions, or negligence.

6. NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance to you all or any part of the Principal Amount then we do not have to do so. This applies even if the Mortgage has been signed and registered and whether or not any part of the Principal Amount has previously been advanced. Even so, by signing the Mortgage or having it registered, you have charged all of your interest in your Property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a full indemnity basis) and expenses for investigating title to your Property, for preparing and registering the Mortgage, and for advancing so much of the Principal Amount as we have actually advanced. We may deduct from any advance of the Principal Amount: (a) any taxes or other governmental obligations that are due; (b) any interest that is due and payable to the date of the advance and to the Interest Adjustment Date; (c) all of our fees and costs, including legal fees on a full indemnity basis, whether provided in this paragraph or elsewhere; (d) any insurance premium; (e) any appraisal or inspection fee; and (f) any other money owing to us by you. For clarity, in the event that we advance all or any part of the Principal Amount to our lawyer in preparation for it to be advanced to you and, after such advance, the advance is terminated in an exercise of our sole discretion or the date of the advance to you is postponed for any reason not solely our fault, interest will accrue at your Interest Rate on the Principal Amount advanced to our lawyer in the same manner as if it had been advanced to you, commencing on the later of: (1) the date all or any part of the Principal Amount is advanced to our lawyer and (2) the intended closing date, and ending on the date the Principal Amount so advanced is repaid to us in full whether by our lawyer, in an exercise of our lawyer's sole discretion, or by you, and any such amount shall be added to our costs for the purposes of this paragraph.

7. LEASES AND RENTS

- (a) You promise and agree to occupy your Property in accordance with Applicable Law and that no part of your Property is or will be rented or occupied by a tenant unless approved by us. You also agree not to rent, lease, or enter into a tenancy agreement of all or any part of your Property or to renew any lease which was entered into prior to your providing us with the Mortgage or any lease to which we have previously approved (other than a renewal provided for in any lease that we have approved), without your first obtaining our approval. If you rent, lease, or enter into a tenancy agreement of all or any part of your Property or renew any lease which was entered into prior to your providing us with the Mortgage or any lease to which we have previously approved (other than a renewal provided for in any lease that we have approved), without your first obtaining our approval, you agree that you have done so to discourage us from taking possession of your Property on default, as further set out in the *Mortgages Act* (Ontario), and that we may terminate any such tenancy if we choose to do so.
- (b) If your Property is a rental property and whether or not we have approved such rental, you hereby assign as security to us all leases, lease agreements, and their renewals, whether presently existing or arising in the future; and all rents payable under such leases and agreements; and all rights thereunder as they affect your Property, together with all guarantees of the tenants' obligations thereunder and all security provided to secure any such guarantee, such security assignment to be a first charge on its subject matters, subject to no prior or equally ranking assignments or charges unless otherwise approved by us. You must obtain our approval for any leases of your Property or for the renewal of any lease (other than a renewal provided for in any lease which we have previously approved).
- (c) If you lease all or any part of your Property to any person or persons, you will execute and deliver to us upon demand:
- (i) a security assignment in registerable form acceptable to us of all leases, lease agreements, and their renewals, rents payable under such leases and agreements, all guarantees of the tenants' obligations thereunder and all security provided to secure such guarantees, and all rights under such leases as they affect your Property. Such assignment shall be in such form and content as we require and may, at our option, include a provision for estoppel certificates from the tenant or tenants and may also, at our option, include a provision for additional particular assignments of individual leases. Such security assignment shall always be a first charge on its subject matters, subject to no prior or equally ranking assignments and charges, unless otherwise agreed to by us; and
 - (ii) a security assignment in registerable form acceptable to us against your chattels, fixtures and equipment utilized in connection with the occupation, management and utilization of the leased premises (excluding goods which are "consumer goods" within the meaning of the *Personal Property Security Act* (Ontario) and any other Applicable Law), such security to always be a first charge on its subject matters, subject to no prior or equally ranking assignments and charges, unless otherwise agreed to by us,

although neither security agreement shall be required for us to hold a security interest in all leases, lease agreements, and their renewals, whether presently existing or arising in the future; and all rents payable under such leases and agreements; and all rights thereunder as they affect your Property, together with all guarantees of the tenants' obligations thereunder and all security provided to secure any such guarantee.

You must pay all of our expenses, including legal fees (on a full indemnity basis) and registration costs relating to such additional security, and the amounts we incur therefor, if not paid by you on demand, will, with interest at your Interest Rate, be added to the Loan Amount and secured by such security as well as by the Mortgage. Upon our request you will obtain and provide for estoppel certificates, or an equivalent document, from any tenants.

- (d) If you do not comply with any of your Obligations, including your Promises made under paragraph 7 of Part IV of these Terms, then, at our option, the Loan Amount will immediately become due and payable. In this case we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your Property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the Loan Amount and will be secured by the Mortgage and the above-described additional security. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.
- (e) Nothing we do under this paragraph 7 of Part IV of these Terms will result in us assuming any of the obligations of a mortgagee in possession of your Property or any part thereof, and we are not and will not be obliged to collect any rent or income from your Property or any part thereof, nor to comply with any of the obligations of the landlord under any lease or agreement to lease.
- (f) If you are not complying with any of your Obligations or adversely affecting the value of our interest in your Property, any rental by you of all or any part of your Property without our written approval shall be considered to have been done to discourage us from taking possession of your Property or the rented portion thereof.

8. CONSTRUCTION AND ALTERATIONS

- (a) If the Loan or any part thereof is used to finance an “**improvement**” (which term shall include any construction or installation on your Property and any alteration, addition, or repair of any building or structure on your Property), you agree to make the improvement only in accordance with plans and specifications which we have approved and to complete the improvement as quickly as possible and in accordance with all Applicable Law. The Loan is not to be used to finance any improvement without our express approval.
- (b) At our option, interest at the Interest Rate applicable to your Loan will commence to be charged on each advance of the Loan, commencing from the date of each such advance, and such interest shall be determined daily and shall be payable monthly in arrears on the first day of each month from and after the date of the making of the first advance and all such interest shall be fully paid on or before the Interest Adjustment Date for the Loan or such other date that we may determine from time to time. In the event we exercise this option these provisions shall apply notwithstanding paragraph 2(b)(ii) of Part III of these Terms. Such interest, at our option, may be deducted from any advance or advances we make, or be paid by you to us monthly in arrears on the first day of each month following the first advance, up to and including the Interest Adjustment Date. If any such interest is not paid when due, then interest shall be charged thereon at the Interest Rate until all such interest is fully paid. If the rate of interest applicable to advances of the Loan (i.e., during construction) is different from the rate of interest which commences to be applicable to the Loan from and after the Interest Adjustment Date, as specified in the Loan Agreement or otherwise agreed between you and us, then the same will be specified in the Mortgage, together with any necessary alterations to the requirements for payment of interest prior to the Interest Adjustment Date set forth in this paragraph.
- (c) Subject to our right not to make any advances, we may make advances to you under the Mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale, all of the foregoing to be at such times and in such amounts as we deem appropriate. We reserve the right to charge a fee for each advance made, in addition to our other costs and expenses. We also reserve the right to inspect your Property and construction thereon at any time, acting reasonably, and you agree to give us access to your Property for this purpose. We will not become a mortgagee in possession by exercising these rights.
- (d) If you should fail to complete any improvement, whether approved by us or not and whether paid for using funds advanced by us or not, we may, in our sole discretion, have the improvement completed in such manner as we determine appropriate, and upon demand you will provide us with all of the plans and specifications for the improvement and you will cause any contractors, architects, or engineers you have engaged with respect to the improvement to cooperate with us in order to effect completion of the improvement. In paying for completion of such improvement, we may make advances of the unadvanced portion of any Loan secured by the Mortgage, and if such unadvanced monies are insufficient to complete the improvement, we may pay out further monies as we determine appropriate, and all such further monies and such advances of the unadvanced portion of the Loan will be deemed to be advances under the Mortgage and will accrue interest at your Interest Rate and will be secured by the Mortgage, notwithstanding that the total amount so advanced under the Mortgage exceeds the maximum principal or face amount thereof.
- (e) Should we think it reasonable to do so, we can erect one or more signs of reasonable prominence on your Property, indicating that we have provided the Mortgage and/or the Loan.
- (f) In making any improvement, whether approved by us or not and whether paid for using funds advanced by us or not, you will comply with all of your obligations under all Applicable Law, including all applicable builders', construction, or mechanics' lien legislation, including obligations to make holdbacks.
- (g) You authorize us to give any information about the Mortgage and the Loan to anyone who claims a builders', construction, or mechanics' lien against your Property.
- (h) Whether or not the Loan is to be used in whole or in part to finance an improvement, we may hold back or retain any or all of the funds from any advance or advances until we are completely satisfied that no builders', construction, or mechanics' lien or liens have been registered against the title to your Property.
- (i) We may obtain an order removing any builders', construction, or mechanics' lien, and may provide financial guarantees or other security to obtain such an order, all at our sole option and without any obligation to do so. You must immediately pay all of our expenses for obtaining any order, including any charges for providing financial guarantees or other security, and if you do not pay them, we will add them to the Loan Amount, and the same will be secured by the Mortgage.
- (j) You agree that we are a lender only and are not involved in any way with construction, and you agree to indemnify and hold us harmless from and against any claims that may be made against us arising from or in any way connected with construction on your Property. Any action taken by us pursuant to this paragraph 8 of Part IV of these Terms shall not be taken by you or anyone else to mean that we have become a mortgagee in possession, management, or control of your Property.

9. RELEASING THE MORTGAGE AND POSTPONEMENT OF THE MORTGAGE

At our option, we may release our interest under the Mortgage in all or part of your Property and we may postpone our interest under the Mortgage to any one or more other persons with interests in your Property (existing or future), whether or not we receive any value with respect to any such release or postponement, and we will be accountable to you only for any money or value which we actually receive in connection with any such release or postponement (the amount of same to be in our sole discretion). If we release our interest under the Mortgage in only a part of your Property, all of the remainder of your Property will continue to secure the full Loan Amount and all of your other Obligations. No such release or postponement will release any Guarantor of your Obligations and all such guarantee obligations will continue unchanged. To the maximum extent permitted by Applicable Law, you will be responsible for any costs we incur with respect to any such release or any such postponement, including legal fees (on a full indemnity basis) and costs of registration of same.

10. SUBDIVISION OF YOUR PROPERTY

If your Property or any part of it is subdivided or severed, each part of your Property (including any part which is not subdivided or severed) will secure payment and performance of all of your Obligations. Nothing in this paragraph shall be taken by you or anyone else to mean that we are promising to agree to any subdivision or severance of your Property or any part of it, and no part of your Property shall be subdivided or severed without our approval.

11. RENEWING OR AMENDING THE MORTGAGE

At our option, the Mortgage may from time to time be renewed, extended, or amended by written agreement(s) with you, with or without any increase in your Interest Rate. We may proactively allow you to renew the Mortgage and may send you a document confirming the renewal terms, although we are not obligated to do so. You and each Guarantor agree that, if we send you a renewal agreement but you do not, by the Balance Due Date, either: (i) sign and return the renewal agreement to us, or (ii) repay to us in full any and all sums required to discharge the Mortgage, we may, at our option, automatically extend the Mortgage on terms contained in the renewal agreement, and you and each Guarantor will be bound by such terms. In the event that the Mortgage is automatically renewed, you agree that the Regular Payment Amount will change to reflect the terms of the renewal agreement. There may be a fee associated with any renewal, extension, or amendment.

It will not be necessary for us to register a written agreement on title to your Property in order to retain priority for the Mortgage, as renewed or amended, over any other instrument registered after the Mortgage whether or not there are any other instruments registered on title to your Property after the Mortgage at the time any written agreement is entered into. Subsequent mortgagees, chargees, lenders and encumbrances are advised that the terms of the Mortgage may have been renewed or amended, and any subsequent mortgage, charge or encumbrance shall be deemed to be subordinate to, and postponed to, any advance, readvance, renewal or amendment, even if the Principal Amount or the Interest Rate increase beyond what may be provided on the face of the Mortgage.

The entering into of any written agreement by us with you or with any other person liable to pay the Loan Amount, or any automatic renewal of the Mortgage as contemplated above, will not release or affect the liability of anyone who does not sign or consent to such written agreement, including any Guarantors. Notwithstanding the foregoing, we may require that at your cost, such written agreement be registered against your Property and to require anyone else with an interest in your Property to consent to the written agreement and to the priority of the Mortgage. You agree that no amendment or renewal of the Mortgage shall result merely from our having accepted any payment or payments on account of the Loan Amount after the maturity date of the Mortgage. Further, as long as we agree, you may transfer your existing Mortgage to a new property or you may combine your existing Loan Amount with additional funds and, depending on the remaining Term of the existing Mortgage, obtain an extended Term. The Interest Rate on the replacement Mortgage will be a blend of the Interest Rate you were paying on the funds transferred from your existing Mortgage and the rate applicable to the term of the replacement Mortgage and/or additional amount, as determined by us. You agree that any amendment does not have to be registered in the Registry Office and that any amendment will be binding on you, on any Guarantor, on any transferee of your Property, and on any person who has an interest in your Property. Any amendment will have priority over any subsequent charge, mortgage, interest in, or transfer of your Property to the same extent as if the amendment had been registered in the appropriate Registry Office before registration of any subsequent charge, mortgage, interest or transfer. You and all Guarantors agree that, if we approve a renewal, extension, or amendment, any one mortgagor or chargor may agree to such renewal, extension, or amendment, and that agreement will bind all other mortgagors and chargors and all Guarantors. For clarity, each mortgagor or chargor is irrevocably appointed as agent for each other mortgagor and chargor, and for all Guarantors, with the full power to enter into a binding renewal, extension and/or amendment with us.

Nothing in this paragraph shall be taken by you or anyone else that we are promising to agree to any extension, renewal, amendment, or transfer.

12. CERTAIN ACTIONS WE CAN TAKE

- (a) We can, if we think it is necessary, pay off any encumbrance, mortgage, claim, or lien that has priority over or ranks equally with the Mortgage and such payments may be made by us out of any advances of the Loan or by way of additional payments made by us. In any event, you promise us that as long as the Mortgage is not discharged, you will ensure that there are no encumbrances, mortgages, claims, or liens that hold priority over or rank equally with the Mortgage unless agreed to by us. Also, you will pay to us all expenses that we incur in collecting any money obligation you

owe us under the Mortgage and in enforcing any other obligation you have under the Mortgage. To the maximum extent permitted by Applicable Law, you must immediately reimburse us for all such payments and expenses upon our request for same, and until you have paid them to us, they will be subject to interest at your Interest Rate and will be secured by the Mortgage.

- (b) If you do not comply with any of your Obligations, we can, but are not obliged to, perform or cause those Obligations to be performed, in whole or in part as we determine appropriate, all at your sole cost and expense. We will not become a mortgagee in possession by exercising these rights.
- (c) If you are a tenant or lessee under a Lease of your Property:
 - (i) we can cure any defaults existing under your Lease at our discretion and you will immediately reimburse us for all payments and expenses which we incur in so doing; and
 - (ii) if you neglect or refuse to renew your Lease when it gives you that right, we can do so and every renewal shall be subject to the Mortgage. You must immediately reimburse us for all payments that we have to make and costs that we incur in taking any of these steps.
- (d) Any payments we make under the Mortgage whether under this paragraph or otherwise will be added to the Loan Amount, and such payments will be charged interest at your Interest Rate and will be secured by the Mortgage.
- (e) Any interest which accrues as a result of changes requested by you to your Payment Frequency or changes requested by you to the Regular Payment Date will be paid by you and, if not so paid upon demand, will be added to the Loan Amount and charged interest at your Interest Rate and will be secured by the Mortgage.
- (f) Both before and after default, you agree that we, and any insurer if the Mortgage is insured by a corporation that insures payment of mortgages to mortgage lenders (a "**Mortgage Insurer**"), have the right to have any employee or agent enter upon your Property, including all buildings, for the purpose of inspecting same and you will cooperate with us in making any such inspections. Entry to your Property or any part of it by any employee or agent will not be taken by you or anyone else to mean that we have become a mortgagee in possession, management, or control.
- (g) If we obtain a judgment with respect to any of the Obligations, those Obligations will not merge in such judgment and will continue to be enforceable by us until fully paid and performed.
- (h) If we permit or acquiesce in any non-performance of any of the Obligations or we grant an extension of time for any such performance, this shall not be taken by you or anyone else to be a waiver or forgiveness except with respect to the particular non-performance or particular agreement to extend time for which we have agreed.
- (i) Our rights, powers and remedies stated in the Mortgage shall be in addition to and shall not be taken by you or anyone else to exclude our entitlement to utilize any other rights, powers and remedies available to us by all applicable law (including Applicable Law) or as may be otherwise granted to us. We may exercise any of such rights, powers and remedies from time to time together or separately as we determine appropriate. If we exercise any of those rights, powers and remedies, that will not exclude us from exercising the same rights, powers and remedies on any subsequent occasion, or from exercising any other right, power, or remedy available to us.
- (j) We may set-off any overdue indebtedness secured by this Mortgage against any debt we owe to you at any time.
- (k) You agree that the Mortgage supplements and does not replace any other security we hold for any debt or other liability of you, that we may pursue our remedies, either at the same time, or one remedy at a time, as we choose, and that the fact that we do obtain a judgment or other remedy under a particular security for the Loan secured by this Mortgage will not affect our rights to enforce any other security or remedy.
- (l) You agree that you irrevocably give us the right to make any and all reasonable inquiries and to obtain any and all reasonable information with respect to you, to any Guarantor, and to your Property, from any source whatsoever, including but not limited to any person having an interest in your Property, any governmental or quasi-governmental authority, any insurance company, and any Condominium Corporation.

13. **DEFAULT**

You will be in default under the Mortgage if any one or more of the following occur:

- (a) you do not make any payment that you are required to make whether by the Mortgage or the Loan Agreement;
- (b) you do not perform, fulfill, or comply with any of the others of the Obligations, including any Obligations contained in these Terms;

- (c) we discover that any statement, promise, representation, warranty, or agreement you have given or made to us in applying for any of the credit secured or intended to be secured by the Mortgage is or has become untrue;
- (d) we discover that you are in breach of any term of the Mortgage or the Loan Agreement, including any term of these Terms, or that any statement, promise, representation, warranty, or agreement you have given to us in the Mortgage or the Loan Agreement or in these Terms is or has become untrue;
- (e) any builders' or construction or mechanics' lien, conditional sale agreement, notice of security interest or other charge or lien is registered against the title to your Property or any part of it;
- (f) you fail to clear and/or complete any work order issued by any governmental authority having or claiming jurisdiction over your Property or any buildings or structures located on your Property within thirty days of receiving such work orders;
- (g) any improvement done to your Property remains unfinished without work being done on the improvement for a period of thirty consecutive days;
- (h) you neglect to keep your Property, including all buildings and structures thereon, in good condition and repair, or you permit any act of waste, as determined by us in our sole discretion;
- (i) your Property or any part of it is abandoned;
- (j) your Property is subject to a restraint order under the *Controlled Drugs and Substances Act* (Canada), or is subject to a similar order;
- (k) we discover that you or any Guarantor has acted in a manner that calls into question your integrity or the integrity of any Guarantor and that as a result will, in our sole opinion, negatively impact our reputation if we were to continue to do business with you or any Guarantor;
- (l) there is an event or occurrence, other than the foregoing, which is stated in the Mortgage, these Terms or in any other agreement between us pertaining to any of the Loan secured or intended to be secured by the Mortgage (including any Loan Agreement) as being an event or occurrence of default;
- (m) if default occurs under any other security which you now or in the future provide to us, whether to secure some or all of the Obligations or otherwise, and whether in relation to your Property or otherwise;
- (n) if there is more than one mortgagor or chargor, if any one of you are in default under the Mortgage, these Terms or pursuant to any other agreement between us pertaining to any of the Loan secured or intended to be secured by the Mortgage (including any Loan Agreement);
- (o) if any Guarantor is in default under the Mortgage, these Terms, any written guarantee given to us or pursuant to any other agreement between us pertaining to any of the Loan secured or intended to be secured by the Mortgage (including any Loan Agreement);
- (p) if default occurs under any other mortgage or any lien, charge, or encumbrance affecting your Property or any part of it, including any of same which holds priority over the Mortgage and whether or not we have agreed to such priority;
- (q) if you or any Guarantor commence proceedings or any proceedings are commenced against you or any Guarantor under the *Bankruptcy and Insolvency Act* (Canada) or any other federal or provincial Application Law which provides for relief to debtors, if you or any Guarantor commits any act of bankruptcy, if you or any Guarantor becomes insolvent, or if you or any Guarantor admits insolvency;
- (r) if any receiver, manager, receiver, and manager, trustee, liquidator, or other person(s) with similar power is appointed in respect of you, any Guarantor, the Mortgage or your Property;
- (s) if you or any Guarantor, or any property owned by you or by any Guarantor, becomes subject to any execution, seizure, or process of any court or to distress or any analogous process;
- (t) if you or any Guarantor are an individual natural person, upon your death, upon a Guarantor's death, upon your being legally declared incompetent to manage your affairs, or upon any Guarantor being legally declared incompetent to manage his or her affairs;
- (u) if you are a corporate body, or if any Guarantor is a corporate body, if corporate existence ceases, if at any time the corporation no longer remains in good standing under the Applicable Law of the jurisdiction of incorporation, or if the corporation no longer has the power or authorization to enter into the Mortgage;
- (v) if you are a corporate body, or if any Guarantor is a corporate body, if the control of the corporation changes without our approval. The control of the corporation is deemed to change whether such change occurs as a result of either a *de jure* or *de facto* change or acquisition of control, and whether as defined in the *Income Tax Act* (Canada) or otherwise;

- (w) if you are a corporate body, or if any Guarantor is a corporate body, if the corporation makes any loan, loan repayment or issues any dividends to any shareholder, officer, or director without our approval, or take any action without our approval similar to any of the above;
- (x) if we should lose the benefit of any other security (present or future) which secures some or all of the Obligations, including where we lose the benefit of the guarantee obligations of any Guarantor or any other guarantee, indemnity, or similar obligation provided by anyone other than someone who signs the Mortgage as a Guarantor, except for where we provide a written release with respect to such other security or guarantee; and
- (y) if, acting reasonably, we determine that your ability or willingness to pay and fulfill some or all of the Obligations secured by the Mortgage is or may be impaired or that the security constituted by the Mortgage is or may be impaired.

14. CONSEQUENCES OF DEFAULT

You agree that if you are in default under the Mortgage, then:

- (a) at our option, some or all of the full amount of the Loan Amount will immediately become fully due and payable, but such acceleration of payment of the Loan Amount (or any part thereof) will not occur unless and until we have confirmed same in writing to you;
- (b) at our option:
 - (i) if default occurs prior to the Balance Due Date, you agree to compensate us, in lieu of providing us with three months' notice, by paying to us an amount equal to three months' interest at the then-current Interest Rate; or
 - (ii) if default occurs on or after the Balance Due Date, you may pay the outstanding Loan Amount only upon payment of three months' interest at the Interest Rate, calculated on the outstanding Loan Amount in lieu of three months' notice;
- (c) we will have no obligation to advance any monies or further monies to you;
- (d) in addition to the rights provided herein, we will have the rights and remedies of a secured party under the *Personal Property Security Act* (Ontario), as well as the rights and remedies recognized at law and in equity;
- (e) we can discontinue any automatic debits of payment previously authorized by you and require you to make all payments by cheque (which cheque must be certified if so required by us) or bank draft;
- (f) we will have the right, but not the obligation, to forgive the default, but:
 - (i) such forgiveness may be upon such terms as we determine to be appropriate;
 - (ii) in so forgiving, we are not to be taken by you or anyone else to undertake to forgive any further or other default then existing or which may occur in the future; and
 - (iii) no such forgiveness will be binding on us unless the same is confirmed to you in writing by us; and
- (g) we shall be entitled to exercise any or all of the rights and remedies that we may have upon the occurrence of default, whether those rights and remedies are provided in these Terms or elsewhere.

15. OUR REMEDIES ARISING ON DEFAULT

- (a) **Remedies** - If you are in default in the payment, fulfillment, or performance of any of the Obligations, or you are otherwise in default under the Mortgage or the Loan Agreement, we shall have the following remedies which we can exercise from time to time, in whatever order we determine appropriate, and exercising one remedy shall not prevent us from exercising additional remedies or that remedy again:
 - (i) **Sue you** - Subject to Applicable Law, we may take such action as is necessary to collect the Loan Amount or any portion thereof. To the maximum extent not prohibited by Applicable Law, you waive all rights to exceptions from distress and seizure under any Applicable Law, statutory or otherwise, in force for the time being and from time to time;
 - (ii) **Foreclosure or Sale** - We may take proceedings in court or otherwise as may be permitted by Applicable Law to:
 - (A) sell your right, title, and equity of redemption in your Property, or any part or parts of your Property; and/or
 - (B) foreclose your right, title, and equity of redemption in your Property, or any part or parts of your Property.

In the case of any such sale, it may (subject to Applicable Law) be for cash or credit or partly for cash and partly on credit, by private sale or public auction, and on such terms as can be obtained. This includes a power of sale to which a mortgagee is entitled under Part III of the *Mortgages Act* (Ontario), which may be exercised, if default continues unremedied by you for fifteen days, on at least thirty-five days' written notice to you;

- (iii) **Lease your Property** - If default continues unremedied by you for fifteen days (or such longer period of time as mandated by Applicable Law), we can, subject to Applicable Law, on fifteen days' (or on notice for such longer period as mandated by Applicable Law) to you, enter on and lease your Property or any part or parts thereof; if default continues for thirty days (or such longer period of time as mandated by Applicable Law) we may, without notice to you, enter on and lease your Property or any part or parts of it. We may apply the net proceeds of any lease to reduce any part of the Loan Amount. If the net proceeds do not pay the Loan Amount in full, you must pay us the difference;
- (iv) **Enter on your Property** - We can enter on and take possession of your Property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, lease, manage, repair, or complete construction. Upon demand by us you will give us vacant possession of your Property, and if you do not give us vacant possession of your Property you irrevocably consent to an order requiring you to give us vacant possession. Any costs we incur, together with interest at your Interest Rate, will be added to the Loan Amount and secured by the Mortgage. Only if we intend to take actual possession of your Property will we become a mortgagee in possession, and entry alone does not make us a mortgagee in possession. For clarity, you giving us vacant possession of your Property does not by that act alone make us a mortgagee in possession. If we enter on and take possession of your Property we do so free from all manner of former conveyances, mortgages, charges, or encumbrances without let, suit, hindrance, interruption, or denial by you or any other person whatsoever, and we may institute such proceedings as we may deem necessary and desirable in our own name or in yours, or otherwise as we may deem appropriate in our discretion, and all costs, charges, and expenses, including allowances for the time and service of any of our employees or other persons appointed by us for the above purposes, together with a management fee, will immediately be payable by you and will be a charge upon your Property and will bear interest at your Interest Rate until paid in full;
- (v) **Appoint a Receiver** - We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from and to manage your Property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the Mortgage and under Applicable Law to sell your Property or any part or parts thereof, to collect the income from your Property, to take possession of the whole or part of your Property or any part or parts thereof, to manage your Property and to keep it in good condition.

From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums, and other expenses required to keep your Property in good condition; pay his own commission, fees, and expenses as receiver; pay all amounts required to keep any encumbrances ranking in priority to the Mortgage in good standing; pay interest owing under the Mortgage; and pay all or any part of the Loan Amount whether it is due or not;
- (vi) **Distress** - Provided that and it is further stipulated, provided, and agreed by and between you and us that we may distress for arrears of interest against your Property 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 distress for arrears of principal and payments of taxes, if required, in the same manner as if the same were arrears of interest; and
- (vii) **Other Remedies** - We can take any other action and exercise any other remedies which are described elsewhere in the Mortgage or in the Loan Agreement or which are available to us under Applicable Law as being available to us in the event of any default, including our taking action or paying monies to cure the default, and where we do so by paying out the holder of any other mortgage, claim, or interest affecting your Property (or any part of it), we will be subrogated to the rights and position of the person or persons so paid out;
- (b) **Non-Interference** - If, in enforcing our remedies, we take possession of your Property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person we may appoint or with that of any person to whom your Property may be leased or sold, and you will not make any claim against any person to whom your Property may be leased or sold;
- (c) **Notice** - To the maximum extent permitted by Applicable Law, we may exercise all of the remedies available to us, or any of them, without any notice to you, to any Guarantor or to any other person;
- (d) **Our Expenses** - To the maximum extent permitted by Applicable Law, all of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them, and, if not so paid, the same shall be added to the Loan Amount, shall be subject to interest at your Interest Rate, and shall be secured by the Mortgage. These expenses include our legal fees on a full indemnity basis, all other costs we have to pay to protect our interests and to enforce any of our

remedies under the Mortgage and a reasonable allowance for our time and services and for the time and services of our employees;

- (e) **Delay in Enforcement** - Our rights will not be affected if we delay in enforcing any of our rights under the Mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your Obligations, require payment of the Loan Amount if you are in default and require any other person, including a Guarantor, who has obligations to us under the Mortgage or a Loan Agreement to meet those Obligations. If you do not make any payment of the Principal Amount as required by the Mortgage, we are not obliged to accept subsequent payment unless you also pay us interest to the date of subsequent payment;
- (f) **Judgments** - If we obtain any court order or judgment against you or any Guarantor in any action to enforce our remedies, the judgment shall not operate as a merger of the mortgage and will not prevent us from pursuing our other remedies or rights to enforce your other Obligations under the Mortgage or the Loan Agreement, including our right to receive interest as required by the Mortgage;
- (g) **Chattels** – Any and all chattels left on your Property following default and the exercise by us of any of our rights or remedies shall be deemed to be abandoned. You acknowledge that we and our agents shall be free to move, store, dispose of, or otherwise deal with such chattels in our sole discretion, and any cost we incur in relation to same, together with interest at your Interest Rate, will be added to the Loan Amount and secured by the Mortgage. We shall have a charge and lien on any stored chattels for all costs incurred in connection therewith including appraisal, moving, storage, disposal and the like. In addition the storer shall have all the rights and liens available pursuant to Applicable Law; and
- (h) **You are responsible for any deficiency** - To the maximum extent permitted by Applicable Law, you will remain responsible for payment to us of all of the Loan Amount, notwithstanding that we have exercised one or more of our remedies, including, without limitation, the sale of your Property. For clarity, whether or not we exercise the remedies available to us, or any of them, we will continue to charge interest at the Interest Rate on all overdue amounts (including on overdue interest), payable and, if not paid, compounded at the same frequencies as are specified in the Mortgage for interest which is payable on the Loan Amount prior to default, such interest at the Interest Rate to be payable both before and after the Balance Due Date, default, acceleration and judgment.

16. CONDOMINIUMS

This paragraph applies only if your Property, or any part thereof, is a condominium unit or a parcel of tied land(s) under the Condominium Act (the corporation created under the Condominium Act is called the “**Condominium Corporation**”, the primary document that governs the operation of the condominium project, other than the Act, the Condominium Corporation by-laws, and rules and regulations, is called the “**Declaration**”, the rules and regulations of the Condominium Corporation are called the “**Rules**”, and the plan setting out the location or boundaries of the condominium unit or parcel of tied land(s) are called the “**Condominium Plan**”). If your Property is a condominium unit or a parcel of tied land(s), such that this paragraph applies, then, in the case of a discrepancy between any of the provisions of this paragraph and any other provision in the Terms, the provisions of this paragraph will apply to the extent of the discrepancy and the other provisions will not.

- (a) **Compliance with the Act, etc.** - You will comply with the Condominium Act, the Declaration and the by-laws and Rules of the Condominium Corporation as they exist from time to time.
- (b) **Payment of Amounts and Common Expenses** - You will pay all amounts required by the Condominium Act, the Declaration and by the by-laws and Rules of the Condominium Corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses and all other charges levied by the Condominium Corporation against you or with respect to your Property. If you do not make payments which you are obligated to pay, we may do so on your behalf and you will be in default under the Mortgage, and if we so pay, that amount will be charged interest at your Interest Rate, be added to the Loan Amount and will be secured by the Mortgage.
- (c) **Notices, Demands and Documents** - You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim, or demand for payment, request or demand of us to consent to any matter, and every other communication relating to your Property or the common elements of the condominium so that we receive them at least seven days before any claim or demand is payable or, in the case of other communications, within three days of the date you receive them. You will, upon our request and at your sole expense, provide to us true copies of all documents pertaining to the Condominium Corporation, including the Declaration, the by-laws, and the Rules of the Condominium Corporation. You also appoint us as your agent for the purpose of obtaining, from time to time, all certificates and other information from the Condominium Corporation that you are entitled to obtain from the Condominium Corporation. Without limiting the generality of the above, you hereby authorize us and our agents to review and obtain copies of all records and documents, including financial statements and documents related to your condominium unit, maintained by the Condominium Corporation.
- (d) **Voting Rights**
 - (i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the Condominium Act, the Declaration and the by-laws, and Rules of the Condominium Corporation to vote at any meeting of the Condominium

Corporation, and to consent to any matter, to the maximum extent permitted by Applicable Law, and we may inform the Condominium Corporation of our rights as described herein.

- (ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the Condominium Corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.
 - (iii) So as not to prejudice our rights under the Condominium Act, the Mortgage, or these Terms, immediately upon registration of the Mortgage, and immediately after we notify you of any change to our address for service, you will do all things necessary to cause the Condominium Corporation to record notice of this Mortgage and our name and address in their records and you will get the Condominium Corporation to acknowledge such recording in writing.
- (e) **Acceleration of Repayment of Loan Amount** - At our option, the Loan Amount will become payable immediately if:
- (i) the governing of your Property under the Condominium Act is terminated;
 - (ii) a vote of the unit owners authorizes the sale of any part of the condominium's common elements, or any part of the Condominium Plan is expropriated;
 - (iii) the Condominium Corporation fails to comply with the Condominium Act, the Declaration, the by-laws, or Rules;
 - (iv) the Condominium Corporation is terminated or amalgamated under the Condominium Act;
 - (v) the Declaration, the by-laws, or Rules of the Condominium Corporation are amended such that we are of the opinion, in our discretion, that our rights and interests under the Mortgage are prejudiced or diminished;
 - (vi) the Condominium Corporation fails, in our opinion, to manage the condominium and the Condominium Corporation's assets in a careful way or to maintain its assets in good repair; or
 - (vii) the Condominium Corporation fails to insure all the condominium units and common property or common elements according to Applicable Law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds.
- (f) **Insurance** - Under the Condominium Act, the Condominium Corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your Property against loss and damage by fire and, as well, against such additional risks as we may require. The insurance company or companies must be approved by us. You or the Condominium Corporation or both shall, to the maximum extent not prohibited by Applicable Law, assign and transfer the policy or policies of insurance and receipts thereof to us, and, if you or the Condominium Corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our discretion, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the Loan Amount whether or not yet due.

The obligation to insure may be performed by the Condominium Corporation and the proceeds of insurance may be payable in accordance with the Act, the Declaration and the by-laws of the Condominium Corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the Condominium Act, the Declaration, and the by-laws and that, as a member of the Condominium Corporation, you will insist that the Condominium Corporation fully complies with these terms.

You will do all things necessary to cause the Condominium Corporation, and the insurance trustee, if any, to record notice of this Mortgage and our name and address in their records and you will get the Condominium Corporation, and the insurance trustee, if any, to acknowledge such recording in writing.

- (g) **Parking and Storage** – If you are, or if you become at any time while any part of the Loan remains outstanding, the owner or tenant of a parking, storage or any other type of unit that is not bound by the Mortgage (each a “**Secondary Unit**”), you grant to us an equitable mortgage in each Secondary Unit and you hereby mortgage and charge to us all of your right, title and interest in and to each Secondary Unit. You agree to any amendments that we may require to include a Secondary Unit in the Mortgage, and each Secondary Unit shall form part of your Property. You agree not to sell or lease any Secondary Unit without our prior written consent and any attempt to sell or lease any Secondary Unit without prior written consent shall be considered default under the Mortgage. This paragraph 16(g) of Part IV of these Terms shall only apply if (i) the Secondary Unit is located on the same Condominium Plan as your Property; or (ii) the right to own or lease the Secondary Unit is

related to your Property (for example, pursuant to a joint use agreement that binds the Condominium Corporation).

17. DUE ON SALE AND RELEASE

- (a) If you transfer title to or your ownership of your Property or any part of it or any interest in it, or agree to do so, to someone without first obtaining our approval, then the full amount of the Loan Amount will, at our option, immediately become due and payable. Further, at our option:
 - (i) if you transfer title to or your ownership of your Property or any part of it or any interest in it, or agree to do so, prior to the Balance Due Date, you agree to compensate us, in lieu of providing us with three months' notice, by paying to us an amount equal to three months' interest at the then-current Interest Rate; or
 - (ii) if you transfer title to or your ownership of your Property or any part of it or any interest in it, or agree to do so, on or after the Balance Due Date, you may pay the outstanding Loan Amount only upon payment of three months' interest at the Interest Rate, calculated on the outstanding Loan Amount in lieu of three months' notice;
- (b) If we accept any payment or payments in respect of the Loan from any person whom we have not first approved, this will not mean that we have granted our approval, or that we have given up our right to require you (or the person or persons to whom you have transferred) to pay the Loan Amount in full.
- (c) You agree to give us sufficient information to enable us to decide whether we should give our approval and upon receiving sufficient information, we will make our decision as soon as possible. We may withhold our approval for any reason, including for no reason.
- (d) We may release you from your Obligations under the Mortgage and to pay the Loan Amount, and, if applicable, we may release any Guarantors from their guarantee if:
 - (i) we give our approval to you to transfer your Property;
 - (ii) the transfer is to a person or persons other than you so that you will not retain any ownership interest in your Property after the transfer takes place; and
 - (iii) you provide us with a copy of the registered Transfer/Deed of Land (with evidence of registration of same under Applicable Law), together with a Registry Office-certified true copy of the new title, or as the case may be, registered Deed in favour of/in the name of the approved person or persons, together with such other documents and matters as may have been or may be required by us as a condition of approval of your transfer, including any new guarantee or guarantees we have requested.
- (e) If you are a corporate body then, for the purpose of this paragraph 17 of Part IV of these Terms, you will be considered to have transferred title to your Property if the control of the corporation changes without our approval. The control of the corporation is deemed to change whether such change occurs as a result of either a *de jure* or *de facto* change or acquisition of control, and whether as defined in the *Income Tax Act* (Canada) or otherwise.
- (f) If there is a transfer without our approval, and if we choose to require repayment in full of the Loan Amount, we shall also be entitled to treat such non-approved transfer as not being a default under the Mortgage, and require you (or the transferee) to pay to us both the full amount of the Loan Amount and an amount to compensate us for our loss of interest which we will suffer for the early repayment of the Loan in accordance with those provisions of the Mortgage pertaining to early prepayment of the Loan which are applicable to your Mortgage. For clarity, if you do not have a right to prepay the Loan, we have the right to require you to pay an amount for loss of interest equal to the interest that would be paid to the end of the Term.
- (g) If you do not have a right to prepay the Loan nothing in this paragraph 17 of Part IV of these Terms shall be interpreted as requiring us to allow a discharge of the Mortgage before the end of the Term, even if you wish to transfer title to or your ownership of your Property or any part or it or any interest in it.
- (h) You acknowledge and agree that, except as explicitly provided in these Terms or elsewhere in the Mortgage, no sale or other dealing by you with your Property or any part thereof shall in any way change your liability or in any way alter our rights as against you or any other person liable for payment of the monies secured by the Mortgage.

18. ASSUMPTION

If you are not the original borrower, chargor, or mortgagor who provided the Mortgage to us, you agree to be bound by all of the Obligations of the original borrower, chargor, and mortgagor under the Mortgage (including the above paragraph 17 of Part IV of these Terms), and you will, if we require it, sign and provide us with an agreement confirming same.

19. INSPECTION

If we, any Mortgage Insurer or our respective agents have reason to believe that your Property or any part of it is not in conformity with any of your Obligations or with any Applicable Law (including ones pertaining to protection and enhancement of the environment), you agree that we, any Mortgage Insurer and/or our respective agents may, at any time, before or after default, enter and inspect your Property or any part of it and conduct testing, site assessment, investigation, or study which we or any Mortgage Insurer consider necessary. The cost of this testing, assessment, investigation, or study, with interest at your Interest Rate, will be immediately payable by you and shall be added to the Loan Amount and secured by the Mortgage. We, any Mortgage Insurer, and our respective agents will not become mortgagees in possession nor will we be taken by you or anyone else to have acquired management or control of your Property, by virtue of our exercising these rights.

20. EXPROPRIATION

- (a) If all of your Property is expropriated, the full amount of the Loan Amount will immediately become due and payable, together with an amount to compensate us for loss of interest over the balance of the Term calculated in accordance with those provisions of the Mortgage dealing with early repayment applicable to your Loan. In the event that the Mortgage does not contain any provisions permitted early repayment, you agree to compensate us, in lieu of providing us with three months' notice, by paying to us an amount equal to three months' interest at the then-current Interest Rate calculated on the entire Loan Amount. You will ensure that the full amount of the expropriation proceeds are paid to us to be applied on account of your indebtedness secured by the Mortgage.
- (b) If only a part of your Property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the Loan Amount. If, in our opinion, the remainder of your Property does not constitute adequate security for the Loan Amount, then the full amount of the Loan Amount, or such part of the Loan Amount as we determine, will immediately become fully due and payable, together with an amount to compensate us for loss of interest over the balance of the term calculated in accordance with those provisions of the Mortgage dealing with early repayment applicable to your Loan. In the event that the Mortgage does not contain any provisions permitted early repayment, you agree to compensate us, in lieu of providing us with three months' notice, by paying to us an amount equal to three months' interest at the then-current Interest Rate calculated on the amount of the Loan Amount that we require you to pay. If the Mortgage remains registered against part of your Property, then it will stand as security for all of your unpaid Obligations, including your obligation to ensure payment of the expropriation proceeds to us.
- (c) If you receive any expropriation proceeds, you will hold them in trust for us and account to us for same as soon as possible.

21. GUARANTEE

- (a) In return for us having made the Loan to you (which in the Mortgage includes your successors and assigns), each person who signs the Mortgage as a Guarantor agrees with us, as principal debtor and not as surety, to pay to us the Loan Amount and interest thereon as and when required by the Mortgage and to observe and perform all of the others of the Obligations. Each Guarantor will be jointly and severally liable with you and, if there is more than one, with each other, for complying with all of the Obligations.
- (b) We may at any time and from time to time without the consent of or notice to the Guarantors give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges of the Mortgage or any additional security we hold (including any guarantee, indemnification, or covenant), vary, increase, or decrease the Interest Rate, the Principal Amount or the Regular Payment Amount, amend the terms of the Mortgage and generally deal with all matters affecting the Mortgage and any or all of the Obligations without in any way affecting the obligations of any Guarantor. For clarity, each Guarantor acknowledges and agrees that each Guarantor will continue to be bound by these provisions even if we make any changes to the Loan or in any way related to this guarantee, even if any or all of those changes are significant or increases the liability, potential or otherwise, of any Guarantor. We may require payment from any Guarantor before we attempt to obtain payment from you or from any other Guarantor, and all obligations of any Guarantor shall also be those of the Guarantor's successors and personal representatives and will not be altered by the bankruptcy or any other financial incapacity of you or of any other Guarantor.
- (c) Until all of the Obligations are paid and fulfilled in full to our satisfaction, each Guarantor now and in the future postpones all of such Guarantor's present and future debt claims which he, she, or it may at any time have against you, in favour of payment to us of all of the Obligations, and all such present and future debt claims of such Guarantor are now assigned to us.
- (d) Each of you and each of the Guarantors agree with us that if at any time any one of you and/or them should make a payment with respect to the indebtedness secured by the Mortgage, or if any of you and/or them should provide an acknowledgement in writing of any of that indebtedness to us, the person so paying or so providing such acknowledgement will be deemed to be the agent of all of the others of them and all of them will be bound by the effect of the making of such payment or acknowledgement.
- (e) In addition to the obligations of each Guarantor set forth in this paragraph 21 of Part IV of these Terms, each Guarantor will now and in the future indemnify us and save us harmless of, from and

against all losses, damages, liabilities, costs, and expenses which we may at any time sustain by reason of the failure at any time of you to pay and fulfill the Obligations, and this indemnity will continue after the Mortgage has been discharged if, following such discharge, any of the Obligations have not been fully paid, fulfilled and performed.

- (f) Each Guarantor agrees to execute and provide to us such further assurances, agreements and documents that we believe necessary to document or secure the guarantees provided to us. The provisions of this paragraph 21 of Part IV of these Terms shall be in addition to the provisions contained within any other agreement or document executed by any Guarantor.

22. DISCHARGE OR ASSIGNMENT OF MORTGAGE TO ANOTHER LENDER

After you have paid us the Loan Amount (including all interest accrued thereon and not previously paid to us or capitalized), we will, subject to the provisions of these Terms, sign a discharge or, if requested by you, an assignment of the Mortgage and send it to you within a reasonable time. To the maximum extent permitted by Applicable Law, you will pay our then-current administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on your title and to pay the registration fee provided that, if electronic registration is available for your Property, we may choose to register the discharge on your behalf, and at your cost, and provide you or your lawyer with confirmation of registration. For the purpose of this paragraph, you will not be considered to have paid us the Loan Amount until you have provided us with the full amount of the Loan Amount (plus interest as aforementioned) together with such interest, our said current administrative fee and all of our legal and other expenses. If you do not have a right to prepay the Loan prior to the end of the Term, we reserve the right to not provide a discharge or assignment prior to the end of the Term, and if you do have a right to prepay the Loan prior to the end of the Term we do not have to provide any discharge or assignment unless you comply with all prepayment terms and conditions. Notwithstanding any other provision of these Terms, the Mortgage or any Loan Agreement, we may, in an exercise of our sole discretion, require you as a condition of discharge to provide us with written confirmation from the Receiver General, the Canada Revenue Agency, the Ministry of Revenue, the Ministry of Finance or any other governmental ministry, department, or agency acceptable to us, confirming, to our satisfaction, that all taxes, payments and other remittances, whether payable under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada) or any other Applicable Law, are current and paid in full as of the date of your request for a discharge, which written confirmation must be dated not more than thirty days before the date that the Loan Amount (or any part thereof in relation to which a discharge is requested) is repaid.

23. ADMINISTRATION FEES

You agree to pay us, when due, our costs, expenses, and then-current administration and processing fees in connection this Mortgage, whether provided in these Terms or elsewhere, including our fees and expenses related, directly or indirectly, to: (a) administering the collection and payment of taxes; (b) dealing with stop payment requests and arrangements to hold or process any payments other than on its due date by preauthorized debit and with any late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment which does not clear as scheduled; (c) preparing each assumption, arrears, reinstatement, discharge, or other mortgage statement, and each amortization or revised amortization schedule whether provided to you, our agents or solicitors or any other interested person; (d) setting up the Loan and periodically processing, maintaining and upgrading systems, licensing and data storage and retention and related customer service; (e) processing each application to obtain our approval for any matter required by the Mortgage whether or not approval is provided or the matter is completed; (f) processing each Payment Frequency change, extension, renewal, restriction, or other amendment of the Mortgage, the Loan Agreement or amounts secured by the Mortgage, whether or not completed; (g) investigating the status of any insurance, administering insurance cancellations, paying insurance premiums, and dealing with insurance claims; (h) providing a copy or duplicate of documents from our file or an amortization schedule, payment history, audit verification, and other services of a clerical nature including retrieval, copying, transmissions, and other charges; (i) investigating the status of tax payments; (j) registering a financing statement or financing charge statement or issuing any notice or information, security status, or acknowledgment request and conducting any required searches; (k) registering electronically or otherwise or executing and delivering any registration or discharge of the Mortgage (notwithstanding that the discharge may have been prepared by you or another person on your behalf); (l) all of our legal fees and disbursements on a full indemnity basis; (m) all taxes (save and except for income taxes as may be payable by us) incurred or payable by us in relation to any cost or expense; (n) fees, costs and expenses incurred by us or on our behalf in connection with, or relating to, the servicing or administering the Loan or the Mortgage; and (o) generally, any matter connected with the administration of the Mortgage, the Loan Agreement and your Property including inquiring into compliance, dealing with or enforcing any obligation contained in the Mortgage or Loan Agreement including, without limitation, with respect to preparation and administration of legal actions and enforcements, taxes, condominium fees and matters, insurance, repair and construction, environmental matters, leases and other encumbrances, and managing or selling your Property; and you agree to our adding such fees and all our other costs and expenses, if unpaid, to the Loan Amount, which unpaid fees will be charged interest at your Interest Rate and will be secured by the Mortgage. The amount of such fees, costs and expenses in effect at any particular time is available by contacting us.

24. RE-ADVANCE

As, when and to the extent that the Loan Amount is repaid, the Mortgage will continue to stand as security for payment from time to time by you to us of all other present and future Obligations which you may have to us with respect to all borrowing and credit obligations and all guarantee obligations which you from time to time undertake to us (or otherwise become liable for to us), up to, at any particular time and from time to

time, a principal amount equal to the difference between the original Principal Amount of the Mortgage (as the same may be altered from time to time) and the outstanding balance of the Loan Amount, and, unless otherwise agreed to between you and us, the Mortgage will so continue to stand as security for such other and new Obligations notwithstanding that the original Loan Amount is paid down to nil, and, accordingly, we shall be entitled, at our option, but without any obligation to do so, to make new advances of monies or monies' worth to you and the same, with interest at your Interest Rate (or, as the case may be, the interest rate or rates which you and we from time to time agree with respect to such new advances), all of which shall be secured by the Mortgage. All terms and provisions of the Mortgage shall continue to apply in full force and effect with respect to such new or other Obligations, excepting only those which apply specifically to the payment and repayment terms applicable to the original Loan secured hereby, and the precise payment and repayment terms which will apply to any new advances of monies or monies' worth which we may make to you, or with respect to any guarantee obligation that you have undertaken to us for the obligations of any other person or persons, shall be as agreed to between you and us, and if not so agreed to by you and us, all such monies will be repayable to us upon demand. The following additional provisions will apply to any new or other Obligations secured by the Mortgage referred to in this paragraph:

- (a) for any guarantee obligation undertaken by you to us, value will be deemed to have been provided by us to you at the time you provide your guarantee to us;
- (b) all new advances of value and all guarantee obligations undertaken by you will, as secured by the Mortgage, hold priority over all other mortgages, encumbrances, charges and liens from time to time affecting your Property, notwithstanding that any of the same have been made or recorded against your Property prior to the making of any new or further advance by us, or as the case may be, prior to your undertaking any guarantee obligation to us; and
- (c) the Mortgage, to the extent that it secures any such new or further Obligations of you to us, will be a continuing, collateral, and additional security to us for the payment, fulfillment and performance of such Obligations.

25. DOCTRINE OF CONSOLIDATION

You shall be and be deemed to be in default under the Mortgage with respect to any indebtedness or liability owed by you and thereby secured, if you or any Guarantor are in default in the payment, fulfillment or performance of any other Obligations you or any Guarantor may at any time owe to us. Without limiting the generality of the foregoing, you agree that the doctrine of consolidation will apply to the Mortgage and any other mortgage you have now granted or in the future grant to us. This means that if you default under any of your Obligations to us then we can, as a condition of permitting or requiring you to repay any mortgage, require that you repay all mortgages including the Mortgage.

26. DATE OF MORTGAGE

You agree that, only for the purpose of defining the date of the Mortgage with respect to any statutory right of prepayment, the date of the Mortgage will be deemed to be the Interest Adjustment Date regardless of the date of signature provided that, for the purposes of Section 10 of the *Interest Act* (Canada), the date of the Mortgage will be the date that any renewal, amendment or extension takes effect. Time is of the essence of this Mortgage and any forbearance by us of the strict application of this requirement shall not operate as a continuing or subsequent forbearance.

27. WHO IS BOUND

- (a) Not only do you and each person who signs the Mortgage as a Guarantor agree to be bound by the payment, fulfillment, and performance of the Obligations, but your, and each Guarantor's, legal and personal representatives, heirs, and anybody to whom any interest in your Property is transferred are also bound. The Mortgage is also binding on and will benefit our successors and assigns and anybody to whom we may transfer the Mortgage.
- (b) If more than one person signs the Mortgage, whether as mortgagor, as chargor, as Guarantor or as a combination thereof, then all persons who sign are jointly and severally liable to pay, fulfill, and perform all of the Obligations. Further, if more than one person signs the Mortgage as mortgagee, as chargee or as lender, or as a combination thereof, then the benefits granted to us shall be joint and several, with a right of survivorship, subject to any agreement that may be entered into between the mortgagees, chargees and/or lenders from time to time. The Mortgage will be read with all necessary grammatical changes.

28. APPROVAL CAN BE WITHHELD IN OUR SOLE DISCRETION

Where any provision of these Terms requires or allows us to approve or agree to any action, be it a course of action, omission, option, amendment, change, or otherwise, our decision whether or not to approve or agree shall be made in an exercise of our sole discretion for any reason, including for no reason, without any obligation on our part to act reasonably unless we are required to do so by the terms of the specific provision requiring our approval. Any approval given by us may be subject to such conditions as we believe appropriate, and our approval shall be deemed to be granted only after all conditions are fulfilled to our satisfaction. You agree that we have the right to impose or change conditions even after we approve or agree to any action, and that we also have the right to revoke, rescind, and/or cancel any approval at any time and from time to time. In the event that we revoke, rescind, and/or cancel any approval, any approval revoked, rescinded, and/or cancelled shall be deemed to be null and void *ab initio*.

29. PARTIAL INVALIDITY

If any provision of the Mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected. Notwithstanding this, if any provision of the Mortgage is so found to be illegal or unenforceable, we shall have the right, in our sole discretion, to require immediate repayment in full of the Loan Amount together with all interest thereon not previously paid or capitalized.

30. BACKUP INTEREST RATE

If the Interest Rate, whether stipulated in the provisions of the Mortgage or charged on the Loan, would, except for this paragraph, be a criminal rate, or void for uncertainty, or unenforceable for any other reason, or not be able to be ascertained, or is determined by a court to be subject to deemed reinvestment of interest, then the Interest Rate (the "**Backup Rate**") chargeable shall be one per cent per annum less than the maximum rate that would not be a criminal rate calculated in accordance with generally accepted actuarial practices and principles; notwithstanding any other provision of the Mortgage, you agree not to pay or tender for payment any interest, cost, fee, bonus, penalty, commission or other similar charge or expense that would result in payment of interest at a rate higher than the Backup Rate. If any such payment is tendered contrary to this paragraph, it will be applied to the Principal Amount or, if no Principal Amount is then outstanding, refunded by us to you without interest on demand.

31. PARAGRAPH HEADINGS

Headings in the Mortgage are set forth for convenience of reference only and are not to be taken or read for the purpose of interpreting the terms and provisions of the Mortgage.

32. CHANGE IN STATUS

Upon any change or occurrence affecting either of the following:

- (a) the spousal status of any of you;
- (b) the qualification of your Property as a matrimonial home within the meaning of Applicable Law; and
- (c) the legal title or beneficial ownership of your Property;

you will immediately advise us accordingly. You acknowledge that we want this information in order to be kept fully informed of the names and addresses of the owner or owners of your Property and any spouse or former spouse who is not an owner but has any rights in your Property under Applicable Law. Herein, "spouse" includes any person given rights in your Property by Applicable Law. You certify to us that all information that you give to us about your spousal status and your Property when applying for the Loan secured by the Mortgage, and the statements made in the registered Mortgage are true and accurate under all Applicable Law.

33. REQUIREMENTS OF SECTION 6 OF THE *INTEREST ACT* (CANADA)

To the extent that Section 6 of the *Interest Act* (Canada), or any other section thereof, is at any time applicable to the Obligations (or some of the Obligations) secured by the Mortgage, you acknowledge for the purposes of our fulfilling our obligations under that Act that the information set forth in Appendix 1 to these Terms sets forth various loan principal amounts and the respective nominal interest rates applicable thereto and the equivalents thereof calculated half-yearly, not in advance, provided however that if said Section 6 applies to the Loan and the Mortgage but the Payment Frequency for the Loan is other than monthly, then the information which we are required to provide you pursuant to said Section 6 will be set forth elsewhere in the Mortgage or has otherwise been provided by us to you.

34. SEALED COVENANTS

It is the declared intention of each person signing the Mortgage (whether as a mortgagor, a chargor, or a Guarantor) that each promise, covenant, and agreement made in the Mortgage shall be treated as if made by each respectively of them under seal.

35. APPLICABILITY OF LEGISLATION

- (a) The covenants set out in Section 7(1) of the *Land Registration Reform Act* (Ontario) are expressly excluded from the Mortgage. The provisions related to defeasance contained in Section 6(2) of the *Land Registration Reform Act* (Ontario) are also expressly excluded from the Mortgage.
- (b) If the *Ontario New Home Warranties Plan Act* (Ontario) applies to your Property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying with it or enforcing your rights on your behalf if you fail to do so. You agree to provide to us copies of the New Home Warranty Certificate and Certificate of Possession or other applicable certificates.
- (c) If the *Family Law Act* (Ontario) applies to the Mortgage, your spouse, by signing the Mortgage (or if the consent of your spouse is otherwise noted on the Mortgage), consents to the Mortgage and releases all of his or her interest in your Property to the extent necessary to give effect to our rights under the Mortgage. Your spouse also agrees that we may, without further notice, deal with your Property and the Obligations secured by the Mortgage as we wish.

- (d) If the Mortgage is insured by a Mortgage Insurer, the Mortgage is made in pursuance of the *National Housing Act* (Canada), the *Protection of Residential Mortgage or Hypothecary Insurance Act* (Canada), and/or any other legislation that may be applicable to a Mortgage Insurer and to mortgage insurance from time to time.
- (e) All references to any statutes or Applicable Law, whether in this paragraph or elsewhere, shall be deemed to be a reference to such statute and any and all regulations from time to time made under such statute and to such statute and regulations as amended, reenacted, or replaced from time to time. Any reference in these Terms to a specific section or sections, paragraph, or clause of any statute or regulation shall be deemed to include a reference to the corresponding provision of future law.

36. SECURITIZATION

We may, at our option, sell, assign, or encumber the Mortgage to one or more third parties without notice to you, any Guarantor or any spouse signing the Mortgage and without requiring any consent. If we do so, you agree that the Mortgage shall continue to secure the Loan Amount owing under the Mortgage. Once sold or assigned, the Mortgage may be repurchased by us, whether or not it is in default. You and each Guarantor and spouse executing the Mortgage hereby authorize and consent to us or any other person having an interest in the Mortgage from time to time and their or our respective agents and advisors including any party retained to service the Mortgage, releasing, disclosing, and assigning any person or other information (including financial information) with respect to you, any Guarantor, and your spouse, the Mortgage and your Property, regardless of the scope of distribution and to any such other person as may be required to complete, administer, realize, assign, securitize, or otherwise deal with the Mortgage or the Loan from time to time.

37. NOTICES

- (a) Unless otherwise stated in the Mortgage, and if the Mortgage or Applicable Law allows or requires us to make a demand on, give a notice to, approve, or make a request of any person (including you), you and each Guarantor agree that we may make the demand, give the notice to, approve, or make the request, in any one or more of the following ways, at our sole discretion:
 - (i) by delivering it personally to the intended recipient;
 - (ii) by delivering it personally to another adult at the address for service of the intended recipient;
 - (iii) if to a corporate body (including if you are a corporate body), by delivering it personally to a director, officer, or employee of the corporate body;
 - (iv) by transmitting it by facsimile or e-mail;
 - (v) if to a corporate body (including if you are a corporate body), by transmitting it via facsimile or e-mail to a director, officer, or employee of the corporate body;
 - (vi) by mailing it by prepaid mail addressed to your Property;
 - (vii) by mailing it by prepaid mail to the recipient's last known address on our records; or
 - (viii) by any other means we approve in advance.
- (b) Any notice that you give to us must be by one of the following methods:
 - (i) by registered mail, postage prepaid to our address;
 - (ii) by personal delivery to the person we designate at our address from time to time for the receipt of personal service;
 - (iii) by transmitting it by facsimile or e-mail to the facsimile number or e-mail account designated by us from time to time, if we agree to designate a facsimile number or e-mail account; or
 - (iv) by any other means we approve in advance.
- (c) Unless otherwise agreed to by us, any document delivered in accordance with these Terms will be deemed to be received:
 - (i) when it is personally delivered;
 - (ii) if sent to us by facsimile or e-mail, on the date that it is actually received by us, provided that, if we receive the document on a day that is a Saturday, Sunday, or statutory holiday, the document will be deemed to be received on the first day after receipt by us that is not a Saturday, Sunday, or statutory holiday, and if received by us after 4:00pm on any day not being a Saturday, Sunday, or statutory holiday, the document will be deemed to be received on the first day after receipt by us that is not a Saturday, Sunday, or statutory holiday;

- (iii) if sent by us by facsimile or e-mail, on the day of transmission by us or, if that day is a Saturday, Sunday, or statutory holiday, on the first day after transmission that is not a Saturday, Sunday, or statutory holiday;
 - (iv) five days after mailing by us, whether received by the recipient or not;
 - (v) five days after mailing to us by registered mail unless not received by us within five days, in which case any document sent to us by registered mail shall be deemed to be received only on the date it was actually received by us;
 - (vi) if what is sent by us is a notice or other document given by us to you pursuant to the *Bankruptcy and Insolvency Act (Canada)*, the *Farm Debt Mediation Act (Canada)*, or the *Mortgages Act (Ontario)*, including but not limited to any notice of sale or demand for repayment, what is sent by us shall be deemed to be given to you on the day it was sent by us or, if that day is Saturday, Sunday, or statutory holiday, on the first day after sending that is not a Saturday, Sunday or statutory holiday, and all documents given by you with regards to any judicial or quasi-judicial process shall be deemed received by you in accordance with the rules and procedures of the applicable judicial or quasi-judicial body; or
 - (vi) on any other date we approve when we approve an alternative method of notice.
- (d) A telephone call to us does not constitute notice, and we are not bound by any information provided to you, or to anyone, via telephone. You agree that we may record any telephone calls to ensure quality service and to confirm your discussions with us and any of our employees.

38. DISCREPANCY OR INCONSISTENCY

Unless a provision of these Terms provide that the provision governs even in the event of any discrepancy or inconsistency (whether by those terms or otherwise), in which event the provisions of these Terms will govern, in the event of any discrepancy or inconsistency between these Terms, the Loan Agreement and the Mortgage Document, the provisions of these documents shall apply in the following order of precedence to resolve the discrepancy or inconsistency: (i) the Loan Agreement, including any schedules thereto; (ii) any Schedule attached to and forming part of the Mortgage Document; (iii) the Mortgage Document, but not including any Schedule attached thereto or these Terms; and (iv) these Terms.

39. SURVIVAL

The provisions contained herein, and the provisions contained within the Loan Agreement, shall survive the discharge of the Mortgage and shall continue to bind you and every Guarantor until the later of (i) eight years after you have fully satisfied all of your Obligations and (ii) eight years after the date the Mortgage is discharged. For clarity, in the event that you owe anything to us after the Mortgage is discharged, whether or not the indebtedness existed at the time of discharge, we can, during the time period provided in this paragraph, rely on the provisions contained in these Terms and in the Loan Agreement, and you covenant and agree that we may rely on all enforcement provisions provided herein and as otherwise are available to us in law and in equity.

40. PERSONAL INFORMATION

In connection with the processing, approving, funding, servicing, and administering, or any sale, securitization or financing of all or any part of the Obligations, including any Loan or the related Loan Agreement, or any interest therein, we, or any other person having or subsequently acquiring any interest in all or any part of the Obligations, the Loan, the Mortgage or the Loan Agreement, from time to time may collect, use, store, release, disclose, exchange, share, transfer, and assign from time to time, as we may determine in our sole discretion, all information and materials (including personal information) provided to or obtained by us or on our behalf relating to the Obligations, the Loan, the Mortgage, the Loan Agreement, any Guarantor, your Property or you (both before and after any advance, re-advance, and/or default) without restriction and without notice to, or without the consent of, you or any Guarantor, or any other person, and may disclose, exchange, share, transfer, and assign any such information from time to time without restriction and without notice or consent to:

- (a) any person having or proposing to acquire any interest in all or any part of the Obligations, the Loan, the Loan Agreement or your Property, from time to time;
- (b) our agents and professional advisors, including lawyers, accountants, consultants, appraisers, credit verification sources, servicers, and administrators;
- (c) any governmental or quasi-governmental authority;
- (d) any Mortgage Insurer;
- (e) any Condominium Corporation;
- (f) any insurer insuring an interest in your Property or in a Condominium Corporation;
- (g) any person having an interest in your Property; and

(h) any person in connection with any collection or enforcement proceedings.

By signing the Mortgage you and every Guarantor consent to the collection, obtaining, release, disclosure, exchange, sharing, transfer, and assignment of all such information and materials.

Upon our request you and every Guarantor agree to give us documents to verify credit, employment, residence, and all other information with respect to you and every Guarantor in connection with processing, approving, funding, servicing, and administering of all or any part of the Mortgage or the Loan Agreement or any interest therein.

You hereby release us from any and all liability, damages, suits, actions, claims, monies, and costs arising from (i) the release and disclosure of any such information by us; or (ii) any breach of the provisions of any Applicable Law, provided we have acted in accordance with the provisions provided herein.

41. SERVICERS, ADMINISTRATORS AND CUSTODIANS

We may appoint a servicer and/or administrator of any or all part of the Obligations from time to time, which servicer and/or administrator may exercise all rights and remedies (including all enforcement rights), make all determinations and decisions and take all actions permitted or required to be exercised, made, or taken by us under or in respect to the Mortgage, the Obligations, the Loan, and the Loan Agreement, in each case as agent for and on behalf of us, provided that no action taken by any servicer or administrator shall deem us a mortgagee in possession of your Property or any part thereof.

We may also appoint a custodian or nominee from time to time to hold registered and/or documentary title to the Mortgage, the Obligations, the Loan, and/or Loan Agreement, as agent, custodian, and/or nominee for and on behalf of any persons having an ownership interest in all or any part of the Mortgage, the Obligations, the Loan, and/or Loan Agreement.

42. ELECTRONIC RECORDS

You and every Guarantor agree that, at any time, we may convert paper records of any document delivered to us into electronic images. You and every Guarantor also agree that, at our discretion, we may accept documents in an electronic image acceptable by us. You and every Guarantor agree that each such electronic image shall be considered an authoritative copy of the applicable records and shall be legally binding on you and each Guarantor and shall be admissible in any legal, administrative, or other proceeding as conclusive evidence of the contents of such document in the same manner as original paper records. You and every Guarantor also irrevocably consent to the use and delivery of electronic documents and electronic signatures pursuant to all Applicable Law, provided that nothing herein shall be deemed to require us to accept any electronic document or electronic signature. For clarity, you and every Guarantor acknowledge and agree that electronic images, electronic documents and electronic signatures, whether provided originally in electronic form or converted to an electronic form, shall be legally binding on you and on every Guarantor and shall be admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such image, document or signature.

You and every Guarantor acknowledge that the recording by us of the amount or any advance or repayment under the Mortgage or the Loan, and any and all other amounts payable to us whether according to these Terms or otherwise, shall constitute *prima facie* evidence of your indebtedness and the outstanding Loan Amount from time to time; provided that your obligation to pay or repay any indebtedness or the Loan Amount shall not be affected by our failure to make such recordings.

43. LANGUAGE

It is the express wish of the parties that the Mortgage, the Loan Agreement, and any related documents be drawn up and, if execution is required, executed in English. Les parties souhaitent expressément que tous les documents soient établis et, le cas échéant, exécutés en anglais.

44. CURRENCY

Unless otherwise specified in a Loan Details Area, all statements of or references to money amounts shall be taken to mean and refer to amounts in Canadian dollars.

45. RECEIPT

You, and every Guarantor, hereby acknowledge receipt of a true copy of the Mortgage and these Terms before signing the Mortgage.

DATED the 7th day of April, 2022.

FIGARD CAPITAL CORPORATION
by its solicitors, Siskinds LLP

Per: 
Matthew J. Wilson

APPENDIX 1

COLUMN A	COLUMN B	COLUMN A	COLUMN B	COLUMN A	COLUMN B
Interest Rate compounded monthly not in advance	Equivalent interest rate compounded semi-annually not in advance	Interest Rate compounded monthly not in advance	Equivalent interest rate compounded semi-annually not in advance	Interest Rate compounded monthly not in advance	Equivalent interest rate compounded semi-annually not in advance
1.125%	1.128%	10.125%	10.341%	19.125%	19.903%
1.250%	1.253%	10.250%	10.471%	19.250%	20.039%
1.375%	1.379%	10.375%	10.602%	19.375%	20.174%
1.500%	1.505%	10.500%	10.732%	19.500%	20.310%
1.625%	1.631%	10.625%	10.863%	19.625%	20.445%
1.750%	1.756%	10.750%	10.994%	19.750%	20.581%
1.875%	1.882%	10.875%	11.124%	19.875%	20.716%
2.000%	2.008%	11.000%	11.255%	20.000%	20.852%
2.125%	2.134%	11.125%	11.386%	20.125%	20.988%
2.250%	2.261%	11.250%	11.517%	20.250%	21.124%
2.375%	2.387%	11.375%	11.648%	20.375%	21.260%
2.500%	2.513%	11.500%	11.779%	20.500%	21.396%
2.625%	2.639%	11.625%	11.910%	20.625%	21.532%
2.750%	2.766%	11.750%	12.041%	20.750%	21.668%
2.875%	2.892%	11.875%	12.173%	20.875%	21.804%
3.000%	3.019%	12.000%	12.304%	21.000%	21.940%
3.125%	3.145%	12.125%	12.435%	21.125%	22.077%
3.250%	3.272%	12.250%	12.567%	21.250%	22.213%
3.375%	3.399%	12.375%	12.698%	21.375%	22.350%
3.500%	3.526%	12.500%	12.830%	21.500%	22.486%
3.625%	3.652%	12.625%	12.962%	21.625%	22.623%
3.750%	3.779%	12.750%	13.094%	21.750%	22.760%
3.875%	3.906%	12.875%	13.225%	21.875%	22.896%
4.000%	4.033%	13.000%	13.357%	22.000%	23.033%
4.125%	4.161%	13.125%	13.489%	22.125%	23.170%
4.250%	4.288%	13.250%	13.821%	22.250%	23.307%
4.375%	4.415%	13.375%	13.753%	22.375%	23.444%
4.500%	4.542%	13.500%	13.885%	22.500%	23.581%
4.625%	4.670%	13.625%	14.018%	22.625%	23.719%
4.750%	4.797%	13.750%	14.150%	22.750%	23.856%
4.875%	4.925%	13.875%	14.282%	22.875%	23.993%
5.000%	5.052%	14.000%	14.415%	23.000%	24.131%
5.125%	5.180%	14.125%	14.547%	23.125%	24.268%
5.250%	5.308%	14.250%	14.680%	23.260%	24.406%
5.375%	5.436%	14.375%	14.812%	23.375%	24.543%
5.500%	5.563%	14.500%	14.945%	23.500%	24.681%
5.625%	5.691%	14.625%	15.078%	23.625%	24.819%
5.750%	5.819%	14.750%	15.211%	23.750%	24.957%
5.875%	5.947%	14.875%	15.344%	23.875%	25.095%
6.000%	6.076%	15.000%	15.477%	24.000%	25.232%
6.125%	6.204%	15.125%	15.610%	24.125%	25.371%
6.250%	6.332%	15.250%	15.743%	24.250%	25.509%
6.375%	6.460%	15.375%	15.876%	24.375%	25.647%
6.500%	6.589%	15.500%	16.009%	24.500%	25.785%
6.626%	6.717%	15.625%	16.143%	24.525%	25.923%
6.750%	6.846%	15.750%	16.276%	24.750%	28.062%
6.875%	6.974%	15.875%	16.409%	24.875%	26.200%
7.000%	7.103%	16.000%	16.543%	25.000%	26.339%
7.125%	7.232%	16.125%	16.677%	25.125%	26.477%
7.250%	7.369%	16.250%	16.810%	25.250%	26.616%
7.375%	7.489%	16.375%	16.944%	25.375%	26.755%
7.500%	7.618%	16.500%	17.078%	25.500%	26.894%
7.625%	7.747%	16.625%	17.212%	25.625%	27.033%
7.750%	7.876%	16.750%	17.345%	25.750%	27.172%
7.875%	8.005%	16.875%	17.480%	25.875%	27.311%
8.000%	8.135%	17.000%	17.614%	26.000%	27.450%
8.125%	8.264%	17.125%	17.748%	26.125%	27.589%
8.250%	8.393%	17.250%	17.882%	26.250%	27.728%
8.375%	8.522%	17.375%	18.016%	26.375%	27.867%
8.500%	8.652%	17.500%	18.151%	26.500%	28.007%
8.825%	8.781%	17.625%	18.285%	26.625%	28.146%
8.750%	8.911%	17.750%	18.419%	26.750%	28.288%
8.875%	9.041%	17.875%	18.554%	26.875%	28.425%
9.000%	9.170%	18.000%	18.689%	27.000%	28.565%
9.125%	9.300%	18.125%	18.823%	27.125%	28.705%
9.250%	9.430%	18.250%	18.958%	27.250%	28.845%
9.375%	9.560%	18.375%	19.093%	27.375%	28.985%
9.500%	9.690%	18.500%	19.228%	27.500%	29.124%
9.625%	9.820%	18.625%	19.363%	27.625%	29.265%
9.750%	9.950%	18.750%	19.498%	27.750%	29.405%
9.875%	10.080%	18.875%	19.633%	27.875%	29.545%

Fee Schedule

Account History	\$50
Account Research (per hour)	\$50 plus costs
Amortization Changes (<i>no charge if requested within annual mortgage repayment privilege</i>)	\$50
Amortization Schedule (<i>no charge if frequency change/payment amount change request</i>)	\$25
Annual Statement (issued each January)	Free
Additional annual or monthly statements	\$25
Over 2 years	\$100
Bank or Account Confirmation	\$50
Credit Bureau (only if outside initial approval or renewal)	\$25
Discharge (per title discharged)	
SK and MB	\$275
BC (from lawyer)	\$75
Alberta (from lawyer or internal refinance)	No Charge
Ontario (statement preparation fee, execution and registration)	\$425 plus \$175 per title discharged
For Commercial Mortgages – refer to commitment letter	
Draw fee for Construction (unless otherwise stated)	\$250 per draw plus GST/HST
Document Execution – per document to be signed (Mylar, Easement, Right of Way, etc)	\$250 per document
Payout Request (1 st request in calendar year free, additional)	\$25
Inspection Fee (Fisgard to view a property)	As noted in approval
Insurance Admin Fee & Insurance Arrears Notice	\$50
Insurance Placement Fee	\$525
Manual Payment	\$50
Land Title Activity Flag	\$25
NSF and or Late payment	\$100
Payment Frequency / Change (for more than once a year)	\$50
PPSA or PPR Renewal for GSA Security (regardless of term of renewal)	\$75 per renewal
Property Tax Search	\$75
Registered Mail	\$25
Title Search	\$50
Service Per Hour	\$125
Reinstatement Fee	\$500 plus legal fees
Initiating Legal Action	\$500 plus legal fees
Documentation Fee	\$275

***All fees are subject to change without notice

Prepayment Penalty Calculation for closed term loans.

If you would like to pay out your mortgage before the end of your closed mortgage term, a prepayment penalty for an early discharge will apply.

As stated in your mortgage documents, the prepayment penalty for an early discharge is of 3 months interest on your mortgage. The 3 month penalty is calculated by taking the balance of your mortgage as at the last payment date, multiplied by the interest rate and multiplying by (3 months divided by 12).

Example:

Balance on mortgage: \$200,000. Interest rate: 5.5%.
 $\$200,000.00$ (balance) X 5.50% (interest rate) X 3/12 = \$2,750.00