

## NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT BRITISH COLUMBIA  
 FORM 17 CHARGE, NOTATION OR FILING Oct-25-2017 17:24:46.001  
 LAND TITLE AND SURVEY AUTHORITY

MT170014

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- Your electronic signature is a representation by you that:
  - you are a subscriber; and
  - you have incorporated your electronic signature into
    - this electronic application, and
    - the imaged copy of each supporting document attached to this electronic application,
 and have done so in accordance with Sections 168.3 and 168.41(4) of the *Land Title Act*, RSBC 1996, C.250.

Alexander  
 Kenneth Fane  
 U8HN1U

Digitally signed by  
 Alexander Kenneth Fane  
 U8HN1U  
 Date: 2017.10.25 16:52:47  
 -07'00'

- Your electronic signature is a declaration by you under Section 168.41 of the *Land Title Act* in respect of each supporting document required in conjunction with this electronic application that:
  - the supporting document is identified in the imaged copy of it attached to this electronic application;
  - the original of the supporting document is in your possession; and
  - the material facts of the supporting document are set out in the imaged copy of it attached to this electronic application.

Each term used in the representation and declaration set out above is to be given the meaning ascribed to it in Part 10.1 of the *Land Title Act*.

1. APPLICANT: (Name, address, phone number of applicant, applicant's solicitor or agent)

NORTON ROSE FULBRIGHT CANADA LLP  
 BARRISTERS AND SOLICITORS  
 1800 - 510 WEST GEORGIA STREET  
 VANCOUVER BC V6B 0M3  
 Document Fees: \$28.63

Robin Wotherspoon, Paralegal  
 604.641.4821

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:  
 [PID] [legal description]

**NO PID NMBR NOT APPLICABLE**

STC? YES

3. NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

**STANDARD MORTGAGE TERMS**  
 ADDITIONAL INFORMATION:

NATURE OF CHARGE, NOTATION, OR FILING: AFFECTED CHARGE OR NOTATION NO:

ADDITIONAL INFORMATION:

4. PERSON TO BE REGISTERED AS CHARGE OWNER: (including occupation(s), postal address(es) and postal code(s))

**EQUITABLE BANK**

777 HORNBY STREET, SUITE 1240  
 VANCOUVER

V6Z 1S4

BRITISH COLUMBIA  
 CANADA



**Land Title Act (BC)  
Set of Standard Mortgage Terms**

Filed by: **Equitable Bank**  
Filing Date:  
Filing Number:

The following set of standard mortgage terms shall be deemed to be included and form part of every mortgage where so indicated in the Mortgage Form (as defined below) as provided for in section 225 of the *Land Title Act* (as defined below). The terms of this set of standard mortgage terms may be modified by additions, amendments or deletions in the schedule attached to the Mortgage Form.

This document sets out important terms that apply to the Mortgage (as defined below) and are actually part of the Mortgage. It is recommended you read this document carefully and discuss the terms of the Mortgage with a lawyer.

This document describes the financial institution (mortgagee), who is lending you the money, as “We”. The definition of “we” also includes “us”, “our” and “Equitable”.

This document describes the person who is being loaned money and pledging the Mortgage on your Property as “You”. The definition of “you” also includes “your”. ‘You’ also includes anyone who guarantees your payments and Promises.

The Mortgagee (as defined below) is lending you money and the Mortgagee is protecting its interests through the Mortgage (as defined below) on your Property, which gives the Mortgagee certain rights, if you do not do what you promise to do. The specific terms that apply to the Mortgage (for example, the interest rate) are set out in a document that you sign before a lawyer or notary public. This is called the Mortgage Form.

Generally, when a word is capitalized, the word is defined in Article 1. You should read Article 1 carefully.

## PART A - GENERAL PROVISIONS (Applicable to all Mortgages)

### ARTICLE 1

#### 1. DEFINITIONS

##### 1.1. Definition

In this set of Standard Mortgage Terms and in any Mortgage incorporating these Standard Mortgage Terms, the following words have the following meanings:

**“Amendment”** means any document or agreement Approved by both you and Mortgagee that changes any term of the Mortgage, including, without limitation, changes to the amount of a Regular Payment, changes to the frequency of payments and any agreement to renew or extend the Mortgage (including Renewal Agreements).

**“Approved”** means agreed to in writing. **“Approve”**, **“Approves”** and **“Approval”** have corresponding meanings.

**“Balance Due Date”** means the date the Principal Amount is due and payable as indicated in Item 5(l) of the Mortgage Form or other date Approved by you and the Mortgagee. This date is the same date as the Last Payment Date.

**“Business Day”** means a day other than a Saturday or a Sunday, on which the principal commercial banks in Toronto, Ontario are open for commercial banking business during normal banking hours.

**“Collateral Loan Debt”** means all present and future amounts owing by you to the Mortgagee other than Fixed Rate Debt and Variable Rate Debt, including Interest, a line of credit agreement, loan agreement, guarantee or any other document that you have agreed in writing will be secured by the Mortgage on the Property in respect of each Loan. Without limiting the previous sentence, Collateral Loan Debt includes any debt, past, present or future, direct or indirect, absolute or contingent, matured or not, remaining unpaid by you to Equitable, in any currency, whether arising from dealings between you and the Mortgagee or from any other dealings or proceedings by which the Mortgagee may in any manner be or become your creditor, however incurred, whether incurred by you alone or with others and whether as principal or as surety, that you have agreed in writing will be secured by the Property; provided, for the avoidance of doubt, that any Collateral Loan Debt in respect of any loan(s) that is/are insured and/or financed by the Mortgagee under a NHA Program shall have priority as to payment, collection and in respect of Collateral Mortgage enforcement over any other loan, irrespective of the time or order of any loan, made by the Mortgagee to you from time to time secured or to be secured by a Collateral Mortgage that is not insured and/or financed under an NHA Program.

**“Collateral Loan Principal Amount”** means the portion of the Principal Amount, other than the Fixed Rate Principal Amount and the Variable Rate Principal Amount.

**“Collateral Mortgage”** means a Mortgage that secures Collateral Loan Debt.

**“Commitment Letter”** means a document Approved by both you and the Mortgagee in which the Mortgagee commits to providing you with mortgage financing, including an advance, a loan or a line of credit, which sets out the terms of that mortgage financing, and which may include the disclosure of the cost of borrowing mandated by the *Bank Act* (Canada) and *Business Practices and Consumer Protection Act* (British Columbia).

**“Confidential Personal Information”** means any and all information or data protected by Privacy Laws, including (without limitation) information or data that: (a) is personal information or information about an identifiable individual (as more particularly defined in the applicable Privacy Laws) that was collected, used, disclosed or accessible to such party; or (b) is information from which an individual or individual’s identity can be ascertained

either from the information itself or by combining the information with information from other sources available to the parties.

**“Convey”** means selling, conveying, disposing of, transferring or leasing, or entering into an agreement to sell, convey, dispose of, transfer or lease (whether by operation of law or otherwise). **“Conveyed”** has a corresponding meaning.

**“Costs”** means any fees, costs, charges and expenses relating to:

- (i) the Approval, preparation, execution and registration of the Mortgage, any document connected with the Mortgage and any Amendment, discharge or transfer of the Mortgage;
- (ii) any amounts the Mortgagee is entitled to charge you or pay on your behalf under the Mortgage;
- (iii) any expenses that the Mortgagee incurs in enforcing any of its remedies under the Mortgage;
- (iv) any charges of a municipality or other taxing authority for providing the Mortgagee with information on Taxes, or imposed because the Mortgagee (rather than you) is paying Taxes;
- (v) any inspection of the Property;
- (vi) any environmental testing, site assessment, investigation, study or inspection of the Property;
- (vii) all repairs made to the Property;
- (viii) having to take possession and secure, complete and equip any buildings, structures or Improvements on the Property, including completing construction of the Property;
- (ix) the renewal of any leasehold interest;
- (x) the cost of any Receiver;
- (xi) any expenses incurred in removing a builder’s lien from title to the Property, obtaining a discharge of a builder’s lien or defending a builder’s lien action relating to the Property;
- (xii) each 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;
- (xiii) any mortgage insurance or title insurance; and
- (xiv) all lawyers’ fees and disbursements (including those of Mortgagee’s in-house lawyers) in any way relating to Items (i) through (xiii) on a full indemnity basis.

**“Credit Documents”** means documents Approved by you and the Mortgagee that relate to all or any of the Fixed Rate Debt, Variable Rate Debt or Collateral Loan Debt. Credit Documents include any Commitment Letter, loan agreement, Mortgage, promissory note, line of credit agreement, guarantee, Renewal Agreement, and any other Credit Document that you have agreed will be secured by the Property and any amendments or renewals of those Credit Documents.

**“Debt”** means the sum of Fixed Rate Debt, Variable Rate Debt, Collateral Loan Debt, Costs and all other amounts payable by you under the Mortgage or the Credit Documents; provided, for the avoidance of doubt, that any Debt in respect of any loan(s) that is/are insured and/or financed by the Mortgagee under a NHA Program shall have priority as to payment, collection and in respect of Mortgage enforcement over any other loan, irrespective of the time or order of any loan, made by the Mortgagee to you from time to time secured or to be secured by a Mortgage that is not insured and/or financed under a NHA Program.

**“Default”** means failing to meet any of your Obligations, including, but not limited to, if you are unwilling or unable to make a required payment, making any misrepresentations under any of the Credit Documents or the occurrence of any event described in section 10.2.

**“Financing Guarantor”** means Canada Mortgage and Housing Corporation as guarantor in connection with the financing by the Mortgagee of all or any part of the Obligations.

**“First Payment Date”** means the date the first payment is due, as indicated in Item 5(f) of the Mortgage Form or any other date Approved by you and the Mortgagee.

**“Fixed Interest Rate”** means the annual fixed rate of interest applicable to the Fixed Rate Mortgage as indicated in Item 5(b) of the Mortgage Form or as Approved by you and the Mortgagee.

**“Fixed Rate Debt”** means the Fixed Rate Principal Amount and Interest at the Fixed Interest Rate.

**“Fixed Rate Mortgage”** means the portion of the Mortgage securing Fixed Rate Debt.

**“Fixed Rate Principal Amount”** means the portion of the Principal Amount that bears interest at the Fixed Interest Rate.

**“Guarantor”** means each guarantor or indemnitor described in the Mortgage or who signs a written document, agreeing to be responsible for all or some of your Obligations or agreeing to be bound by the terms of the Mortgage.

**“Improvement”** means any present and future construction, installation, alteration, addition, repair or demolition to the Property.

**“Insured Mortgage”** means a mortgage insured by the Canada Mortgage and Housing Corporation, Genworth Financial Inc. or any other mortgage insurer Approved by the Mortgagee.

**“Interest”** means the interest owing from time to time under the Mortgage and/or the other Credit Documents, calculated at the applicable Interest Rate.

**“Interest Adjustment Date”** means the interest adjustment date indicated in Item 5(c) of the Mortgage Form or any other date Approved by the Mortgagee.

**“Interest Period”** means the period between two consecutive Regular Payments beginning on Payment Date and ending on the day before the next Payment Date.

**“Interest Rate”** means the Fixed Interest Rate, the Variable Interest Rate or the interest rate or rates set out in the Credit Documents, as applicable.

**“Land Title Act”** means the *Land Title Act* (British Columbia).

**“Last Payment Date”** means the date the last payment is due as indicated in Item 5(i) of the Mortgage Form or any other date Approved by you and the Mortgagee. This date is the same date as the Balance Due Date.

**“Late Interest”** means the additional Interest charged by the Mortgagee on both the principal and interest portion, including interest accrued on fees or other charges, of any late Regular Payment. Late Interest will be charged at the Interest Rate.

**“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.

**“Lease”** means any lease, sublease or agreement to lease that gives you your interest in the Property as a tenant, lessee, subtenant or sublessee.

**“Leased Property”** means your leasehold interest in the Property under a Lease.

**“Loan”** means each loan made by the Mortgagee to you from time to time pursuant to a Credit Document, on such terms as notified to you from time to time, that you have agreed in writing will be secured by the Mortgage Form; provided, for the avoidance of doubt, that either (i) each additional loan that is made under a Credit Document after the initial advance (including any new or additional advances, increases to principal, or further borrowings or extensions of the term, including in the case of any fluctuating account or accounts, revolving loans,

lines of credit, additional or further advances beyond an initial advance, re-advances, and multiple facilities (each an “**additional advance**” and, collectively, “**additional advances**”)) will be treated as a new Loan, or (ii) the additional advances in the aggregate will be treated as a new Loan, and in each case of (i) or (ii), such new Loan will be treated as a separate and distinct Loan from any Loan that is insured and/or financed under a NHA Program for all purposes including enforcement.

“**Mortgage**” means the Mortgage Form signed by you and any schedules attached to it, to mortgage and charge the Property to the Mortgagee and registered pursuant to the provisions of the *Land Title Act*. “**Mortgage**” also includes all Amendments, this set of standard mortgage terms and any notice advising you of a change in the Variable Interest Rate.

“**Mortgagee**” means the person or persons named in the Mortgage Form as mortgagee, and its or their successors and assigns, and includes the expressions “we”, “us” and “our”.

“**Mortgagee Prime Rate**” or “**Mortgagee Prime**” means that annual interest rate (calculated monthly not in advance) that is established from time to time by the Mortgagee, at our discretion, as the interest rate then in effect for determining interest on Canadian dollar mortgages or loans made by the Mortgagee in Canada. The Mortgagee Prime Rate is available on the Mortgagee’s website at [equitablebank.ca/mortgage-rates](http://equitablebank.ca/mortgage-rates). If it is necessary for us to prove the interest rate in effect we are charging at any time, you agree that the production by us of a written certificate setting out the interest rate at that time is conclusive proof for that purpose.

“**Mortgage Form**” means the document prescribed by the *Land Title (Transfer Forms) Regulation* (British Columbia) as “Form B – Part I” which makes reference to this set of standard mortgage terms and is signed by the Mortgagor, and includes all schedules and addenda to such document.

“**NHA Program**” means a financing by the Mortgagee or private or public mortgage insurance program under the *National Housing Act (Canada)*, R.S.C., 1985, c. N-11 and associated regulations, as such may be amended, re-enacted or replaced from time to time.

“**Obligations**” means each and all of the obligations that you have agreed to perform and all of the promises you have made under the Mortgage and the other Credit Documents.

“**Original Principal Amount**” means the original principal that is indicated in Item 5(a) of the Mortgage Form.

“**Payment Date**” means the date on which you are to make a Regular Payment as indicated in Item 5(e) of the Mortgage Form, or any other date Approved by you and the Mortgagee.

“**Principal Amount**” means that portion of the Original Principal Amount that is outstanding from time to time. Principal Amount includes Variable Rate Principal Amount, Fixed Rate Principal Amount and Collateral Loan Principal Amount.

“**Privacy Laws**” means the *Personal Information Protection and Electronic Documents Act (Canada)* and any regulations thereunder, as amended or supplemented from time to time, and any other similar applicable federal, provincial or territorial legislation now in force or that may in the future come into force in Canada governing the protection of personal information in the private sector applicable to the conduct of business by the Mortgagee, any mortgage loan insurer, the Financing Guarantor, any other person having or proposing to acquire from time to time any interest in all or any part of the Obligations, including any Loan under the related Credit Documents (including their respective advisors, agents, lawyers, accountants, consultants, appraisers, credit verification sources, credit rating agencies and servicers), any other person in connection with any collection or enforcement proceedings taken under or in respect of all or any part of the Obligations, including any Loan or the related Credit Documents and to the activities contemplated herein, together with any common law duties of confidentiality owed by such persons to you or any co-borrower or Guarantor.

“**Property**” means all or any part of (i) the lands described in Item 2 of the Mortgage Form and includes a “strata lot” or “strata lots” as defined in the *Strata Property Act*, (ii) any buildings or structures now on those lands or added to those lands at any time, and (iii) anything now or later attached or fixed to those lands,

buildings or structures. If the Property is a strata lot then it includes your interest in the common property and any other interest you may have in the assets of the Strata Corporation.

**“Purchaser”** has the meaning set out in Section 8.1.

**“Receiver”** means a person appointed by the Mortgagee or a court to collect income from and manage the Property. **“Receiver”** includes a receiver, or a receiver and a manager.

**“Regular Payment”** means the amount of each payment or the payments indicated in Item 5(g) of the Mortgage Form or other payment Approved by you and the Mortgagee for either Fixed Rate Debt or Variable Rate Debt.

**“Renewal Agreement”** means an agreement, renewal notice or written letter Approved by the Mortgagee and at least one of you confirming the terms of a renewal or extension of the Mortgage.

**“Strata Corporation”** means the strata corporation that was created by the registration of the strata plan that governs the administration of the strata lot or lots of which the Property is a part.

**“Strata Expenses”** has the meaning set out in Subsection 9.3(i).

**“Strata Property Act”** means the *Strata Property Act* (British Columbia).

**“Tax Account”** means an account on the Mortgagee's books of account relating to the Mortgage and to which the Mortgagee may add payments made by you under Section 8.5.

**“Taxes”** means all present and future realty taxes (including interim and/or final taxes), local improvements, rates and assessments of any nature or kind on the Property, and includes interest and penalties.

**“Term”** means the length of time from the Interest Adjustment Date to the Balance Due Date or other length of time Approved by you and the Mortgagee.

**“Variable Interest Rate”** means the annual interest rate, calculated monthly not in advance, that is based on the Mortgagee Prime Rate plus or minus the adjustment factor indicated in your Credit Documents and which changes from time to time based on the Mortgagee Prime Rate, as indicated in Item 5(b) of the Mortgage Form or as Approved by you and the Mortgagee. For greater certainty, in this document any reference to “variable” also includes reference to “adjustable”, and vice versa.

**“Variable Rate Debt”** means the Variable Rate Principal Amount and Interest at the Variable Interest Rate.

**“Variable Rate Mortgage”** means the portion of the Mortgage securing the Variable Rate Debt.

**“Variable Rate Principal Amount”** means the portion of the Principal Amount that bears Interest at the Variable Interest Rate.

**“Work Order”** means any outstanding building permits, work orders, deficiency notices or any other notice of non-compliance with applicable laws.

**“You”** means each of the persons indicated as mortgagors in the Mortgage Form and anyone else who is bound by the Mortgage. **“Your”** has a corresponding meaning.

## ARTICLE 2

### 2. **CHARGE AND PROMISES**

#### 2.1. You Give Your Property as Security

Subject to section 2.5, in return for the Mortgagee agreeing to loan money to you or to loan money to someone else when you guarantee payment, you agree as follows:

- (i) if you are the owner of the Property, you mortgage and charge your entire interest in the Property to the Mortgagee;
- (ii) if the Property includes Leased Property, you mortgage and charge the Leased Property to the Mortgagee as Security as set out in Section 9.2;
- (iii) the Mortgage is given as a general and continuing Security to secure repayment of all existing and future advances, Loans or lines of credit from the Mortgagee to you, to secure any existing and future guarantees that you provide to the Mortgagee and to secure your performance of all of the Obligations; and
- (iv) no payment, no revolving or fluctuation of the Debt or liability, no change in the form of Debt or liability nor acceptance or renewal or substitution of any note, instrument or other document evidencing or regarding any of the Debt or liability, will constitute a reduction or discharge in whole or in part of the security for the Mortgage and the Mortgage will not cease to operate and will not be extinguished except as provided herein.

And for the better securing to the Mortgagee the repayment in the manner set forth in the Mortgage of the Debt including Original Principal Amount and interest and other charges and all moneys hereby secured, and for the due performance by you of each and all of the Obligations, including covenants, provisions and conditions herein expressed or implied, you hereby mortgage to the Mortgagee all of your right, title, estate and interest in the Property.

All provided that, the Mortgagee's interest in the Property ends when you have repaid the Debt in full as provided in the Mortgage and the other Credit Documents, you have complied with all of your other Obligations and the Mortgagee has no further obligation to make advances or extend any credit funds to you under any Credit Document.

## 2.2. Your Promises to Mortgagee

Subject to section 2.5, you promise and confirm that:

- (i) you will pay all of the Debt to the Mortgagee and perform all of the other Obligations as provided in the Mortgage and the other Credit Documents;
- (ii) you are the lawful owner of the Property (unless the Property is Leased Property) and no other person owns all or part of the Property;
- (iii) you have the right to give the Mortgage to the Mortgagee and mortgage and charge the Property in favour of the Mortgagee;
- (iv) if you do not pay the Debt to the Mortgagee or perform your other Obligations as provided in the Mortgage and the other Credit Documents, the Mortgagee may, subject to applicable Laws, take possession of the Property free from any interference by you or anyone else living on the Property and free from any interests, encumbrances, limitations or restrictions other than those that the Mortgagee has Approved;
- (v) there are no limitations or restrictions to your title to the Property except those registrations registered in the land title office and those you have disclosed to the Mortgagee in writing and the Mortgagee has Approved, each of which you have complied with;
- (vi) you will, at your expense, sign any other documents and take any further action that the Mortgagee requests in order to ensure that your entire interest in the Property has been charged to the Mortgagee and that the Debt is adequately secured by the Property and the Mortgage;
- (vii) if the Mortgage is not a first mortgage on the Property, you agree not to increase the principal amount owing under any prior mortgage or to re-borrow any amount repaid under a prior mortgage without the Approval of the Mortgagee. The Mortgagee may withhold its Approval for any reason. You promise not to default under any prior mortgage. You consent to the Mortgagee giving notice to the holder of the other mortgage of the existence of the Mortgage and of all of the terms of the Mortgage and the other Credit Documents;

- (viii) if you are a co-owner of the Property, you agree to be bound by all the terms, conditions, promises, covenants, warranties, and other statements contained herein with respect to your undivided interest in the Property;
- (ix) you will not permit, without the prior Approval of the Mortgagee:
  - (a) any liens, charges or other encumbrances to be registered against the Property; and
  - (b) the Property to be leased or rented; and
- (x) no part of the Property is, has ever been or will in the future be used to manufacture, store or otherwise deal with any hazardous substances except in compliance with all Laws. No part of the Property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of, or adversely affect the sale of, the Property.

### 2.3. The Mortgage is Additional Security

Subject to section 2.5, you agree that:

- (i) The Mortgage supplements and does not replace any other security we hold for any Debt or other liability of you;
- (ii) You agree that we may pursue our remedies, either at the same time, or one remedy at a time, as we choose; and
- (iii) The fact that we do obtain a judgment or other remedy under a particular security for the Debt secured by the Mortgage will not affect the Mortgagee's rights to enforce any other security.

### 2.4. Consolidation

Our right of consolidation applies to the Mortgage and to any other mortgages you have given or you give to us. This means that if you default under any of your mortgages to us, then we can, as a condition of your repaying any mortgage, require that you immediately repay all mortgages. The foregoing provision is, however, subject to terms hereof, including that any references or rights, in favour of the Mortgagee or otherwise, with respect to any consolidation of any Security, Mortgages, Loans, or Property with respect to any Loan that is insured and/or financed under a NHA Program with any security, mortgages, loans, or property with respect to any Loan that is not insured and/or financed under a NHA Program, are disclaimed by the Mortgagee and not applicable, with the intent that the Mortgage securing only the Loan(s) that are insured and/or financed under a NHA Program be registered against the Property and the Property only secures the Obligations arising from Loan(s) that are insured and/or financed under a NHA Program and no other indebtedness.

For the purposes of the Mortgage and other mortgages previously or hereafter granted by you to us, you acknowledge and agree that the provisions of the *Property Law Act* (British Columbia) and any other statutory provisions abolishing or restricting the right of consolidation are expressly excluded.

### 2.5. Insurance and Financing by the Mortgagee

Each of you and any co-borrower and Guarantor hereby acknowledges and agrees that, as provided herein, the Mortgagee, at its option exercisable in its sole discretion, may insure or, in connection with obtaining any financing under a NHA Program, deal with all or any part of the Obligations, including any Loan and the related Obligations, or any interest therein, without restriction and without notice to you, any co-borrower and Guarantor, or any other person, and that it has consented to such insurance being obtained and/or dealings and that no further notice is required.

Furthermore, with respect to any Loan that is insured and/or financed under a NHA Program, each of you and any co-borrower and Guarantor hereby acknowledges and agrees that:

- (i) any new or additional advances, increases to principal, or further borrowings or extensions of the Term, including in the case of any fluctuating account or accounts, revolving loans, lines of credit, additional or further advances beyond an initial advance, re-advances, and multiple facilities made after the initial advance (each an “**additional advance**” and, collectively, “**additional**”

- advances”**), on such terms as notified to you from time to time, are only permitted on the condition that (a) each additional advance is a new Loan, or (b) all such additional advances are in the aggregate a new Loan, and in each case of (a) or (b), the new Loan will be treated as a separate and distinct Loan for all purposes including enforcement, made to you, whether or not same continues to be secured by the Mortgage securing the insured and/or financed Loan, and each of you and any co-borrower and Guarantor covenants and agrees to enter into such additional or new security documentation requested by the Mortgagee to evidence the foregoing, including and without limitation a new Commitment Letter and a new charge;
- (ii) any references or rights, in favour of the Mortgagee or otherwise, with respect to any consolidation of any Security, Mortgages, Loans, or Property with respect to any Loan that is insured and/or financed under a NHA Program, are disclaimed by the Mortgagee and not applicable, with the intent that the Mortgage securing only the Loan(s) that are insured and/or financed under a NHA Program be registered against the Property and the Property only secures the Loan(s) that are insured and/or financed under a NHA Program and no other indebtedness; and
  - (iii) any references or rights, in favour of the Mortgagee or otherwise, with respect to any cross-collateralization or cross-default of any Security, Mortgages, Loans, or Property, or the granting of Property as security for more than one Loan, or more than one Loan being secured by a single Property, in cases where not all of such Loans secured by the Mortgage are insured and/or financed under a NHA Program, are disclaimed by the Mortgagee and not applicable with respect to any Loans that are not insured and/or financed under a NHA Program, with the intent that the Mortgage securing only the Loan(s) that are insured and/or financed under a NHA Program shall be registered against the Property and the Property shall only secure the Loan(s) that are insured and/or financed under a NHA Program and no other indebtedness,

provided, for the avoidance of doubt, that (a) any Obligations in respect of any Loan(s) (including without limitation, any costs and expenses with respect thereto) that is/ are insured and/or financed by the Mortgagee under a NHA Program shall have priority as to payment, collection, and in respect of Mortgage enforcement over any other Loan made by the Mortgagee to you from time to time pursuant to a Credit Document secured or to be secured by the Mortgage that is not insured and/or financed under a NHA Program; (b) in no event shall the Mortgagee seek an order under any bankruptcy legislation or file, or prove a claim in any bankruptcy proceeding or for the appointment of any trustee in bankruptcy in respect of you or a co-borrower or the Guarantor until after the date that the outstanding principal amount of all Loans that are insured and/or financed under a NHA Program are irrevocably discharged in full; and (c) to the extent that all insurance proceeds and realization proceeds arising from or relating to enforcement of the Mortgage are insufficient to irrevocably discharge in full all Obligations, the deficiency in respect of any Obligations other than Obligations in respect of Loans that are insured and/or financed under a NHA Program, shall be borne by the Mortgagee and the Mortgagee shall not pursue any judgment in respect of an amount that is greater than such deficiency.

### **ARTICLE 3**

#### **3. GENERAL PROVISIONS**

##### **3.1. Changes to Your Debt**

Subject to section 2.5:

- (i) at your request and if the Mortgagee Approves, the Mortgage will secure any future Loans, lines of credit and any other advances to you in which the balance owing by you, may increase or decrease from time to time and which may for periods of time have nothing owing;
- (ii) these future Loans, lines of credit and advances will be secured by the Property unless the Credit Documents indicate that they are not to be secured by the Property; and

- (iii) the Mortgage is made to secure a current or running account. You will continue to be liable for all of the Debt even if one or more of the following occurs:
  - (a) the Mortgagee advances additional money secured by the Mortgage or re-advances money that you have repaid under the Mortgage;
  - (b) the amount of the Debt increases or decreases, or if the Debt is reduced to zero and then increases;
  - (c) the documents that evidence the Debt change, or are replaced, for example, if some Credit Documents are replaced by others, even if the new Credit Documents given by you have additional persons or fewer persons promising to pay the amount owing;
  - (d) the Mortgagee increases or reduces the monetary amount of any credit available to you;
  - (e) the form of the Debt changes in any way, for example, the Variable Rate Debt or Fixed Rate Debt becomes Collateral Loan Debt or the Mortgage secures additional Debt;
  - (f) the Mortgage secures more than one type of Debt (for example, Fixed Rate Debt and Collateral Loan Debt) or more than one type of Collateral Loan Debt;
  - (g) the terms applicable to the Debt are changed, for example if the Interest Rate changes, if the Debt or a portion of the Debt is renewed or extended or if the Regular Payments change; or
  - (h) any co-borrower or guarantor dies.

### 3.2. Application of Payments

Except where we specifically agree otherwise, we may apply a payment made to us by you to reduce whatever part or parts of the Debt we choose.

### 3.3. Place of Payment

You agree to repay the Debt to the Mortgagee at its head office in Toronto, Ontario or any other place Approved by the Mortgagee.

### 3.4. Time of Payment

Any payment that is due on a day that is not a Business Day must be made on the Business Day immediately preceding the due date. The Mortgagee will consider payments received after 1:00 p.m. (Eastern Standard Time) to have been made on the next Business Day.

### 3.5. Failure to Pay or Perform Obligations

If you fail to pay any part of the Debt when it is due or if you do not perform any of your other Obligations when required, then, at the Mortgagee's option, all of the Debt will immediately become payable. If the Mortgage secures more than one type of Debt (for example the Fixed Rate Debt and Collateral Loan Debt) Default under any type of Debt will constitute Default under all types of Debt and the Mortgagee will be able to exercise all of the remedies set out in Article 10 for all types of Debt. If you Default under any prior mortgage (as referenced in Subsection 2.2(vii)), that Default will be a Default under the Mortgage.

If a Default has occurred all payments made to bring the Debt into good standing shall be made by certified funds or bank draft.

### 3.6. Costs

All Costs incurred by the Mortgagee will be immediately payable by you, bear Interest at the highest Interest Rate chargeable under the Mortgage, form part of the Debt and be secured by the Mortgage.

3.7. Deductions from Advances

The Mortgagee may deduct from any advance under the Mortgage:

- (i) any Taxes that are due;
- (ii) any Interest due under the Mortgage;
- (iii) all legal fees and disbursements (and applicable taxes) for preparing and registering the Mortgage; and
- (iv) any Costs relating to the Approval, preparation or registration of the Mortgage or the other Credit Documents (including fees for mortgage insurance and title insurance).

3.8. Advances Under the Mortgage

The Mortgagee may decide, for any reason, that it will not advance all or any part of the Original Principal Amount even if the Mortgage has been registered and whether or not any part of the Original Principal Amount has previously been advanced to you. Even though the Mortgagee has not advanced any money, the Mortgage will still secure Costs.

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## **PART B – COLLATERAL MORTGAGES (Applicable to Collateral Mortgages)**

### **ARTICLE 4**

#### **4. COLLATERAL LOAN MORTGAGES**

##### 4.1. When This Article Applies

The provisions in this Article apply if the Mortgage at any time secures Collateral Loan Debt. If the Mortgage secures Collateral Loan Debt and one or both of Fixed Rate Debt and Variable Rate Debt, the provisions of this Article apply only to the Collateral Loan Debt. Either the Mortgage Form or another Credit Document will indicate if the Mortgage secures the Collateral Loan Debt.

##### 4.2. Interest Rate

Interest will be calculated as set out in the relevant Credit Document for the Collateral Loan Debt or, if not set out, will be calculated and compounded monthly, with interest on overdue interest at the same rate. If no interest rate is specified in the relevant agreement, you will pay interest on such part of the Collateral Loan Debt at an interest rate based on Mortgagee Prime Rate plus thirty percent (30.00%) per annum calculated and compounded monthly. The Interest Rate will change automatically, without prior notice, if and when the Mortgagee Prime Rate changes.

If there is a change in the Mortgagee Prime Rate, the Mortgagee may send you notice of the new Interest Rate, but if the Mortgagee fails to do so, you will still be liable to make all payments when due under the Mortgage at the new Interest Rate. These notices form part of the Mortgage. A change in the Interest Rate will become effective on the day that the Mortgagee Prime Rate changes. If it is necessary for the Mortgagee to prove the Mortgagee Prime Rate in effect at any time, you agree that the production by the Mortgagee of a written certificate setting out the Mortgagee Prime Rate at that time is conclusive proof for that purpose.

Interest is payable both before and after demand and both before and after default and judgment.

##### 4.3. Repayment

Subject to section 2.5:

- (i) You will pay the Collateral Loan Debt to the Mortgagee on demand;
- (ii) You will pay interest to the Mortgagee on the Collateral Loan Principal Amount at the interest rate and on the terms set out in the Credit Document and such other amounts as required under the Credit Documents; and
- (iii) If any payment is late, you will pay the Mortgagee additional Interest as set out in the Credit Documents.

##### 4.4. Prepayment

Subject to section 2.5, the Collateral Loan Debt may be prepaid only as set out in the Credit Documents.

##### 4.5. What the Collateral Loan Debt Covers

If you have a revolving line of credit, credit card account, loan, overdraft or similar account where the balance fluctuates, we do not consider the Mortgage to be discharged or released even if the balance goes down to zero and in that case, the Mortgage continues to secure any future amounts borrowed by you from time to time, subject to section 2.5.

##### 4.6. Other Terms

Other terms applicable to the Mortgage and the Collateral Loan Debt are set out in the Credit Documents.

4.7. Interest Rate

To the extent any Interest payable pursuant to this section is calculated monthly not in advance, such rate of interest is equivalent to the rate of interest calculated half-yearly not in advance shown in the equivalent rate table found in Section 11.24.

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## **PART C - VARIABLE RATE MORTGAGES (Applicable to Variable Rate Mortgages)**

### **ARTICLE 5**

#### **5. MORTGAGES WITH A VARIABLE INTEREST RATE**

##### 5.1. When This Article Applies

The provisions of this Article apply if the Mortgage at any time secures Variable Rate Debt. If the Mortgage secures Variable Rate Debt and one or both of Collateral Loan Debt and the Fixed Rate Debt, the provisions of this Article apply only to the Variable Rate Debt. Either the Mortgage Form or another Credit Document will indicate if the Mortgage secures the Variable Rate Debt.

##### 5.2. Changes in the Variable Interest Rate

The Variable Interest Rate is based on the Mortgagee Prime Rate plus or minus the adjustment factor indicated in your Credit Documents and will change with any change in the Mortgagee Prime Rate. If there is a change in the Mortgagee Prime Rate, the Mortgagee may send you notice of the new Variable Interest Rate, but if the Mortgagee fails to do so, you will still be liable to make all payments when due under the Mortgage at the new Variable Interest Rate. These notices form part of the Mortgage. A change in the Variable Interest Rate will become effective on the day that the Mortgagee Prime Rate changes. If it is necessary for the Mortgagee to prove the Mortgagee Prime Rate in effect at any time, you agree that the production by the Mortgagee of a written certificate setting out the Mortgagee Prime Rate at that time is conclusive proof for that purpose.

##### 5.3. The Variable Interest Rate

The Variable Interest Rate payable by you under the Mortgage is a variable rate that may automatically be adjusted following the Interest Adjustment Date and on the first day of each month thereafter.

The Variable Interest Rate is calculated monthly not in advance and payable monthly, or as agreed to by you and us, as well after as before maturity, default and judgment until paid in full.

The Variable Interest Rate calculated monthly not in advance is equivalent to the rate of interest calculated half-yearly not in advance shown in the equivalent rate table found in Section 11.21.

##### 5.4. Variable Interest Rate Payments

Variable Rate Mortgage – Variable Payment

- (i) The amount of your Regular Payment as at the date of advance is set out in the Credit Documents and is based upon the Interest Rate provided in the Mortgage.
- (ii) You acknowledge that the Variable Interest Rate will vary automatically each time there is a change in the Mortgagee Prime Rate with or without any notice to you.
- (iii) If the amount of any Regular Payment paid by you is insufficient to pay the Interest accrued under the mortgage at the time such Regular Payment is paid, the Interest accrued which remains unpaid shall itself bear interest at the Variable Interest Rate until paid.

##### 5.5. Repayment

In addition to those provisions contained in this Article 5, you agree that:

- (i) On the Interest Adjustment Date, you will pay Interest to the Mortgagee at the Variable Interest Rate on all amounts advanced, calculated from the date of each advance to but

- excluding the Interest Adjustment Date.
- (ii) After the Interest Adjustment Date, you will pay the Mortgagee the Variable Rate Principal Amount together with Interest at the Variable Interest Rate on the Variable Rate Principal Amount calculated from the Interest Adjustment Date. You will pay these amounts in Regular Payments beginning on the First Payment Date and continuing on each Payment Date until the Balance Due Date. On the Balance Due Date you will pay the balance of the Variable Rate Debt.
- (iii) If the amount of any Regular Payment is less than the Interest on the Variable Rate Debt due for any Interest Period, any such difference amount for that Interest Period will be added to the Variable Rate Principal Amount and then bear Interest at the Variable Interest Rate.
- (iv) You will continue to pay Interest at the Variable Interest Rate until all of the Variable Rate Debt has been repaid.

#### 5.6. Your Right of Conversion

You, when never having been in default under the terms of the Mortgage, shall have the option at any time during the Term of the Mortgage, of converting a Variable Rate Mortgage to a Fixed Rate Mortgage with a term greater than or equal to the remaining Term. The Mortgage will be converted for the selected term on the original Mortgage upon receipt of a written request made by you and delivered to us at our head office located in the Province of Ontario. The Interest Rate for the converted mortgage shall be based on our prevailing posted Interest Rate in effect on the date the written request for conversion is received by us, plus a premium or minus a discount as established by us, in our sole discretion. The conversion to a Fixed Rate Mortgage will take effect on the next scheduled Payment Date applicable under the Mortgage following receipt by us of the written request of conversion to a Fixed Rate Mortgage. If you decide to exercise this right of conversion, you will agree to also execute, at our request, an Amendment setting out the new terms.

#### 5.7. Compound Interest

- (i) If any Regular Payment is late, the Mortgagee will calculate the Late Interest every day at the Variable Interest Rate on the full amount that is late.
- (ii) The Mortgagee will add the Late Interest to the Variable Rate Debt at the end of each Interest Period.
- (iii) You promise to pay Late Interest immediately when we ask you to pay it both before and after maturity, default and judgment.

#### 5.8. Application of Regular Payments

When the Mortgagee receives a Regular Payment, the Mortgagee will first apply it to Late Interest, if any. Next, the Mortgagee will apply it to Interest on the Variable Rate Principal Amount. Finally the Mortgagee will apply any remaining part of the Regular Payment to reduce the Variable Rate Principal Amount. The Mortgagee may also decide to apply a Regular Payment to other amounts you may owe, for example, Taxes, in any order the Mortgagee determines in its sole discretion. The foregoing is subject to section 2.5.

#### 5.9. Prepayment for Open Mortgages

If the Mortgage, or a portion thereof, is a Variable Rate Mortgage which is open for prepayment and if you have performed all of your Obligations to date, you may prepay all or part of such Variable Rate Principal Amount on any Payment Date without notice or additional charge, provided that if you make a partial prepayment of the Variable Rate Principal Amount, you must continue to make the Regular Payments on the Payment Dates until all of the Variable Rate Debt is paid.

#### 5.10. Prepayment for Closed Mortgages

If the Mortgage, or a portion thereof, is a Variable Rate Mortgage which is closed to prepayment, your right, if any, to prepay all or part of such Variable Rate Debt before the Balance Due Date shall be described in your Credit Documents.

5.11. Portability

If we agree in writing which agreement may be withheld at our sole discretion, you may transfer your existing Mortgage to a new property or you may combine your existing Mortgage 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.

5.12. Prepayment for Renewed or Extended Mortgages

The prepayment provisions set out in this Article are available only during the original Term. If the terms of the Mortgage are renewed or extended and the Renewal Agreement contains prepayment provisions, you agree to be bound by the prepayment provisions set out in the Renewal Agreement. If the terms of the Mortgage are renewed or extended and the Renewal Agreement does not contain prepayment provisions, you agree to abide by the prepayment provisions set out in Section 5.9 (where a Mortgage, or a portion thereof, is a Variable Rate Mortgage, which is open for prepayment) and/or in your original Commitment Letter (where a Mortgage, or a portion thereof, is a Variable Rate Mortgage, which is closed to prepayment).

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## **PART D – FIXED RATE MORTGAGES (Applicable to Fixed Rate Mortgages)**

### **ARTICLE 6**

#### **6. MORTGAGES WITH A FIXED INTEREST RATE**

##### **6.1. When This Article Applies**

The provisions of this Article apply if the Mortgage at any time secures Fixed Rate Debt. If the Mortgage secures Fixed Rate Debt and one or both of Collateral Loan Debt and Variable Rate Debt, the provisions of this Article apply only to the Fixed Rate Debt. Either the Mortgage Form or another Credit Document will indicate if the Mortgage secures the Fixed Rate Debt.

##### **6.2. Repayment**

- (i) On the Interest Adjustment Date, you will pay Interest to the Mortgagee at the Fixed Interest Rate on all amounts advanced, calculated from the date of each advance to, but excluding, the Interest Adjustment Date.
- (ii) After the Interest Adjustment Date, you will pay the Mortgagee the Fixed Rate Principal Amount together with Interest at the Fixed Interest Rate on the Fixed Rate Principal Amount calculated from the Interest Adjustment Date. You will pay these amounts in Regular Payments beginning on the First Payment Date and continuing on each Payment Date until the Balance Due Date. On the Balance Due Date, you will pay the balance of the Fixed Rate Debt.
- (iii) You will continue to pay Interest at the Fixed Interest Rate until all of the Fixed Rate Debt has been repaid.

##### **6.3. Compound Interest**

- (i) If any Regular Payment is late, the Mortgagee will calculate Late Interest every day at the Fixed Interest Rate on the full amount that is late.
- (ii) The Mortgagee will add Late Interest to the Fixed Rate Debt at the end of each Interest Period.
- (iii) You promise to pay Late Interest immediately when we ask you to pay it, both before and after maturity, default and judgment.

##### **6.4. Application of Regular Payments**

When the Mortgagee receives a Regular Payment, the Mortgagee will first apply it to Late Interest, if any. Next, the Mortgagee will apply it to Interest on the Fixed Rate Principal Amount. Finally, the Mortgagee will apply any remaining part of the Regular Payment to reduce the Fixed Rate Principal Amount. The Mortgagee may also decide to apply a Regular Payment to other amounts you may owe, such as Taxes for example, in any order the Mortgagee determines in our sole discretion. The foregoing is subject to section 2.5

##### **6.5. Prepayment for Closed Mortgages**

The terms of your right, if any, to prepay all or a part of the Fixed Rate Debt before the Balance Due Date shall be described in your Credit Documents.

##### **6.6. Portability**

If we agree in writing, which agreement may be withheld at our sole discretion, you may transfer your existing Mortgage to a new property or you may combine your existing Mortgage 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 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.

6.7. Prepayment for Renewed or Extended Mortgages

The prepayment provisions set out in this Article are available only during the original Term. If the terms of the Mortgage are renewed or extended and the Renewal Agreement contains prepayment provisions, you agree to be bound by the prepayment provisions set out in the Renewal Agreement. If the terms of the Mortgage are renewed or extended and the Renewal Agreement does not contain prepayment provisions, you agree to abide by the prepayment provisions set out in your original Commitment Letter.

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## **PART E – AMENDING OR EXTENDING THE MORTGAGE (Applicable to All Mortgages)**

### **ARTICLE 7**

#### **7. RENEWAL AND AMENDMENT PROVISIONS**

##### **7.1. General**

You may renew the Mortgage if the Mortgagee Approves the renewal. A Renewal Agreement will conclusively establish any renewal or extension of the Mortgage as well as the terms of that renewal or extension. You acknowledge that the Mortgagee is under no obligation to offer a renewal or extension to you.

##### **7.2. Renewal Services**

The Mortgagee may allow you to renew the Mortgage and may send you a document confirming the renewal terms. You agree to sign this document and return it to the Mortgagee. For your renewal to be effective, the Mortgagee must receive your signed Renewal Agreement within thirty (30) days prior to the beginning of the new Term.

You agree that if a Renewal Agreement is sent to you but you do not, by the Balance Due Date, either (i) sign and return the Renewal Agreement to the Mortgagee, or (ii) repay to the Mortgagee in full any and all outstanding Debt, the Mortgagee may, at its option, automatically extend the Mortgage on the terms contained in the Renewal Agreement, and you will be bound by such terms. In the event that your Mortgage is automatically extended, you agree that the Mortgagee may process a new Mortgage payment consistent with the terms of the Renewal Agreement. There may be a fee associated with this automatic extension, and if so, it will be disclosed to you in advance of such extension.

No renewal or extension of time given by us to you shall in any way affect or prejudice our rights against you, the Guarantor or any other person. It shall not be necessary to register notice of any such renewal or obtain any consents or acknowledgements in order to retain priority for the Mortgage so altered by any subsequent encumbrance or instrument registered subsequent to the Mortgage.

##### **7.3. If There Are Guarantors**

You and all Guarantors agree that, with the Mortgagee's Approval, any one mortgagor can agree to any Amendment or Renewal Agreement, and that agreement will bind all other mortgagors and all Guarantors. The person so agreeing is deemed to be the agent of the others.

##### **7.4. Registration of Amendments**

You agree that any Amendment does not have to be registered in any land title office. Any Amendment will be binding on you, on the Mortgagee, on any transferee of the Property and on any person who has an interest in the Property. Any Amendment will have priority over any subsequent charge, mortgage, interest in or transfer of the Property to the same extent as if the Amendment had been registered in the appropriate land title office before registration of any subsequent charge, mortgage, interest or transfer.

For purposes of Subsection 27(1)(b) of the *Land Title Act*, this Section 7.4 shall be notice of the Mortgage and contents hereof to every person dealing with the title to the Property.

##### **7.5. No Renewal Without Mortgagee's Approval**

Except as set out in Section 7.2 no payment made by you after the Balance Due Date or after the end of any extension or renewal will result in any renewal or extension of the Mortgage unless the Mortgagee has Approved the extension or renewal in writing.

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## **PART F - OTHER GENERAL PROVISIONS (Applicable to All Mortgages)**

### **ARTICLE 8**

#### **8. OTHER PROVISIONS AFFECTING THE MORTGAGE**

##### **8.1. Sale or Transfer of Property/Subsequent Encumbrances.**

Equitable will not permit any encumbrance to be registered against the lands that are the subject of the Mortgage, except with its consent and as provided below.

If you Convey the Property or any interest in the Property to anyone (in this section a “**Purchaser**”), and you have not obtained the prior written consent of the Mortgagee and informed the Mortgagee of any subsequent amendment to the Conveying document, and the Purchaser has not:

- (i) applied for and received the Mortgagee's Approval to assume the Mortgage; and
- (ii) signed an assumption agreement Approved by the Mortgagee,

then the Mortgagee may demand from you repayment of the Debt by notice in writing and the Debt will become immediately payable in full by you. You expressly acknowledge that Equitable may, in its unqualified subjective discretion, withhold its Approval of a Conveyance.

The applicable prepayment provisions in Articles 4, 5 and 6, or any one or more of them as applicable, will apply to any repayment. No change in the ownership of the Property or in any agreement between the Mortgagee and a Purchaser will in any way affect or prejudice the Mortgagee's rights against you or any other person liable for payment of the Debt. The Mortgagee may enter into agreements with a Purchaser without notice to you and without your Approval. You will not be released from your Obligations even if the Mortgagee accepts money from a Purchaser or if a Purchaser agrees with the Mortgagee without notice to you to assume, renew, extend or amend the Mortgage.

In addition, you acknowledge that you will inform us forthwith of any purchase, sale or any other conveyancing document executed by you which Conveys the Property or any interest in the Property to anyone other than you.

No sale or other conveyance of the Property shall in any way change your liability or alter our rights as against you or as against any other person liable for the Debt hereby secured.

##### **8.2. Assignment of Leases**

As additional security for your performance of the Obligations, you agree to assign to the Mortgagee from time to time, immediately on its request, any lease of the whole or any part of the Property. Any assignment must be in a form acceptable to the Mortgagee. You will deliver to the Mortgagee executed copies of all leases of the Property at the Mortgagee's request. You will comply with all of the landlord's obligations in any lease assigned by you to Mortgagee. You agree that (i) none of the Mortgagee's rights or remedies under the Mortgage will be delayed, hindered or prejudiced by these assignments, and (ii) the Mortgagee shall have no obligations under the assigned leases.

##### **8.3. Assignment of Rents**

You agree with us as follows:

- (i) For the purposes of this section, the term “leases” includes agreements to lease, tenancy agreements, licences and occupancy agreements.
- (ii) You hereby assign to the Mortgagee all rents payable from time to time under all present and

- future leases of all or any part of the Property; you also assign to the Mortgagee the benefit of all other tenants' obligations under those leases.
- (iii) As soon as you enter into any lease of the Property you will, if requested by the Mortgagee, execute and deliver to the Mortgagee an assignment in the Mortgagee's usual form of all rents payable under that lease and the benefit of all other tenants' obligations under that lease. You will also execute and deliver to the Mortgagee any other documents that the Mortgagee determines are necessary to make the assignment effective.
  - (iv) Nothing in the Mortgage, or in the assignments referred to in this Section, will make the Mortgagee responsible for the collection of rents payable under any lease of the Property or for the performance of any other obligations in any lease.
  - (v) The Mortgagee will not be considered a mortgagee in possession or landlord of the Property because of any assignment referred to in this Article.
  - (vi) The Mortgagee has to account only for rent that the Mortgagee actually receives (less reasonable collection charges) and the Mortgagee may apply those rents to repayment of the Debt in any manner that the Mortgagee, in its discretion, determines.

#### 8.4. Payments Mortgagee May Make

The Mortgagee may pay any rents or satisfy any present or future Taxes, mortgages, rates, charges, Strata Expenses or other similar liabilities or interests in the Property. These amounts, when paid by the Mortgagee, bear interest at the highest Interest Rate chargeable under the Mortgage, form part of the Debt and will be secured by the Mortgage. These amounts will be immediately payable by you.

#### 8.5. Taxes

You will pay all Taxes on the Property promptly as they fall due. If the Mortgagee requests evidence of payment of Taxes, you will immediately provide the Mortgagee with evidence satisfactory to the Mortgagee that you have paid all Taxes. If you do not provide the Mortgagee with this evidence, the Mortgagee may obtain it directly from the municipality or other taxing authority. You hereby authorize the municipality to release all tax information in respect of the Property to the Mortgagee.

If a portion of the Debt is Fixed Rate Debt or Variable Rate Debt then the following provisions apply:

- (i) The Mortgagee may pay out of any advance any Taxes payable at the date of that advance or due within the calendar year.
- (ii) If the Mortgagee requires, you agree to pay the Mortgagee on each Payment Date an amount the Mortgagee estimates will be required to provide funds sufficient to pay all Taxes for the year by the time the Mortgagee remits the Taxes. The Mortgagee may pay the Taxes at any time or times as it sees fit.
- (iii) The Mortgagee may re-estimate your Taxes from time to time. You will pay any additional amounts required because of a re-estimate. You will provide the Mortgagee with all tax bills and other notices relating to Taxes on the Property immediately after you receive them. The Mortgagee may obtain these directly from the municipality or other taxing authority.
- (iv) As long as the Mortgagee requires you to make tax payments under this Section, and as long as you have performed all of your Obligations, the Mortgagee agrees to pay from the Tax Account all Taxes as they fall due or at any time the Mortgagee deems fit to the extent that there are sufficient funds in the Tax Account. If the amount in the Tax Account is insufficient, the Mortgagee may, at its option, either debit to the Tax Account or add to the Debt the amount by which the Tax Account is insufficient.
- (v) Any debit balance in the Tax Account will bear Interest at the highest interest rate chargeable under the Mortgage, form part of the Debt and be secured by the Mortgage. The Mortgagee will not pay interest on any credit balance in the Tax Account.
- (vi) If, at any time, the Taxes that the Mortgagee has paid exceed the amount you have paid under this Section, you will immediately, on the Mortgagee's request, pay the Mortgagee that difference.

- (vii) The Mortgagee is not a trustee of the Tax Account.
- (viii) If you fail to perform any of your Obligations, any payments made by you under this Section may, at the Mortgagee's option, be
  - (a) credited to the Tax Account; and/or
  - (b) applied against the Debt; and/or
  - (c) electronically debited from your bank account.

#### 8.6. Bank Account for Payment

By signing the Mortgage you:

- (i) Agree to maintain an account of a type satisfactory to us with a branch of a bank, trust company or credit union and provide an authorization in a form satisfactory to us to automatically debit each payment of principal, interest, taxes and/or life insurance premiums (as applicable) when due.
- (ii) Agree to ensure that the account always contains sufficient funds to make each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing of the account will be considered to be a default under the Mortgage.
- (iii) Agree to pay to us our processing fees for any actions that we have to take under this Article.
- (iv) Expressly give us the authorization, upon reasonable notice given to you from us, to:
  - (a) electronically debit your account for an amount higher or lower than the Regular Payment on your Regular Payment date; or
  - (b) electronically debit your account in addition to your Regular Payment, for additional monies owing by you to us as a result of adjustments for tax, utility or other arrears.
- (v) Agree that you waive the notification described in subsection (iv) above if we, in our sole and arbitrary discretion, decide not to give such notification.
- (vi) Agree to provide us with, upon our request, a post-dated cheque, or a series of post-dated cheques, for any payment, including payments of Taxes required under the Mortgage.

#### 8.7. Repair and Maintenance of the Property

You agree as follows:

- (i) You will keep the Property in good condition and repair and you will not do anything that will diminish the value of the Property.
- (ii) You will not change the use of the Property.
- (iii) You will pay the Mortgagee on demand the reasonable Costs of those inspections, investigations, assessments, studies and testing concerning the Property.
- (iv) You will promptly, at your own cost, comply with all Laws concerning the Property.
- (v) At your own cost, you will make all Improvements or alterations to the Property that may be required at any time by any Law.
- (vi) You will notify the Mortgagee forthwith of any substantial Improvements or damage to the Property.

#### 8.8. Mortgagee's Rights During Construction

If any portion of the Mortgage is to finance an Improvement, you must so inform us in writing immediately and before any advances are made by the Mortgagee. Before commencing any construction on the Property you will have all plans and specifications Approved by the Mortgagee. You will establish, maintain and operate at all relevant times a holdback account or accounts as required by the *Builders Lien Act* (British Columbia) and provide the Mortgagee any information relating to holdback accounts as required by the Mortgagee. You will use any funds in the holdback accounts only as permitted by the *Builders Lien Act* and will not disburse any funds from the holdback accounts until the expiry of all applicable lien filing periods.

If at any time:

- (i) any construction on the Property remains unfinished and without any work being done on it for more than ten (10) consecutive days;
- (ii) you deviate from any plans that have been Approved by the Mortgagee;
- (iii) you deviate from the generally accepted local standards of construction; or
- (iv) you allow a builder's lien to be registered against the Property for more than thirty (30) days,

then the Mortgagee may, without becoming a mortgagee in possession, enter the Property and do all work necessary to protect the Property from deterioration. This includes the Mortgagee completing, or partially completing, any construction on the Property in accordance with plans and specifications that have been Approved by the Mortgagee or otherwise as the Mortgagee, in its discretion, determines. In completing construction, Mortgagee may use and have exclusive possession of all materials and equipment on the Property without any interference from you. The Mortgagee may also pay the amount of any lien and when paid, such amounts will bear interest at the highest Interest Rate chargeable under the Mortgage, form part of the Debt, be secured by the Mortgage, and be immediately payable by you.

### 8.9. Insurance

You agree as follows:

- (i) As long as there is any Debt outstanding, you will, at your expense, take out and keep in force insurance on the Property.
- (ii) You will keep the Property (and any income derived therefrom) insured against loss or damage in an amount equal to not less than one hundred percent (100%) of the full replacement value of the Property pursuant to a mortgage endorsement in favour of the Mortgagee issued by your insurer for the Property. The risks against which you must insure include fire, extended perils, tempest, tornado, cyclone, lightning, wind, storm, hail, explosion, riot, impact by aircraft or vehicle, smoke damage, other risks covered by a standard extended coverage insurance policy and any other risks and hazards that the Mortgagee may from time to time require. You will ensure that the Mortgagee is sent copies of all notices sent to you about this insurance.
- (iii) If the Property is a strata lot, you will ensure that the Strata Corporation takes out and keeps the insurance as required by the *Strata Property Act*.
- (iv) As long as there is any Debt outstanding, if a sprinkler system, a steam boiler or any apparatus operating or operated by steam is installed in or operated on the Property, you will insure the buildings on the Property against loss or damage caused by any bursting, explosion or defect in the sprinkler system, boiler or apparatus to the full replacement value of the Property.
- (v) All insurance policies must provide that any loss will be payable to the Mortgagee as its interest may appear and must contain the standard mortgage clause Approved by the Mortgagee.
- (vi) The Mortgagee may require any insurance on the Property to be cancelled and new insurance taken out with an insurance company Approved by the Mortgagee (and Approved by the landlord under the Lease if the Property is a Leased Property and if required by the Lease). The Mortgagee may, without consulting you, take out any insurance on the Property if the Mortgagee has not received proof of coverage satisfactory to it.
- (vii) You agree that you will deliver certificates of insurance or, if required by the Mortgagee, certified copies of insurance policies as soon as possible after placing the required insurance.
- (viii) All policies must contain an undertaking by the insurer to notify the Mortgagee in writing not less than fifteen (15) days prior to any material change, cancellation, failure to renew or termination of any policy.
- (ix) If you fail to take out or to keep in force any insurance policy, or if any insurance policy is not Approved by the Mortgagee, and if you do not rectify the situation within seven (7) days after written notice from the Mortgagee, the Mortgagee may, without consulting you, take out insurance at your expense.
- (x) If you have failed to meet any of your Obligations, the Mortgagee may charge you the cost of insuring the Property under an individual or a blanket insurance policy issued to the

Mortgagee. The Mortgagee is under no obligation to insure the Property or to insure the Property for more than the Debt. However, if the Mortgagee does take out additional insurance, it will be at your expense.

- (xi) If the Mortgagee pays any premiums for insuring the Property, the amount of all payments will bear interest at the highest Interest Rate chargeable under the Mortgage, form part of the Debt, be secured by the Mortgage and be payable immediately.
- (xii) When the Mortgagee requests it, you will provide the Mortgagee with satisfactory evidence of the insurance required under this section and proof that the premiums for that insurance have been paid. You must also provide the Mortgagee with satisfactory evidence of the renewal of all insurance policies at least fifteen (15) days before the termination of each policy.
- (xiii) The Mortgagee, in our discretion, may require that all insurance proceeds be paid to the Mortgagee, to you or to any other person appearing by the records of the land title office to be or to have been the owner of the Property. The proceeds may also be paid in one way or another, or they may be applied, in the Mortgagee's sole discretion, in whole or in part to repay the Debt even if the Debt is not yet due.
- (xiv) The Mortgagee may, in our discretion, require that the insurance proceeds be applied to rebuilding or repairing the Property.
- (xv) If the Property is a Leased Property, the insurance proceeds will be applied to rebuilding or repairing the Property, if required by the Lease.
- (xvi) If the Property is not a strata lot, all policies of insurance must show any loss payable (i) to the Mortgagee, or (ii) to a trustee Approved by the Mortgagee pursuant to an insurance trust agreement Approved by the Mortgagee. The terms of any insurance trust agreement may not, once Approved by the Mortgagee, be altered without the Mortgagee's further Approval.
- (xvii) The Mortgage also charges all insurance proceeds as security for the Debt. If the Property is a strata lot, the Mortgage also charges your interest in the insurance trust and on any insurance proceeds relating to the Property held by the trustee.
- (xviii) If the Property is a strata lot, you will take reasonable steps to ensure that the Strata Corporation will at all times comply with the terms of all insurance policies and any insurance trust agreement. You will also take reasonable steps to ensure that the insurance taken out by the Strata Corporation complies with the Obligations of this section. Finally, you will take reasonable steps to ensure that the Strata Corporation assigns and delivers to the Mortgagee certificates of insurance or, if required by the Mortgagee, certified copies of each insurance policy, as soon as possible after placing the required insurance.
- (xix) If there is any loss or damage, you must furnish at your own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance proceeds.
- (xx) Production of the Mortgage will be sufficient authority for the insurer to pay any loss to the Mortgagee.
- (xxi) During such time or times as there is construction of any buildings or other Improvements on the Property, you will maintain builder's all-risk insurance with a stated amount clause for the Improvements for full insurable value.
- (xxii) The insurance provisions of this section apply to all buildings, structures and Improvements on the Property whenever built and during construction.

In the event any provisions of the Mortgage are in conflict with those of the *Insurance Act* (British Columbia) or the *Fires Prevention (Metropolis) Act, 1774*, the provisions of the Mortgage will prevail and you expressly waive any rights, privileges or benefits to which you would otherwise be entitled under such legislation or any legislation enacted in replacement thereof.

#### 8.10. Subdivision, Release and Replacement of Property

You agree as follows:

- (i) The Mortgage charges every part, lot or strata lot into which the Property is or may be divided for all of the Debt.

- (ii) No person will have any right to require the Debt to be apportioned with respect to any part or lot.
- (iii) At any time before or after the Mortgage is registered, the Mortgagee may take other security, take evidence of indebtedness or obtain additional promises of payment.
- (iv) None of these actions will affect the Mortgagee's rights under the Mortgage or limit the liability of any person who is liable under the Mortgage or any Guarantor.
- (v) The Mortgagee may, on any terms that the Mortgagee deems proper in our sole discretion, release or discharge the following in any combination:
  - (a) the Property;
  - (b) any part of the Property;
  - (c) any other security the Mortgagee has taken;
  - (d) you, or any borrower; and/or
  - (e) any Guarantor.
- (vi) The Mortgagee may at any time without notice to any person or without the consent of any person, make a concession, waiver, settlement, extension or variation in the terms of any Obligation.
- (vii) No release, discharge, concession, waiver, settlement, extension or variation in terms, nor any carelessness or neglect by the Mortgagee in asserting its rights, the loss by operation of Law of any right the Mortgagee has against you or any other person, or the loss or destruction of any security, will in any way release, diminish or prejudice its security against any undischarged Property. Similarly, no such action will release or prejudice any of the Obligations or release or diminish your liability or the liability of any Guarantor so long as any Debt remains unpaid.
- (viii) No security or Guarantor will be released or discharged except by a written release or discharge executed by the Mortgagee.

#### 8.11. Change of Control

If you are a corporation and any interest in your issued and outstanding shares is Conveyed so that there is a change in your effective voting control without the Mortgagee's prior Approval, then the Mortgagee may demand from you repayment of the Debt by notice in writing and the Debt will become immediately payable in full by you. The Mortgagee's Approval may be withheld in its unqualified subjective discretion. The applicable prepayment provisions in Articles 4, 5 and 6 or any one or more of them as applicable, will apply to any repayment.

#### 8.12. Servicing Fees

The Mortgagee may charge a reasonable servicing fee to process each application for Approval contemplated by this Article. This servicing fee will be payable immediately upon demand, form part of the Debt and be secured by the Mortgage.

#### 8.13. Sale or Securitization

We may, at our option, exercisable in our sole discretion, sell, transfer, assign, encumber, create a trust in respect of, securitize, insure, or otherwise deal with all or any part of the Obligations, including any Loan and the related Debt and Credit Documents, or any interest therein, without restriction and notice to you, any co-borrower and Guarantor, or any other person including your spouse. Each of you and any co-borrower and Guarantor hereby acknowledges and agrees that it has consented to such dealings and that no further notices or consents are required.

If we do so, you agree that the Mortgage shall continue to secure all Obligations, including each Loan and all Debt, or any interest therein, that have been sold, transferred, assigned, encumbered, made subject to a trust, securitized, or otherwise dealt with, and all Obligations, including each Loan and all Debt, which arise after any such sale, transfer, assignment, encumbrance, trust, securitization, or any other dealing (provided, for the avoidance of doubt, that the Loan and Obligations shall continue to be subject to the terms hereof, including that any Obligations in respect of a Loan that is insured and/or financed by the Mortgagee under an NHA Program

shall have priority as to payment, collection and in respect of Mortgage enforcement, irrespective of the time or the order of any Loans, over any other Loan made by the Mortgagee to you from time to time pursuant to a Credit Document secured or to be secured by the Mortgage that is not insured and/or financed under an NHA Program, and this action shall not have any impact on the interest rate or other terms of the Loans pursuant to the Credit Documents).

Once sold, transferred, assigned, encumbered, made subject to a trust, securitized, or otherwise dealt with, such Obligations, including each Loan and all Debt, or any interest therein may be repurchased, reacquired, or redeemed by the Mortgagee at any time, whether or not an Event of Default has occurred.

The Mortgagee may from time to time, in connection with the sale, assignment, syndication or securitization of a Loan, or otherwise, appoint or designate a custodian or agent for a Loan, which may be the registered mortgagee. You and any co-borrower and Guarantor, if any, acknowledges that such custodian or agent will have no liability whatsoever to you or any co-borrower and Guarantor(s), if any, in connection with a Loan.

The Mortgagee shall have the unrestricted right from time to time to appoint a third party to service or administer any Loan, and to deal with you and any co-borrower and Guarantor(s), if any, in place of the Mortgagee, provided that until the Mortgagee gives notice of such appointment to you, you and each co-borrowers and Guarantor(s), if any, shall continue to deal with the Mortgagee in matters pertaining to the servicing or administration of the Loan.

You and each co-borrower and Guarantor and spouse executing the mortgage hereby authorize and consent to us or any other person having an interest in the Mortgage and related Debt 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 personal or other information (including financial information) with respect to you, any co-borrower and 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 your Mortgage from time to time.

#### 8.14. Repayment of Payments Made by Mortgagee

Subject to section 2.5, any payments made by Mortgagee under this Article will be added to the Debt and are payable by you immediately.

#### 8.15. Assumption

If you are not the original borrower of the Mortgage, you agree to be bound by all obligations of the original borrower under the Mortgage. Notwithstanding the foregoing, Equitable may, in its unqualified subjective discretion, refuse to Approve an assumption.

#### 8.16. Inspection

You agree that:

- (i) If we, or any mortgage insurance company, if this is an Insured Mortgage, or any Financing Guarantor or any of our respective authorized representatives or agents, have cause to do so pursuant to the terms hereof, you agree that any of such parties may enter upon the Property and any buildings on the Property to inspect the Property and the condition of the buildings and other improvements on the Property.
- (ii) If we, or any mortgage insurance company, if this is an Insured Mortgage, or any Financing Guarantor or any of our respective authorized representatives or of our respective agents, have reason to believe the Property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that any of such parties may, at any time,

before or after Default, enter and inspect the Property and conduct any environmental testing, site assessment, investigation or study, which any of the parties mentioned herein, or their agents, deem necessary;

- (iii) You agree that the cost of this testing, assessment, investigation or study, with interest at the Interest Rate, will be immediately payable by you and shall be a Debt; and
- (iv) Neither we, nor any mortgage insurance company (if this is an Insured Mortgage), nor any Financing Guarantor or any of our respective authorized representatives or agents shall become a mortgagee in possession, management or control by exercising these rights.

#### 8.17. Land Transfer Form Act Covenants

The Mortgage is made pursuant to Part 3 of the *Land Transfer Form Act* (British Columbia) except as otherwise provided in the Mortgage. Clause 15 of Schedule 6 of the *Land Transfer Form Act* is expressly excluded from the Mortgage.

In this Section 8.17, "land" means the Property and "mortgage money" means the Debt. You covenant with the Mortgagee that you:

- (i) will pay the mortgage money;
- (ii) if you own your Property, have good title in fee simple to the Mortgage money;
- (iii) have the right to convey the lands to the Mortgagee;
- (iv) have done nothing to encumber the lands other than encumbrances Approved by the Mortgagee;
- (v) will execute such further assurances of the lands as may be requisite; and
- (vi) and that, on default, the Mortgagee shall have quiet possession of the lands free from all encumbrances, other than as Approved by the Mortgagee.

#### 8.18 Transfer of Mortgage

The Mortgagee may, in its unqualified subjective discretion, refuse to Approve a transfer of the Mortgage to another lender.

### **ARTICLE 9**

#### 9. PROVISIONS FOR SPECIFIC TYPES OF PROPERTIES

##### 9.1. Promises for Leased Property

If the Property is a Leased Property, you promise and confirm to the Mortgagee that:

- (i) You own your leasehold interest in the Property;
- (ii) You have the right to the mortgage or charge the Lease and sublet the Leased Property to the Mortgagee;
- (iii) If required under the Lease, you have obtained the landlord's consent to the Mortgage;
- (iv) Neither you nor any other person has mortgaged or otherwise encumbered the Lease or your rights under the Lease;
- (v) The Lease is a valid, existing lease and has not been amended except as you have advised the Mortgagee in writing;
- (vi) You have paid the rent and performed your obligations under the Lease up to the date you signed the Mortgage and there is no default under the Lease;
- (vii) You will not amend, surrender or terminate the Lease without the Mortgagee's prior Approval;
- (viii) You will pay the rent under the Lease and perform your obligations under the Lease as long as the Debt is outstanding;

- (ix) You will provide the Mortgagee with any notice of default under the Lease that you receive; and
- (x) You will indemnify the Mortgagee from all actions, claims and demands relating to defaults under the Lease.

### 9.2. Additional Provisions for Leased Property

If the Property is a Leased Property, the following provisions apply:

- (i) Your mortgage, charge and sublease to the Mortgagee your entire interest (including, without limitation, any option or right of first refusal to purchase) in the Leased Property for the entire term (except the last day) or renewal thereof (except the last day) of the Lease.
- (ii) Your mortgage, charge and sublease of the Leased Property to the Mortgagee as security only and not as a complete assignment of your interest.
- (iii) You hold all other rights under the Lease in trust for the Mortgagee, including the last day of the term of the Lease (including the last day of any renewal), and any right of renewal or right to purchase.
- (iv) You hereby irrevocably appoint the Mortgagee as your agent. If there is default under the Mortgage, the Mortgagee may, as your agent, assign the Lease and the last day of the term of the Lease as the Mortgagee may determine in its discretion.
- (v) If the Mortgagee sells the Leased Property pursuant to Article 9, the Mortgagee may assign your interest in the Lease to a purchaser.
- (vi) The Mortgagee may at any time remove you or any other person from being a trustee of the Lease under the trust set out in Subsection 9.2(iii) and appoint a new trustee in your place.
- (vii) At the Mortgagee's request but at your cost, you will assign to the Mortgagee the last day of the term of the Lease or any renewal or substituted term.
- (viii) If the Mortgagee sells the Leased Property under applicable Law you will hold the Leased Property and the last day of the term in trust for any purchaser.
- (ix) If you neglect or refuse to renew the Lease, then the Mortgagee may renew the Lease in its own name so that the Lease will continue to be security for the Mortgage.
- (x) If you have not performed your Obligations, the Mortgagee may, on reasonable written notice to you assign the Lease.
- (xi) Any assignment may be on the terms set out in these standard mortgage terms.
- (xii) No sale or other dealing by you with the Lease or the Leased Property and no extension of time given by the Mortgagee to you, or anyone claiming under you, or any dealing by the Mortgagee with the landlord or the Lease, will in any way affect or prejudice Mortgagee's rights against you or any other person liable to repay the Debt.
- (xiii) If you acquire any additional interest in the Leased Property, then by the Mortgage you charge that additional interest to the Mortgagee without you or the Mortgagee having to do anything further.
- (xiv) No action taken by the Mortgagee pursuant to Section 9.2 will make the Mortgagee a mortgagee in possession.

### 9.3. Additional Promises if the Property is a Strata Lot

You promise to perform all of your obligations under the *Strata Property Act* and under the by-laws, the rules and regulations of the Strata Corporation. Any breach of those obligations will constitute a Default under the Mortgage. In addition, the following provisions apply:

- (i) You will pay promptly when due all strata fees, special levies and other charges payable to the Strata Corporation by you (collectively, the "**Strata Expenses**") and any and all money due and payable in accordance with the provisions of the Strata Property Act or the said declaration or the said by-law of the corporation from time-to-time on or before the dates for payment thereof. In the

- event that you fail to make such payment, Equitable may pay the same and treat such default as a Default of payment under the Mortgage.
- (ii) On request, you will immediately provide the Mortgagee with satisfactory evidence that all Strata Expenses or special assessments have been paid.
  - (iii) The Mortgagee may deduct from any advance of the Principal Amount any amount payable to the Strata Corporation by you which is unpaid at the date of that advance.
  - (iv) If the Mortgagee requests it, you will give it copies of all by-laws, minutes, notices, financial statements, reserve fund studies and other documents from time to time given to you by the Strata Corporation. In any event, you will promptly give to the Mortgagee any notices of any defaults or breaches, whether alleged or otherwise, from the Strata Corporation concerning you or the Property.
  - (v) If the Mortgagee gives you notice, you will pay to the Mortgagee the amount necessary to pay the Strata Expenses. The Mortgagee will remit all sums to the Strata Corporation on your behalf.
  - (vi) If the Mortgagee becomes a mortgagee in possession, by reason of default or otherwise, you authorize the Mortgagee, in your name and on your behalf, to exercise your rights under the Strata Property Act to vote at any meeting of the Strata Corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the Strata Corporation or the termination of the applicable of the Strata Property Act to the Strata Corporation.
  - (vii) Subject to the *Strata Property Act*, you assign to the Mortgagee all your rights under the *Strata Property Act* and any by-laws, rules and regulations of the Strata Corporation, and you irrevocably authorize the Mortgagee to exercise your right to vote or to consent in all matters relating to the affairs of the Strata Corporation, provided that:
    - (a) the Mortgagee will only exercise your right to vote or consent if the Mortgagee has given you and the Strata Corporation the notice required by the *Strata Property Act* that the Mortgagee intends to exercise this right;
    - (b) the Mortgagee is not under any obligation to vote or consent;
    - (c) in voting or consenting, the Mortgagee is not obligated to protect your interests, but may vote or consent as the Mortgagee, in its discretion, determines; and
    - (d) even if the Mortgagee votes or consents, the Mortgagee is not a mortgagee in possession.
  - (viii) The Mortgagee may from time-to-time waive the right to vote or right of consent by giving notice of intention to do so to the Strata Corporation and such waiver may be for an indeterminate period of time until withdrawn or for a limited period of time or for a specific meeting or matter, and while such waiver is in effect you may exercise the right to vote or to consent.
  - (ix) Notwithstanding the foregoing, if the Mortgagee does not exercise the voting rights granted hereunder, you may do so provided you may not vote for any action that might reduce the value of the Property, the complex, or the Mortgagee's interest therein.
  - (x) You may not give up possession of the Property to any person if by so doing you are deemed under the *Strata Property Act* to have assigned your rights under the *Strata Property Act* and particularly the right to vote.
  - (xi) If the Strata Corporation Conveys any common property or common elements and, in the opinion of the Mortgagee, the value of the Property is reduced as a result such Conveyance shall constitute a Default.
  - (xii) In the event that the government of the Property by the Strata Corporation is terminated or in the event of a sale of the Property or a part of the common property of the Strata Corporation being authorized by a vote of the owners of the said strata lots then, and in any such event, the monies hereby secured shall, at the option of the Mortgagee, become due and payable, and all the powers given herein shall become exercisable notwithstanding any consent given by Mortgagee to such termination or sale.

## ARTICLE 10

### 10. ENFORCEMENT

## 10.1. Enforcing Mortgagee's Rights

If you do not comply with any of your Obligations, the Mortgagee may, subject to applicable Laws, exercise any one or more of the remedies listed below in any order that the Mortgagee chooses, subject to the provisions of section 2.5:

- (i) **Immediate Payment**  
The Mortgagee may, at its option without notice to you, require all Debt to be paid to the Mortgagee immediately.
- (ii) **Legal Action**  
The Mortgagee may take whatever legal action is necessary to collect all or part of the Debt. This legal action may include suing you for the Debt.
- (iii) **Personal Property**  
The Mortgagee may enter the Property and distrain against (i.e., seize and sell) any personal property owned by you to repay all or part of the Debt.
- (iv) **Take Possession of the Property**  
The Mortgagee may take and keep possession of the Property, collect rents from it, and manage or lease the Property or any part of it. Before the Mortgagee takes possession of the Property, the Mortgagee can ask you to leave the Property with all your belongings and if you do not do so, the Mortgagee may make any necessary applications and the courts of British Columbia may order you to leave. If you refuse to do so, the courts of British Columbia may have you forcibly removed. If you have not removed your personal belongings from the Property before the Mortgagee takes possession, you authorize the Mortgagee to remove and dispose of your belongings in any manner that the Mortgagee, in its absolute discretion, deems appropriate, without notice to you. The Mortgagee will have no liability for moving, disposing or storing those belongings. You will be responsible for all Costs incurred by the Mortgagee in dealing with those belongings.
- (v) **Lease the Property**  
The Mortgagee may take possession of the Property and lease it on any terms that Mortgagee determines in its discretion without notice to you. The Mortgagee may apply the net proceeds of any lease to reduce the Debt. If the net proceeds do not pay all of the Debt, you must immediately pay the Mortgagee the difference.
- (vi) **Foreclosure**  
The Mortgagee may take court proceedings to foreclose your interest in the Property. If the Mortgagee obtains a final order of foreclosure, your interest in the Property will belong to the Mortgagee and you will have no further interest in the Property.
- (vii) **Judicial Sale**  
The Mortgagee may ask the court to order a sale of the Property, under the court's supervision. If the amount the Mortgagee receives from the sale of the Property is less than the Debt, you must immediately pay the Mortgagee the difference.
- (viii) **Power of Sale**  
If any Default continues for at least fifteen (15) days, subject to applicable Laws, or any other minimum period that may be prescribed by Law, the Mortgagee may sell the Property or any part of it. Any sale may be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on any terms that the Mortgagee determines in its discretion. The Mortgagee will apply the net proceeds of any sale to reduce the Debt. If the net proceeds do not pay all of the Debt, you must immediately pay the Mortgagee the difference.
- (ix) **Cure any Defaults**  
The Mortgagee may, but is not obligated to, cure any of your Defaults under the Mortgage at your expense, and generally take any other steps of proceedings against you as are permitted by Law. You will immediately pay the Mortgagee any money we spend or are obligated to spend in curing any Defaults and the money spent shall bear interest at the highest Interest Rate chargeable under the Mortgage. The Mortgagee may add any money it has spent curing your Defaults to the Debt and it will be secured by the Mortgage in any event.

In order to cure any Defaults, the Mortgagee may enter on the Property as often as necessary at any time. If the Mortgagee enters the Property, we will not be a mortgagee in possession.

(x) **Receiver**

The Mortgagee may appoint a Receiver.

(xi) **Other Remedies**

The Mortgagee may take any and all other legal steps and court proceedings available to a mortgagee at law and in equity.

## 10.2. Other Defaults

The Mortgagee may also exercise its remedies under this Article if any one or more of the following occurs:

- (i) if the Property is the subject of a restraint order under the *Controlled Drugs and Substances Act* (Canada) or a similar order under any Law;
- (ii) if you have ever used, or currently use the Property for any purpose that is in violation of the *Controlled Drugs and Substances Act* or any similar Law;
- (iii) if you have made any material misrepresentation to the Mortgagee in connection with the Mortgage or the other Credit Documents;
- (iv) if you commit any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) (as amended or replaced) or become bankrupt or insolvent, or if a petition in bankruptcy is filed against you, or if you make an assignment for the benefit of creditors, or if a Receiver or trustee is appointed for you or any of your assets; or
- (v) if you fail to clear and/or complete any Work Order issued to you by any governmental authority having or claiming jurisdiction over the Property or any buildings located on the Property within thirty (30) days of receiving such Work Orders, or such longer period of time as we may agree to from time to time.

## 10.3. Costs of Proceedings

The Costs of any sale or foreclosure proceedings, whether or not the sale or foreclosure is completed, or any Costs that the Mortgagee incurs in taking or keeping possession of the Property or enforcing its remedies under the Mortgage, are immediately payable by you whether or not any actual proceeding has commenced.

## 10.4. Prepayment After Default

If we declare the Principal Amount, or balance of the Mortgage, payable upon the occurrence of an event of Default and the balance declared due is paid prior to the Balance Due Date or any maturity date of the last renewal, you agree to compensate us as liquidated damages for costs reasonably incurred by us and not as a penalty (in addition to Costs), in lieu of providing us with three (3) months' notice, by paying to us an amount equal to three (3) months' interest at (i) the then current Variable Interest Rate calculated on the outstanding Variable Rate Debt and (ii) the Fixed Interest Rate calculated on the outstanding Fixed Rate Debt, as the case may be.

## 10.5. Payment after Maturity

Where there is a Default after the Balance Due Date or maturity date of the last renewal of the Mortgage, you may pay the outstanding Principal Amount of the Mortgage only upon payment of three (3) months' interest at (i) the then current Variable Interest Rate calculated on the outstanding Variable Rate Debt and (ii) the Fixed Interest Rate calculated on the outstanding Fixed Rate Debt, as the case may be, calculated on the outstanding Principal Amount (at the current rate of Interest in effect on the date of such Default) in lieu of three (3) months' notice and as liquidated damages for costs reasonably incurred by us and not as a penalty (in addition to Costs).

## 10.6. Appointment of Receiver

If you do not comply with any of your Obligations, the Mortgagee may appoint a Receiver on any terms (including remuneration) that the Mortgagee deems reasonable. The Mortgagee may also remove any Receiver and appoint another Receiver. The following provisions apply:

- (i) The Receiver will be your agent, not the Mortgagee's.
- (ii) You alone will be responsible for any of the Receiver's acts or omissions.
- (iii) The Mortgagee will not be responsible for any misconduct or negligence of the Receiver.
- (iv) Any Receiver may or may not be the Mortgagee's officer or employee.
- (v) Appointing a Receiver will not constitute the Mortgagee as a mortgagee in possession.
- (vi) From the income collected, the Receiver may pay all Taxes, insurance premiums and other expenses required to keep the Property in good condition; pay its own fees as Receiver; pay all amounts required to keep any mortgages or other interests ranking in priority to the Mortgage in good standing; pay Interest; and pay all or any part of the Debt, whether due or not.
- (vii) The Mortgagee is not accountable for any money received by the Receiver except to the extent that the Mortgagee actually receives that money.

The Receiver may do any one or more of the following:

- (i) use every right or remedy that the Mortgagee has under the Mortgage to collect the income from the Property, take possession of all or part of the Property, manage the Property and keep the Property in good condition;
- (ii) manage any business conducted on the Property;
- (iii) lease all or any portion of the Property, and for this purpose enter into contracts in your name that will be binding on you;
- (iv) sell the Property;
- (v) arrange for the repair and maintenance of the Property; arrange to complete any construction on the Property; arrange for construction of leasehold improvements;
- (vi) register plans of subdivision and declarations and descriptions for the Property;
- (vii) take possession of and use any materials, supplies, plans, tools or equipment on the Property; and
- (viii) borrow money on the security of the Property in priority to the Mortgage.

The rights and powers in this Section are supplemental to any other rights and powers that the Mortgagee may have.

#### 10.7. Court Appointed Receiver

The Mortgagee may ask the Court to appoint a Receiver, or confirm the appointment of a Receiver, of the Property. The terms of the appointment of this Receiver will be as the Court determines.

#### 10.08 Arbitration

You agree that arbitration is a more efficient and cost effective way to resolve claims than court litigation.

Accordingly, because arbitration provides an efficient form of claim resolution you therefore agree that any claim, dispute or controversy that arises from or relates to (a) your Mortgage (b) the Credit Documents or (c) any other benefits or services related to the Mortgage and Credit Documents will be resolved by way of binding arbitration.

Arbitration will follow the National Arbitration Rules of the ADR Institute of Canada Inc., or its successors (the "Arbitrator"). The Mortgagee reserves the right to change or replace the Arbitrator, at its sole discretion. Arbitration will take place in the province or territory where you reside and any decision rendered will be final and binding. Either party has the right to appeal the Arbitrator's award to an appeal panel administered by the Arbitrator provided it gives the Arbitrator notice of its intention to appeal within thirty (30) days from the date of the written arbitration award. The appeal decision will be final and binding, there will be no further appeal and you acknowledge that it will be considered as a final award.

If you do commence arbitration proceedings you acknowledge that it will only relate to your claim and cannot be on behalf of anyone else or anyone else's claim and that the Arbitrator will have no jurisdiction or authority to consider any claim you commence if it appears that it is in any way on behalf of any other person or group or persons.

## **ARTICLE 11**

### **11. MISCELLANEOUS PROVISIONS**

#### **11.1. Judgments**

If the Mortgagee obtains a judgment because of your Default in any Obligation, that judgment will be obtained in accordance with section 2.5, but in any event it shall not operate as a merger of any Obligation or affect the Mortgagee's right to Interest. Any judgment will provide that Interest is to be computed at the same rate and in the same manner as set out in the Mortgage until the judgment is fully paid.

#### **11.2. Expropriation**

If the entire Property is expropriated, the Debt will immediately become payable, along with loss of interest, including any prepayment charges, if applicable, as described elsewhere in these standard mortgage terms.

If only a part of the Property is expropriated, the amount you are awarded for the partial expropriation will be paid to the Mortgagee and we will credit this amount to your Debt. If, in the Mortgagee's opinion, the remainder of the Property does not provide adequate security for the remaining Debt, then the Debt, or any part of the Debt as the Mortgagee determines, will immediately become due and payable, plus any loss of interest.

#### **11.3. Administration Fees**

You agree to pay to us servicing fees to cover our time and costs for administration of the Mortgage including without limitation, a fee or allowance for:

- (i) dealing with each late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment that does not clear as scheduled;
- (ii) preparing each arrears, reinstatement, discharge or other the mortgage statement, whether provided to you, our agents or solicitors or any other interested person;
- (iii) processing each application to obtain our consent or our approval for any other matter required by the Mortgage whether or not approval or consent is provided or the matter is completed;
- (iv) adjusting the amortization of the Mortgage;
- (v) adjusting the frequency, date or amount of your Regular Payments;
- (vi) investigating, preparing and issuing statements, files, letters, demands or other correspondence in connection with enforcing your obligations under them Mortgage;
- (vii) processing each extension, renewal, restructuring or other amendment of the Mortgage or amounts secured by the Mortgage, whether or not completed;
- (viii) investigating the status of any insurance and administering insurance cancellations and paying insurance premiums;
- (ix) processing any assumption or port of the Mortgage which has been Approved by the Mortgagee;
- (x) investigating the status of realty tax payments and administering tax payments;
- (xi) registering a financing statement or financing change statement or issuing or receiving any notice or information, security status or acknowledgement request and conducting any required searches;

- (xii) registering electronically or otherwise, or executing and delivering any discharge of the Mortgage (notwithstanding that the discharge may have been prepared by you or other person on your behalf);
- (xiii) the personal time and trouble of our employees or agents in collecting any payment or inquiring into compliance or otherwise reviewing or dealing with or enforcing any other obligation contained in the Mortgage or instructing and assisting counsel or other agents with respect to the enforcement of the Mortgage and any litigation in relation thereto or in managing or selling the Property including, without limitation, with respect to taxes, Strata Expenses and matters, insurance, repair and construction, environmental matters, leases and other encumbrances; and
- (xiv) generally, any matter connected with the proper administration of the Mortgage.

Our administration fees shall be the amounts established and generally applied by us from time to time and may be disclosed in the Mortgage Form or other Credit Documents or ascertained upon inquiry to us. We may change the amounts of such fees from time to time by providing notice to you in advance of such changes. Any administration fees owing by you to us which are not paid shall be added to the Debt and shall bear interest at the rate set forth in the Mortgage.

#### 11.4. Discharge

When you have paid the Debt in full and performed all of your other Obligations and Mortgagee has no further obligation to you under the Credit Documents, the Mortgagee will, if requested by you, deliver to you a discharge of the Mortgage. The Mortgagee will have reasonable time to prepare and sign the discharge. The Costs of registration of any discharge will be your responsibility.

#### 11.5. Conflict

It is expressly understood and agreed that, in the event of a conflict or inconsistency between the application of any of the rights and remedies contained in the Mortgage and the application of any of the rights or remedies of any of the other Credit Documents, we will determine, in our sole discretion which shall prevail, it being understood that the purpose of the Mortgage and any of the other Credit Documents is to add to, and not detract from, the rights and remedies granted to us under the Credit Documents and in all cases the terms of section 2.05 shall apply. We may exercise any and all rights hereunder, under the Credit Documents, and as available at Law and no such remedy for the enforcement of our rights shall be exclusive of, or dependent on, any other remedy, but any one or more of such remedies may from time to time be exercised independently or in combination.

#### 11.6. Notices by Mortgagee

Unless otherwise stated in the Mortgage, and subject to Article 6, if the Mortgage allows or requires the Mortgagee to make a demand on, give a notice or consent to or make a request of any person (including you), the Mortgagee may make the demand, give the notice, or consent or make the request, in any one or more of the following ways, at the Mortgagee's sole discretion:

- (i) by delivering it personally to the person;
- (ii) if the borrower is a corporation, by delivering it personally to a director, officer or employee of the corporation;
- (iii) by transmitting it by facsimile to the person;
- (iv) by transmitting it via e-mail to the person;
- (v) if the person is a corporation, by transmitting it via e-mail to a director, officer or employee of the corporation;
- (vi) by mailing it by prepaid registered mail addressed to the person at the person's last known address on the records of the Mortgagee; or
- (vii) by transmitting it by any other means as the Mortgagee Approves in writing in advance.

Unless otherwise stated in the Mortgage, notice will be regarded as received:

- (i) when it is personally delivered to the person or to a director, officer or employee of the corporation;
- (ii) on the day of the facsimile transmission or, if that day is not a Business Day, on the first Business Day after the facsimile transmission;
- (iii) on the first Business Day after the e-mail is delivered to the person or to a director, officer or employee of the corporation;
- (iv) five (5) days after the date of mailing, whether the person receives it or not; or
- (v) on any other date when the Mortgagee advises you of an alternative method of notice.

#### 11.7. Notices by You

Any notice that you give to the Mortgagee must be by one of the following methods:

- (i) registered mail, postage prepaid to the Mortgagee's address in Ontario;
- (ii) personal delivery to the manager of the department at the Mortgagee that administers the Mortgage;
- (iii) facsimile transmission to the Mortgagee's then designated facsimile number;
- (iv) e-mail to the Mortgagee's then designated e-mail account; or
- (v) any other method that the Mortgagee Approves in writing in advance.

Unless otherwise agreed to by you and the Mortgagee, notice will be deemed to be received:

- (i) five (5) days after mailing by registered mail;
- (ii) when personally delivered to the manager of the department of the Mortgagee's office that administers the Mortgage; or
- (iii) on any other date when we advise you of an alternative method of notice.

#### 11.8. Number

Words in the singular include the plural and words in the plural include the singular.

#### 11.9. Who is Bound

The Mortgage is binding on you, your legal and personal representatives, your heirs, your successors and your assigns. The Mortgage is also binding upon anyone to whom you transfer the Property. The Mortgage is binding on the Mortgagee, on its successors and on anyone to whom Mortgagee may transfer the Mortgage.

#### 11.10. Guarantee

In the event you are a corporation, Equitable will require the personal guarantees of all the principals as primary debtors and not as sureties.

Each person signing or joining in the Mortgage as a Guarantor agrees in consideration of our making a mortgage to you, as follows:

- (i) The Guarantor covenants, promises and agrees as principal debtor and not as surety with the Mortgagee that the Guarantor will (a) duly pay or cause to be paid all amounts payable under the Mortgage on the days and at the times and in the manner provided for payment of the same, and (b) observe and perform all the covenants, promises, conditions and agreements in the Mortgage on your behalf;
- (ii) The Guarantor indemnifies and saves us harmless from and against all losses, damages, costs and expenses which we may sustain, or incur or be or become liable for by reason of:
  - (a) the failure for any reason whatsoever by you to pay the amounts payable under the Mortgage or to do and perform any other act, matter or thing required by the

- provisions of the Mortgage; or
- (b) any act, action or proceeding, of or by us, for, or in connection with, the recovery of the amounts payable under the Mortgage by you, or enforcing the performance by you or any other person liable under the Mortgage of any act, matter or thing required by the provision of the Mortgage;
- (iii) We shall not be obliged to proceed against you or any other person liable under the Mortgage or to enforce or exhaust any security before proceeding to enforce any obligations of the Guarantor and that enforcement of such obligations may take place before, after or contemporaneously with enforcement of any of your debts or obligations under the Mortgage or the enforcement of any security for any such debt or obligation;
- (iv) We may, without notice to and the consent or approval of the Guarantor, grant extensions of time for payment, make renewals, increase, vary and amend the Interest Rate, the Principal Amount and other terms of the Mortgage and the Debt, release the whole or any part of the Property or other security from the Mortgage, or otherwise deal with you, any of the indebtedness secured by the Mortgage or the Property or other security as we see fit without releasing or lessening the liability of the Guarantor;
- (v) The Guarantor agrees to be bound by each such renewal, variation and amendment of any terms of the Mortgage we make with you and each reference to the Mortgage shall mean the Mortgage as so renewed and amended from time to time, regardless of whether made with or without the knowledge, consent or approval of the Guarantor;
- (vi) No delay or carelessness or neglect by us in asserting any of our rights, nor the loss of any right by operation of Law, nor the loss or destruction of any security, nor the lack of validity or enforceability of all or any part of the Mortgage or any other security held for or any document evidencing any part of the indebtedness or liability secured by the Mortgage will in any way release or lessen the liability of the Guarantor;
- (vii) The Guarantor has read these standard mortgage terms and is fully aware of and agrees with its terms and in particular, the terms of this Guarantee;
- (viii) Where there is more than one Guarantor, each Guarantor is jointly and severally responsible under this guarantee with the other Guarantor(s) and you; and
- (ix) We may serve notice on the Guarantor and any notice to the Guarantor shall be deemed received in the same manner as provided for notice to you in the Mortgage.

#### 11.11. Consents and Disclosure

In connection with the processing, approving, funding, servicing, and administering, or any insurance, sale, securitization, or financing of all or any part of the Obligations, including any Loan under the related Credit Documents, or any interest therein, any of the Mortgagee, any mortgage loan insurer, the Financing Guarantor, any other person having or proposing to acquire any interest in all or any part of the Obligations, including any Loan under the related Credit Documents, from time to time (including their respective advisors, agents, lawyers, accountants, auditors, consultants, appraisers, credit verification sources, credit rating agencies and servicers), or any other person in connection with any collection or enforcement proceedings taken under or in respect of all or any part of the Obligations, including any Loan or the related Credit Documents (“**Information Access Persons**”), may, as it may determine in its sole discretion in accordance with Privacy Laws, collect, use and store information and materials (including Confidential Personal Information) provided by you and/or co-borrower and/or Guarantor to, or obtained by or on behalf of, the relevant Information Access Person, relating to the Obligations, including any Loan under the related Credit Documents, you any co-borrower or Guarantor, or the Property (both before and after any new Loan, any re-financing of a Loan, any re-advances and any further advances on any Loan, and/or any default) without further notice to you or any co-borrower or Guarantor, and any such Information Access Person may, as it may determine in its sole discretion in accordance with Privacy Laws, from time to time transfer, assign, release, disclose, exchange or share such information and materials (including Confidential Personal Information) to or with:

- (i) any other Information Access Persons; and
- (ii) any governmental authority having jurisdiction over it or any of its activities,

and you, and each co-borrower and Guarantor (if any) hereby irrevocably consents to the collection, use, storage, release, disclosure, exchange, sharing, transfer, and assignment of all such information and materials (including Confidential Personal Information) in accordance with Privacy Laws.

You consent to Information Access Persons and other third parties that provide benefits or services to the Mortgagee for the Mortgage obtaining information about you from credit bureaus and other lenders to evaluate you and the Mortgage.

You also consent to having received, read, understood and accepted the Mortgagee's Privacy Agreement.

Additionally, you hereby irrevocably consent to our releasing and disclosing to any other parties, their authorized agents and solicitors requesting the same, any and all information, whether confidential or not, in our possession regarding the Property or the within Debt including, without limitation, details of the Debt balance, the terms of the Mortgage, Defaults hereunder (existing or prior) and like matters. You hereby confirm and agree that the release and disclosure of any such information by us constitutes the release and disclosure of such information with your full knowledge and consent within the meaning of the Privacy Laws.

You hereby release us from any and all liabilities, damages, suits, actions, claims, monies and costs arising from (i) the release and disclosure of any such information by us, and (ii) any breach of the provisions of any applicable laws, including Privacy Laws, provided that we have acted in accordance with this consent and direction received from you. This direction is coupled with an interest.

#### 11.12. Partial Invalidity

If any provision of the Mortgage is found to be invalid or unenforceable, the validity and enforceability of all other provisions in the Mortgage will not be affected.

#### 11.13. Effect of Amendments

Any agreement to make an Amendment to the Mortgage including, without limitation, any extension of time for payment, change in the Interest Rate or renewal or extension of the Term, will apply not only to those who Approve the Amendment but also to any Guarantor and to any other person who was a party to the Mortgage but did not Approve the Amendment.

#### 11.14. Liability

If two or more persons are liable under the Mortgage, their liability is both joint and several (that is, they are each liable for the full performance of all Obligations).

#### 11.15. Telephone Calls

You agree that the Mortgagee may record any telephone calls to ensure quality service and to confirm your discussions with the Mortgagee and any of its employees.

#### 11.16. Governing Law

The Mortgage shall be governed by the Laws of British Columbia and the applicable federal Laws of Canada. You submit to the jurisdiction of the courts of British Columbia with respect to the Mortgage.

#### 11.17. National Housing Act

If the Mortgage is an Insured Mortgage, the Mortgage is made under the *National Housing Act* (Canada).

#### 11.18. Chattels Left Behind

Any and all chattels left on the Property by you following a Default and the exercise by us of any of our rights or remedies hereunder shall be deemed abandoned. You acknowledge that we 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 shall be added to the Debt. 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.

#### 11.19. Abandonment

In the event that any buildings now or hereafter in the course of erection on the Property remain unfinished and without any work being done on them for a period of ten (10) consecutive days, we may enter in and upon the Property and do all work necessary to protect the same from deterioration and to complete the buildings so remaining unfinished in such manner as we may see fit. It is hereby agreed that any monies expended by us pursuant to this provision shall be immediately due and payable, shall be added to the principal sum of the Debt and shall be a charge upon the Property and shall bear interest at the Interest Rate and in default of payment, at our sole option, the power of sale and other remedies available under the Mortgage or any of the other Credit Documents, at law or in equity, may be exercised.

#### 11.20. General

You agree that, at any time, we may convert paper records of the Credit Documents delivered to us (each, a “**Paper Record**”) into electronic images (each, an “**Electronic Image**”) as part of our normal business practices. You agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on any Guarantor and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

#### 11.21. Homeowner Protection Act

If any building erected or to be erected on the Property is or will be a new home, as defined under the *Homeowner Protection Act* (British Columbia), you will only engage the services of a residential builder as defined under the *Homeowner Protection Act*, who during the period of engagement is licensed and has obtained home warranty insurance as required under the *Homeowner Protection Act*.

#### 11.22. Family Law Act

If you are an individual and have a spouse as defined under the *Family Law Act* (British Columbia), you represent and warrant that at the time of granting the Mortgage:

- (a) none of the events, which under the *Family Law Act* entitles your spouse to an interest in family assets, has occurred; and
- (b) you have disclosed to the Mortgagee all beneficial interests of your spouse in the Property.

In the event that any of the representations and warranties in this Section 11.22 are false, all monies secured by the Mortgage shall, at the option of the Mortgagee, become immediately due and payable.

You will advise the Mortgagee of any change or event affecting your spousal status or the right to occupy the Property.

#### 11.23. Statute References

A reference in the Mortgage to a statute includes the statute as it may be amended and any replacement or substitute statute.

#### 11.24. Equivalent Rates

The following table lists interest rates calculated monthly not in advance per annum together with the equivalent interest rates calculated semi-annually not in advance per annum. You may determine the equivalent interest rate by looking at an interest rate under the heading “interest rate per annum calculated monthly not in advance (%)” and comparing that interest rate to the interest rate set forth in the column immediately to the right of the said interest rate in the column under the heading “interest rate per annum calculated semi-annually not in advance (%)”. This table is provided in order to satisfy any requirement under the *Interest Act* (Canada) to provide equivalent interest rates calculated semi-annually not in advance per annum.

Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)
2.00000	2.00835	5.12500	5.18003	8.75000	8.91106	12.37500	12.69840	16.00000	16.54291
2.05000	2.05878	5.15000	5.20557	8.80000	8.96292	12.40000	12.72478	16.05000	16.59634
2.10000	2.10921	5.20000	5.25666	8.85000	9.01479	12.45000	12.77742	16.10000	16.64978
2.12500	2.13443	5.25000	5.30776	8.87500	9.04072	12.50000	12.83008	16.12500	16.67650
2.15000	2.15965	5.30000	5.35887	8.90000	9.06666	12.55000	12.88274	16.15000	16.70323
2.20000	2.21011	5.35000	5.40999	8.95000	9.11855	12.60000	12.93542	16.20000	16.75669
2.25000	2.26057	5.37500	5.43555	9.00000	9.17045	12.62500	12.96176	16.25000	16.81016
2.30000	2.31105	5.40000	5.46112	9.05000	9.22236	12.65000	12.98810	16.30000	16.86365
2.35000	2.36154	5.45000	5.51226	9.10000	9.27428	12.70000	13.04080	16.35000	16.91714
2.37500	2.38678	5.50000	5.56341	9.12500	9.30024	12.75000	13.09350	16.37500	16.94389
2.40000	2.41203	5.55000	5.61457	9.15000	9.32621	12.80000	13.14623	16.40000	16.97065
2.45000	2.46254	5.60000	5.66574	9.20000	9.37815	12.85000	13.19896	16.45000	17.02417
2.50000	2.51306	5.62500	5.69133	9.25000	9.43010	12.87500	13.22533	16.50000	17.07769
2.55000	2.56359	5.65000	5.71692	9.30000	9.48206	12.90000	13.25170	16.55000	17.13123
2.60000	2.61412	5.70000	5.76812	9.35000	9.53403	12.95000	13.30445	16.60000	17.18478
2.62500	2.63940	5.75000	5.81932	9.37500	9.56002	13.00000	13.35721	16.62500	17.21156
2.65000	2.66467	5.80000	5.87054	9.40000	9.58602	13.05000	13.40998	16.65000	17.23834
2.70000	2.71523	5.85000	5.92176	9.45000	9.63801	13.10000	13.46277	16.70000	17.29192
2.75000	2.76580	5.87500	5.94738	9.50000	9.69002	13.12500	13.48916	16.75000	17.34550
2.80000	2.81638	5.90000	5.97300	9.55000	9.74203	13.15000	13.51556	16.80000	17.39909
2.85000	2.86698	5.95000	6.02424	9.60000	9.79406	13.20000	13.56837	16.85000	17.45270

Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)
2.87500	2.89228	6.00000	6.07550	9.62500	9.82008	13.25000	13.62118	16.87500	17.47950
2.90000	2.91758	6.05000	6.12677	9.65000	9.84610	13.30000	13.67401	16.90000	17.50631
2.95000	2.96819	6.10000	6.17805	9.70000	9.89815	13.35000	13.72685	16.95000	17.55994
3.00000	3.01881	6.12500	6.20369	9.75000	9.95021	13.37500	13.75327	17.00000	17.61358
3.05000	3.06945	6.15000	6.22934	9.80000	10.00228	13.40000	13.77970	17.05000	17.66723
3.10000	3.12009	6.20000	6.28064	9.85000	10.05436	13.45000	13.83256	17.10000	17.72089
3.12500	3.14542	6.25000	6.33195	9.87500	10.08040	13.50000	13.88543	17.12500	17.74772
3.15000	3.17074	6.30000	6.38327	9.90000	10.10645	13.55000	13.93831	17.15000	17.77456
3.20000	3.22141	6.35000	6.43460	9.95000	10.15855	13.60000	13.99121	17.20000	17.82824
3.25000	3.27208	6.37500	6.46027	10.00000	10.21066	13.62500	14.01766	17.25000	17.88193
3.30000	3.32277	6.40000	6.48594	10.05000	10.26279	13.65000	14.04411	17.30000	17.93564
3.35000	3.37347	6.45000	6.53730	10.10000	10.31492	13.70000	14.09702	17.35000	17.98935
3.37500	3.39882	6.50000	6.58866	10.12500	10.34099	13.75000	14.14995	17.37500	18.01621
3.40000	3.42417	6.55000	6.64003	10.15000	10.36707	13.80000	14.20289	17.40000	18.04308
3.45000	3.47489	6.60000	6.69142	10.20000	10.41922	13.85000	14.25583	17.45000	18.09682
3.49000	3.51547	6.62500	6.71711	10.25000	10.47139	13.87500	14.28231	17.50000	18.15056
3.50000	3.52562	6.65000	6.74281	10.30000	10.52357	13.90000	14.30879	17.55000	18.20432
3.55000	3.57636	6.70000	6.79422	10.35000	10.57576	13.95000	14.36176	17.60000	18.25809
3.59000	3.61695	6.75000	6.84564	10.37500	10.60185	14.00000	14.41474	17.62500	18.28498
3.60000	3.62711	6.80000	6.89706	10.40000	10.62795	14.05000	14.46773	17.65000	18.31187
3.62500	3.65249	6.85000	6.94850	10.45000	10.68016	14.10000	14.52073	17.70000	18.36567
3.65000	3.67787	6.87500	6.97423	10.50000	10.73238	14.12500	14.54724	17.75000	18.41947
3.69000	3.71848	6.90000	6.99995	10.55000	10.78462	14.15000	14.57375	17.80000	18.47328
3.70000	3.72864	6.95000	7.05141	10.60000	10.83686	14.20000	14.62677	17.85000	18.52711
3.75000	3.77942	7.00000	7.10288	10.62500	10.86298	14.25000	14.67981	17.87500	18.55403
3.79000	3.82005	7.05000	7.15436	10.65000	10.88911	14.30000	14.73285	17.90000	18.58095
3.80000	3.83021	7.10000	7.20585	10.70000	10.94138	14.35000	14.78591	17.95000	18.63479
3.85000	3.88101	7.12500	7.23160	10.75000	10.99365	14.37500	14.81244	18.00000	18.68865
3.87500	3.90642	7.15000	7.25736	10.80000	11.04591	14.40000	14.83891	18.05000	18.74252

Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)
3.89000	3.92166	7.20000	7.30887	10.85000	11.09820	14.45000	14.89200	18.10000	18.79640
3.90000	3.93183	7.25000	7.36039	10.87500	11.12430	14.50000	14.94510	18.12500	18.82335
3.95000	3.98265	7.30000	7.41193	10.90000	11.15050	14.55000	14.99820	18.15000	18.85030
3.99000	4.02331	7.35000	7.46347	10.95000	11.20280	14.60000	15.05130	18.20000	18.90420
4.00000	4.03348	7.37500	7.48925	11.00000	11.25510	14.62500	15.07790	18.25000	18.95811
4.05000	4.08433	7.40000	7.51503	11.05000	11.30750	14.65000	15.10440	18.30000	19.01204
4.09000	4.12500	7.45000	7.56659	11.10000	11.35980	14.70000	15.15760	18.35000	19.06597
4.10000	4.13518	7.50000	7.61817	11.12500	11.38600	14.75000	15.21070	18.37500	19.09295
4.12500	4.16061	7.55000	7.66976	11.15000	11.41220	14.80000	15.26390	18.40000	19.11992
4.15000	4.18605	7.60000	7.72135	11.20000	11.46460	14.85000	15.31700	18.45000	19.17388
4.19000	4.22674	7.62500	7.74716	11.25000	11.51690	14.87500	15.34360	18.50000	19.22785
4.20000	4.23692	7.65000	7.77296	11.30000	11.56930	14.90000	15.37020	18.55000	19.28183
4.25000	4.28781	7.70000	7.82458	11.35000	11.62170	14.95000	15.42340	18.60000	19.33582
4.29000	4.32852	7.75000	7.87621	11.37500	11.64800	15.00000	15.47660	18.62500	19.36282
4.30000	4.33871	7.80000	7.92785	11.40000	11.67420	15.05000	15.52980	18.65000	19.38982
4.35000	4.38961	7.85000	7.97951	11.45000	11.72660	15.10000	15.58300	18.70000	19.44384
4.37500	4.41507	7.87500	8.00534	11.50000	11.77900	15.12500	15.60960	18.75000	19.49786
4.39000	4.43034	7.90000	8.03117	11.55000	11.83150	15.15000	15.63630	18.80000	19.55190
4.40000	4.44053	7.95000	8.08284	11.60000	11.88390	15.20000	15.68950	18.85000	19.60594
4.45000	4.49146	8.00000	8.13452	11.62500	11.91020	15.25000	15.74270	18.87500	19.63297
4.49000	4.53221	8.05000	8.18622	11.65000	11.93640	15.30000	15.79600	18.90000	19.66000
4.50000	4.54240	8.10000	8.23792	11.70000	11.98890	15.35000	15.84930	18.95000	19.71407
4.55000	4.59335	8.12500	8.26378	11.75000	12.04140	15.37500	15.87590	19.00000	19.76815
4.59000	4.63411	8.15000	8.28964	11.80000	12.09390	15.40000	15.90260	19.05000	19.82224
4.60000	4.64431	8.20000	8.34137	11.85000	12.14640	15.45000	15.95590	19.10000	19.87634
4.62500	4.66979	8.25000	8.39310	11.87500	12.17260	15.50000	16.00920	19.12500	19.90340
4.65000	4.69528	8.30000	8.44485	11.90000	12.19890	15.55000	16.06250	19.15000	19.93046
4.70000	4.74626	8.35000	8.49661	11.95000	12.25140	15.60000	16.11580	19.20000	19.98458

Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)	Monthly not in advance (%)	Semi-annually not in advance (%)
4.75000	4.79725	8.37500	8.52249	12.0000 0	12.3040 3	15.6250 0	16.1425 4	19.2500 0	20.03872
4.80000	4.84826	8.40000	8.54838	12.0500 0	12.3565 9	15.6500 0	16.1692 2	19.3000 0	20.09286
4.85000	4.89927	8.45000	8.60016	12.1000 0	12.4091 5	15.7000 0	16.2225 7	19.3500 0	20.14702
4.87500	4.92478	8.50000	8.65195	12.1250 0	12.4354 4	15.7500 0	16.2759 3	19.3750 0	20.17411
4.90000	4.95029	8.55000	8.70375	12.1500 0	12.4617 3	15.8000 0	16.3293 0	19.4000 0	20.20119
4.95000	5.00133	8.60000	8.75556	12.2000 0	12.5143 2	15.8500 0	16.3826 9	19.4500 0	20.25537
5.00000	5.05237	8.62500	8.78147	12.2500 0	12.5669 2	15.8750 0	16.4093 9	19.5000 0	20.30956
5.05000	5.10343	8.65000	8.80739	12.3000 0	12.6195 3	15.9000 0	16.4360 9		
5.10000	5.15450	8.70000	8.85922	12.3500 0	12.6721 5	15.9500 0	16.4894 9		

11.25. Receipt

You hereby acknowledge receipt of a true copy of the Mortgage and the foregoing standard mortgage terms before signing the Mortgage.

DATED the \_\_\_\_ day of September, 2017

**END OF SET**