

**MORTGAGE** Form 11.4

District of \_\_\_\_\_  Mortgage  Encumbrance  Mortgage of Mortgage/Encumbrance  
 ESTATE AFFECTED  Freehold  Leasehold

**IMPORTANT NOTICE:** The Mortgage Act provides that the Mortgagor can obtain free of charge, from the mortgagee, a statement of the debts secured by this mortgage once every twelve months, or as needed for pay off or sale.

1. **MORTGAGOR/GRANTOR OF ENCUMBRANCE (Encumbrancee)** *include address and postal code*

COVENANTOR (if any) *include address and postal code* see schedule

2. **LAND DESCRIPTION**

TITLE NUMBER(S) \_\_\_\_\_ MORTGAGE/ENCUMBRANCE NUMBER(S) \_\_\_\_\_ see schedule

3. **MORTGAGEE/ENCUMBRANCER** *include address and postal code* see schedule

4. **NAME AND ADDRESS OF MORTGAGEE/ENCUMBRANCER FOR SERVICE** *include postal code*  
 SAME AS ABOVE OR see schedule

5. **TERMS**  
 The following terms are incorporated herein:  
 (a) Standard Charge Mortgage Terms filed as Number 2957600 name Scotia Mortgage Corporation  
 (b) The terms attached hereto as schedule(s)     (Fixed Rate Mortgage)  
 In this instrument, unless otherwise specified, "herein" means this instrument, all schedules to this instrument and the terms referred to in Box 5.  
 Where there is insufficient space in this form for all signatures, one or more Mortgagors may sign the schedule identified in Box 7 and attached hereto and/or one or more Covenantors may sign the schedule identified in Box 9 and attached hereto, and such signature or signatures shall bind and obligate the person or persons so signing to the terms herein in the same manner as if such person or persons had signed this form.

6. **PAYMENT PROVISIONS** see schedule  A

(a) Principal Amount \$		(b) Interest Rate	<small>see schedule</small>	(c) Calculation Period	<small>half-yearly not in advance</small>				
(d) Interest Adjustment Date	Y	M	D	(e) Payment Date and Period	The _____ day of each month	(f) First Payment Date	Y	M	D
(g) Last Payment Date	Y	M	D	(h) Amount of Each Payment Dollars \$					
(i) Balance Due Date	Y	M	D	Guarantee Mortgage <input type="checkbox"/>					

Additional Provisions \_\_\_\_\_ see schedule

**LTO USE ONLY**

FEES CHECKED	REFUND AMOUNT
Certificate of Registration Registered this date _____ as No. _____ I certify that the within instrument was registered in the _____ Land Titles Office and entered on Title No. _____ _____ _____ For District Registrar	MORTGAGE

IMPORTANT NOTICE: NOTE: SINGULAR INCLUDES PLURAL AND VICE VERSA WHERE APPLICABLE. "I" TO BE READ AS INCLUDING ALL Mortgagor(s) whether individual or corporate. By virtue of Section 194 of The Real Property Act, any statement set out in this document and signed by the party making the statement has the same effect and validity as an oath, affidavit, affirmation or statutory declaration given pursuant to The Manitoba Evidence Act.

**7. SIGNATURE OF MORTGAGOR/ENCUMBRANCEE**

see schedule

*Strike out inappropriate statement(s) and initial*

1. I am/entitled to be an/the owner of the Land/Mortgage/Encumbrance of the Land.
2. As security for performance of all my obligations herein, I hereby mortgage/encumber to the Mortgagee/Encumbrancer my interest in the Land/Mortgage/Encumbrance of the land.
3. I promise to pay the principal amount and interest and all other charges and money hereby secured and to be bound by all the terms herein.
4. I acknowledge receipt of a copy of this instrument and all of the terms herein.
5. I am of the full age of majority.
6. The registration of this instrument does not contravene the provisions of The Farm Lands Ownership Act because:
  - a) the within land is not farm land as defined in The Farm Lands Ownership Act.
  - b) the interest in the farm land is being mortgaged/encumbered pursuant to a bona fide debt obligation.
  - c) other (specify section of The Farm Lands Ownership Act)  
Particulars:
7. My co-mortgagor is my spouse or common-law partner and has Homestead rights in the within land.
8. The person consenting to this disposition is my spouse or common-law partner and has Homestead rights in the within land.
- 9.
- 10.

DATE
Y M D

Witness	Name	Signature
Witness	Name	Signature
Witness	Name	Signature

Attach affidavit of subscribing witness if the witness is other than an officer as defined in subsection 72(4) of The Real Property Act.

**8. TYPE OF PROPERTY**     Residential     Farm     Commercial

**9. SIGNATURE OF COVENANTOR**

see schedule

I acknowledge receipt of a copy of this instrument and all of the terms herein and I agree to perform my obligations herein.

DATE
Y M D

Witness	Name	Signature
Witness	Name	Signature

**10/11. HOMESTEADS ACT CONSENT TO DISPOSITION AND ACKNOWLEDGEMENT**

Note: For consent by widow(er) or surviving common-law partner, see section 22 of The Homesteads Act.

I, the spouse or common-law partner of the Mortgagor/Encumbrancee, consent to the disposition of the homestead effected by this instrument and acknowledge that:

1.  I am the first spouse or common-law partner to acquire homestead rights in the property; or  
 A previous spouse or common-law partner of the Mortgagor/Encumbrancee acquired homestead rights in the property but those rights have been released or terminated in accordance with The Homesteads Act.
2. I am aware that The Homesteads Act gives me a life estate in the homestead and that I have the right to prevent this disposition of the homestead by withholding my consent.
3. I am aware that the effect of this consent is to give up my life estate in the homestead to the extent necessary to give effect to this disposition.
4. I execute this consent apart from my spouse or common-law partner freely and voluntarily without any compulsion on the part of my spouse or common-law partner.

DATE
Y M D

Name of Spouse or Common-Law Partner	Signature of Spouse or Common-Law Partner
Name of Witness	Signature of Witness

A Notary Public in and for the Province of Manitoba  
 A Commissioner for Oaths in and for the Province of Manitoba  
 My commission expires: \_\_\_\_\_  
 Or other person authorized to take affidavits under The Manitoba Evidence Act (Specify)

**12. INSTRUMENT PREPARED BY** *include address and postal code*

**13. ENCUMBRANCES, LIENS, AND INTERESTS** - The within document is subject to instrument number(s)

**14. INSTRUMENT PRESENTED FOR REGISTRATION BY** *include address, postal code, contact person and phone number*

## Schedule

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### Variable Rate and Payment Mortgage

#### Additional Information

## SCHEDULE A

### THE REAL PROPERTY ACT

All words that are defined in the set of standard charge mortgage terms referred to in box 5 of the attached Mortgage have the same meaning when used in this Schedule.

#### (1) Payment Provisions (Box 6) Interest Rate (Box 6(b))

The interest rate payable on the loan amount is our Variable Rate Mortgage (VRM) Base Rate with a variance of \_\_\_\_\_% per annum. At the time of the signing of the mortgage, the VRM Base Rate is \_\_\_\_% per annum and the interest rate payable on the loan amount (Base Rate plus/minus the number of percentage points set out above) is \_\_\_\_\_% per annum calculated half-yearly not in advance.

#### (2) Land (Box 2)

#### (3) SECTION 3A. INTEREST RATE is replaced by the following:

##### Interest Rate

The interest rate payable by you on the loan amount is a variable rate, expressed as a rate per annum, equal to our Variable Rate Mortgage (VRM) Base Rate plus/minus the number of percentage points per annum specified in clause (1) above. Our Variable Rate Mortgage Base Rate will vary from time to time as Scotiabank's Prime Rate varies.

Interest is calculated half-yearly not in advance. Interest at this variable rate is payable on the loan amount both before and after the final payment date, default and judgment. The interest rate will vary automatically on the day Scotiabank's Prime Rate varies. Wherever this mortgage refers to the interest rate payable on the loan amount, that expression means the VRM Base Rate plus or minus the number of percentage points per annum specified on the schedule and set out above.

**How You Can Determine the Interest Rate**

After each VRM Base Rate change, we will mail a notice showing your new interest rate and the date it became effective and your new payment amount. The notice will be sent to your last known address shown in our records within 30 days of the interest rate change. However, our failure to mail you a notice or the fact that you do not receive it will not prevent the rate from varying or the payment from varying. The VRM Base Rate in effect at any time will be available at any Scotiabank branch in Canada, or at [www.scotiabank.com](http://www.scotiabank.com).

**(4) Section 4C (Payments after the Interest Adjustment Date) is replaced by the following:**

The principal amount, together with interest calculated from the interest adjustment date, shall become due and be paid by you in regular monthly loan payments.

Your initial monthly payment based on the interest rate indicated in Clause 1 above will be the amount reflected in box 6(h). Your payment amount will vary automatically with each change to the VRM Base Rate. Each payment adjustment will take into account the remaining amortization period and new interest rate on the date of the change. Each time there is an interest rate and payment change, we will tell you what your new interest rate and payment amount will be within 30 days of the change. If there is no change to the VRM Base Rate, your payment amount will not change and we will not send you a notice with a new payment amount. Each monthly loan payment consists of a portion of the principal amount together with the interest due and payable on the monthly loan payment date.

Your monthly loan payments will begin on the date specified in box 6(f) and continue monthly thereafter until the date specified in box 6 (g). Each date that you are required to make a monthly payment is called a monthly loan payment date.

You will pay the balance of the principal amount, together with all interest due and payable on it, on the date specified in box 6(i) (which is the same as the date specified in box 6(g) and is called the last payment date).

**(5) Section 4E (Prepayment Terms and Conditions)****Prepayment Charges – Paying off your mortgage before the maturity date.**

You may prepay some, or the entire mortgage early based on the following terms.

If we later agree to change or extend the terms of the mortgage, these prepayment conditions do not apply to the new renewal or extended term. The terms in this schedule have the same meaning as in the mortgage.

**Miss a Payment<sup>®</sup> Option**

You may miss any scheduled payment, as long as you have prepaid an amount equal to the amount of the payments you intend to miss in this term and your mortgage is not in default. You cannot however, miss your mortgage protection premium, if applicable. Extra payments or prepayments may not be used to miss a payment if this mortgage is assumed by a subsequent purchaser.

**Continuing Liability**

Unless you prepay the balance of the principal amount owing, you must continue to make your regular monthly mortgage payments.

## Prepayments

Providing all your mortgage payments are up to date, you may increase your payments, or pay off some of your mortgage early in one of the ways listed in the chart below. These options apply to partial prepayments only. The options are available each year and cannot be saved to use in a later year. Each year is defined as the 12-month period starting on the Term Start Date (also referred to as the Interest Adjustment Date) or the anniversary of that date. If your mortgage term is less than 12 months, these options are available in each term.

PREPAYMENT OPTIONS		
How	When	What it means
1 *by paying an extra regular mortgage payment (principal, interest and taxes)	on any regular payment date during the year	Your principal mortgage balance will be reduced by that amount
2. *by paying up to 15% of the original principal amount of your mortgage	at any time (excluding day prepaid in full), sum total not to exceed the yearly maximum	
3. by increasing your regular monthly mortgage payment up to 15% of the current principal and interest payment	once each year of the term of your mortgage.	

\*Only items 1 & 2 qualify for the Miss a Payment option.

## Prepayment Charge

When you prepay some, or the entire principal of your mortgage, you will incur prepayment charges unless the partial prepayment is in accordance with the Prepayment Options chart above. The cost to pay off some, or the entire principal amount of your mortgage early is 3 months' interest costs on the amount you want to prepay. The interest rate used to calculate the 3 months interest is the interest rate being charged on the mortgage at the time of the prepayment.

## Cashback

If you receive a cashback with your mortgage the cashback amount will be repayable if your mortgage loan does not remaining outstanding with us for the full term. If the mortgage is partially prepaid, paid off in full, transferred, assumed, or renewed prior to the expiry of the term, the cashback amount will appear as payable in any assumption, discharge or early renewal statement and will be calculated on an even prorated basis using the following formula:

$$\text{Cashback} = \frac{\text{Remaining Term in months (rounded up)}}{\text{Original Term in months}} \times \frac{\text{Cashback}}{\text{Amount Received}}$$

## Portable Mortgage

You may transfer your existing mortgage balance to a new home. You must apply for a new mortgage and meet all our normal qualifications as if you were applying for any other new mortgage. In this case, we will not charge you a prepayment charge.

## Early Renewal Option

You may early renew this mortgage into a fixed rate, closed prepayment type mortgage with us, with a term that is greater than the remaining term of this mortgage without a prepayment charge.

## If this is a Progress Draw Construction Mortgage

If this is a Progress Draw Construction Mortgage, Section 4E does not apply to your mortgage during the Construction period.

This Schedule forms part of a mortgage from \_\_\_\_\_ to

SCOTIA MORTGAGE CORPORATION, Dated this \_\_\_\_\_ DAY/MONTH/YEAR.

\_\_\_\_\_  
(MORTGAGOR)

\_\_\_\_\_  
(MORTGAGOR)

NOTE: The Mortgagor(s) and/or the Covenator(s) must sign the first page and initial each and every subsequent page of this schedule.

**AFFIDAVIT OF WITNESS**

I, \_\_\_\_\_ of \_\_\_\_\_, in

\_\_\_\_\_ make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed at

\_\_\_\_\_

by \_\_\_\_\_

I verify believe that each person whose signature I witnessed is of full age of majority and is the party of the same name referred to in the instrument.

SWORN before me

of \_\_\_\_\_, in

this \_\_\_\_\_ day of \_\_\_\_\_  
MONTH/YEAR

\_\_\_\_\_

A Commissioner for Oaths, etc.



## FIXED RATE MORTGAGE

THE REAL PROPERTY ACT  
STANDARD CHARGE MORTGAGE TERMS

Filled by: SCOTIA MORTGAGE CORPORATION  
Filing Date: March 5, 2004  
Filing Name: Scotia Mortgage Corporation (Fixed Rate Mortgage)  
Filing Number: 2957600

## FIXED RATE MORTGAGE

The following set of Standard Charge Mortgage Terms shall be deemed to be included in every mortgage in which this set is referred by its filing name and filing number of registration, as provided in Section 96 of the above Act.

## 1. DEFINITIONS

In this set of standard charge mortgage terms, mortgage means a Mortgage (Form 11.3) in which the set is referred to by its filing number, any schedules attached to it and this set of standard charge terms. **You and your** mean each person who signs the mortgage as mortgagor or covenantor. **We, our** and **us** mean Scotia Mortgage Corporation, the mortgagee. **Your property** means the land described in box 2, all buildings now or later on it and anything now or later attached or fixed to the buildings or the land, including additions, alterations and improvements. **Principal amount** means the amount specified in box 6. **Loan amount** means the outstanding balance of all amounts (including interest) owing to us from time to time under the mortgage, as amended from time to time.

Any reference to a box in this set of standard charge mortgage terms refers to a box on Form 11.3 (including anything set out in a schedule to Form 11.3 which deals with the subject-matter of that box) and any reference to signing the mortgage means signing Form 11.3 or a schedule to it. References to paragraphs refer to paragraphs of this set of standard charge mortgage terms.

If this is a CMHC insured mortgage, it is made pursuant to the **National Housing Act**.

## 2. WHAT THIS MORTGAGE DOES

By signing the mortgage you have mortgaged your property to us and our successors and assigns (called our **legal representatives**) as security for repayment of the loan amount and the performance of all of your obligations under the mortgage. This means you have mortgaged your entire interest in your property to us and to anyone to whom the mortgage is transferred in any way.

If you are the owner of a leasehold estate in your property, you grant, assign and mortgage your entire interest in your property (including any option to purchase) to us and our legal representatives and to anyone to whom we transfer that interest for the entire term of the lease, as security for repayment of the loan amount and the performance of all of your other obligations under the mortgage.

**Termination of Mortgage** – Our interest in your property terminates when you have:

- Repaid the loan amount and all interest you may owe us as provided below; and
- Complied with all of your other obligations under the mortgage.

## 3. INTEREST

## A. Interest Rate

The interest rate payable by you on the loan amount is specified in box 6 (b). Interest is payable monthly and calculated half-yearly not in advance. The first half-yearly calculation of interest after the **interest adjustment date** (which is one month before the date on which your first regular monthly loan payment is due) specified in box 6 (d) shall be for the six month period commencing on that date. That calculation shall be made six months after the interest adjustment date and half-yearly calculations of interest shall continue to be made every six months after that. Interest is payable on the loan amount at this rate both before and after the final payment date as well as both before and after default and judgment, until the loan amount has been paid in full.

## B. Compound Interest

If on any monthly loan payment date you do not make the payment due on that day, we will charge you interest on any overdue portion of the loan amount (including interest) until paid to us. This is called **compound interest**. Compound interest shall be paid on your monthly loan payment dates. We will also charge interest, at the rate payable on the loan amount, on compound interest that is overdue until paid to us, both before and after the final payment date as well as both before and after default and judgment.

C. All interest and compound interest is a charge on your property.

## D. Progress Draw Construction Mortgage

If this is a Progress Draw Construction Mortgage, the annual interest rate of your mortgage, during the Construction Period, will be a floating interest rate equal to Scotiabank's Prime Rate plus 1%. Interest will be payable monthly, and calculated half-yearly, not in advance. Your interest rate will vary automatically, without notice to you, on the day Scotiabank's Prime Rate changes. Scotiabank's Prime Rate in effect at any time is available at any Scotiabank branch in Canada.

The Construction Period is defined as the 9 month period following the date of your 1st mortgage advance or the period from the date of your 1st advance to the date your mortgage is at least 75% advanced, whichever is shorter.

#### 4. HOW YOU WILL REPAY YOUR LOAN

##### A. Currency and Place of Payment

You shall pay the loan amount to us in Canadian dollars. Your regular monthly loan payments and all other payments will be made at the Branch address set out in box 3, or at any other place we may designate, and are payable as follows:

##### B. Interest Payable Prior to your First Regular Payment Due Date

Before your term start date, you will pay us interest, at the rate payable on the loan amount, calculated semi-annually, not in advance, on all money we have advanced to you.

If more than 1 month will elapse from the advance date to your 1st regular payment due date, you will owe interest for the period, separately. At our option, such interest will be due and payable one month prior to the 1st regular payment due date or on the 1st regular payment due date or it may be deducted from subsequent advances. We may also require you to pay this interest monthly, before we set a first regular payment due date.

##### C. Payments after the Interest Adjustment Date

The principal amount, together with interest calculated from the interest adjustment date, shall become due and be paid by you in regular **monthly loan payments**.

You will make your regular monthly loan payments to us in equal instalments in the amount specified in box 6(h) beginning on the date specified in box 6(f) and continuing monthly thereafter until the date specified in box 6(g). Each date that you are required to make a monthly loan payment is called a **monthly loan payment date**. Each monthly loan payment consists of a portion of the principal amount together with the interest due and payable on the monthly loan payment date.

You will pay the balance of the principal amount, together with all interest due and payable on it, on the date specified in box 6(i) (which is the same as the date specified in box 6(g) and is called the **last payment date**).

The principal amount is stated in box 6(a) and interest is payable on it at the same rate and calculated in the same manner as interest is payable on the loan amount.

##### D. Application of Monthly Loan Payments

Each monthly loan payment will be used: **first**, to pay interest due and payable and **next**, to reduce the principal amount.

##### E. Prepayment Terms and Conditions

You may prepay the principal amount only in accordance with the prepayment provisions, if any, set out in a schedule attached to Form 11.3.

##### If this is a Progress Draw Construction Mortgage

If this is a Progress Draw Construction Mortgage, section 4E does not apply to your mortgage during the Construction Period. Your mortgage may be prepaid in full during the Construction Period without prepayment charges.

##### F. Early Payment on Sale or Mortgage

We may require you to pay all the money that you owe us under the mortgage immediately if you sell, transfer, mortgage or charge your property. This provision does not apply to a sale, transfer, mortgage or charge to which we have given our prior written consent.

##### G. Progress Draw Construction Mortgage

If this is a Progress Draw Construction Mortgage, you will pay interest only payments, monthly, during the Construction Period, starting one month from the date of your 1st advance. Your interest only payment amount will vary automatically with our prime rate (as outlined in paragraph 3 D above) and will be calculated based on the principal amount advanced so far. Your last interest only payment amount will be due on the earlier of; the last payment date specified in box 6(g), 9 months from the date of your 1st advance, or, on the date your mortgage is at least 75% advanced. At that time, the total loan amount plus all interest owing will become due and payable, unless converted as set out below.

##### Convertible Feature

When your mortgage loan is at least 75% advanced (providing this occurs on or before the end of the 9 months from the date of the first advance), we will automatically reset your term start date and convert your mortgage to your chosen term, rate type, and repayment schedule, based on the full principal amount, as detailed in the Personal Credit Agreement or amendment to that agreement. We will provide you with a confirmation notice, which will set out, among other things, your mortgage interest rate, principal & interest payment amount, term start date and maturity date

#### 5. YOUR TITLE TO YOUR PROPERTY

##### A. As Owner of An Estate In Fee Simple In Your Property, you certify that:

- i) You are the lawful owner of your property;
- ii) You have the right to give us the mortgage;
- iii) There are no encumbrances on the title to your property except as disclosed in the MEMORANDUM OF ENCUMBRANCES, LIENS AND INTERESTS; and
- iv) There are no limitations or restrictions on your title to your property except building by-laws, zoning regulations and registered restrictions.

This paragraph A applies unless you have advised us in writing that you are a tenant of your property under a lease, in which case paragraph B applies.

##### B. If You Are Owner of a Leasehold Estate in Your Property,

- i) You certify that:
  - a) The property is leased to you and your legal or personal representatives under a lease, a copy of which you have provided to us;
  - b) The lease is a binding and existing lease and all information you have provided to us concerning it is true;

- c) All rents payable under the lease have been paid to the date you sign the mortgage;
- d) You have permission or the right to assign and mortgage or charge the lease; and
- e) Except as expressed in the lease, there are no limitations, restrictions or encumbrances on your interest under the lease other than building by-laws, zoning regulations and registered restrictions.

(ii) You promise:

- a) To pay the rent as it falls due;
- b) To comply with all of the other terms of the lease and not to do anything that would cause the lease to be terminated;
- c) Not to surrender the lease;
- d) Not to make any change in the lease without first obtaining our written consent;
- e) To give us a true copy of any notice or request you receive concerning the lease; and
- f) To notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.

C. You will not do anything that will interfere with our interest in your property.

D. In order to ensure that your entire interest in your property is mortgaged to us you will sign any other documents or do anything further that we think is necessary.

## 6. USE OF YOUR PROPERTY

You will not make any additions, alterations or improvements to your property or use your property for any business purposes without our prior written consent.

You may continue to remain in possession of your property. However, if you default for one month in any of your obligations to us under the mortgage, we have the right to take immediate possession. You may not use your property for any illegal purposes.

## 7. WE ARE UNDER NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance the entire principal amount or any part of it to you then we do not have to do so, even though the mortgage is prepared, signed or registered, and whether or not any part of the principal amount has already been advanced. However, by signing the mortgage you mortgage all of your interest in your property to us. You will reimburse us, on demand, for all our expenses of investigating the title to your property and preparing and registering the mortgage.

Until we are reimbursed for our expenses they shall be a charge against your property and they will be added to the loan amount. If you do not pay our expenses, the terms for **Enforcing our rights** shall apply.

## 8. TAXES

A. You will make **monthly tax payments** to us on account of property taxes on each monthly loan payment. The amount of each monthly tax payment will be 1/12th of our estimate of a year's taxes on your property next becoming due and payable and may change from time to time to reflect changes in the annual taxes on your property. The monthly tax payments should enable us to pay all property taxes on or before their annual due date. Or, if your property taxes are payable in instalments, the monthly payments should enable us to pay the full year's instalments of property taxes on or before the date on which the first instalment is due.

B. If, however, the annual due date or the first instalment date for the payment of your property taxes is less than one year from the interest adjustment date, you will pay us equal monthly tax payments during that period and during the next 12 months. These equal monthly tax payments will be based on our estimate of the total taxes payable for both periods so that we will receive enough money from you to pay all taxes for both of those periods.

C. You will also pay us, on demand, any amount by which the actual taxes on your property exceed our estimate of your taxes. Or, at our option, we may increase the monthly payment to cover this amount.

D. We will pay your taxes from the monthly payment we receive from you as long as you are not in default under the mortgage. We are not obliged to make tax payments on the dates they are due or more often than once a year. If you have not paid us enough for taxes, we may still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. Until paid, any debit balance will be added to the loan amount and will be a charge against your property. We are under no obligation to advise you that a debit balance has been created.

E. We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by The Bank of Nova Scotia on savings-chequing accounts with the same credit balance. We will charge you interest on the debit balance in your tax account at the interest rate payable on the loan amount until the debit balance is paid to us in full.

F. If you fail to pay us any amount when it is due, we may apply the money in your tax account towards payment of such amount.

G. We can deduct from the total final advance of the principal amount enough money to pay all taxes due on or before the interest adjustment date and which have not been paid on the date the final advance is made.

H. You will immediately send us all assessment notices, tax bills or tax notices which you receive.

## 9. PAYMENTS WE CAN MAKE

We can pay off any liens, claims or encumbrances against your property which we consider to have priority over the mortgage. We can also pay all our expenses of collecting any payments not received from you when due. You must immediately reimburse us at our request for the payment of all liens, claims or encumbrances against your property and our expenses all of which have been paid by us. Until paid, the payments will all be added to the loan amount and will be a charge against your property. Interest is payable by you on the payments made by us at the interest rate payable on the loan amount until they are paid to us in full. We may also exercise our right to collect the payments from you together with interest due and payable, under **Enforcing our rights**.

If we pay off any liens, claims or encumbrances against your property, we will be entitled to all the rights, equities and securities of the person, company, corporation or Government so paid off.

## 10. TRANSFER OF LEASES AND RENTS.

**A.** If you have leased or, at a later date, lease all or part of your property to another person or persons, then, upon our written request, you will transfer and assign to us:

- i) All leases, lease agreements and their renewals;
- ii) All rents and other money payable under the terms of all leases and agreements. However, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your other obligations to us under the mortgage; and
- iii) All rights under the leases and agreements as they affect your property.

**B.** In addition, you confirm that:

- i) You must obtain our prior written consent for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease);
- ii) Nothing we do under this paragraph 10 shall put us in possession of your property;
- iii) However, if you default under the mortgage, we have the right to take possession of your property in accordance with law; and
- iv) We are not obliged to collect any rent or other income from your property nor to comply with any term of any lease or agreement.

## 11. INSURANCE

You will without delay insure, and keep insured, in our favour and until the mortgage is discharged, all buildings covered by the mortgage (including those which will be built in the future both during construction and afterwards) against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Such insurance must be provided by a company approved by us for the replacement cost of the buildings (the maximum amount for which the buildings can be insured) in Canadian dollars. Your policy must be in form satisfactory to us and must include extended perils coverage and a mortgage clause stating that loss is payable to us. You shall, at our request, transfer to us all insurance policies and receipts you have on the buildings and any proceeds you have on the buildings and any proceeds from that insurance.

If you do not:

- Maintain insurance on the buildings that, in our opinion, complies with this paragraph;
- Deliver a copy of any insurance policy or receipt to us at our request; or
- Provide us with evidence, at our request, of any renewal or replacement of the insurance, at least fifteen full days before your insurance expires or is terminated,

we can, but are not obliged to, insure any of the buildings. What we pay for this insurance shall be added to the amount you owe under this mortgage and shall bear interest at the mortgage interest rate. You will pay this amount with your next monthly payment. If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds.

The production of this mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss.

Insurance proceeds may, in whole or in part, at our option, be:

- a) Applied to rebuild or repair the damaged buildings;
- b) Paid to you;
- c) Paid to any other person who owns or did own the property, as established by the registered title; or
- d) Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

This paragraph 11 does not apply (and paragraph 211 does apply) if your property is a condominium unit.

## 12. KEEPING YOUR PROPERTY IN GOOD CONDITION

You shall keep your property in good condition and make any repairs needed. You shall not do anything, or let anyone else do anything, that lowers the value of your property. We can inspect your property at any reasonable time. If, in our opinion, you:

- Do not keep your property in good condition; or
- Do or allow anything to be done that lowers the value of your property;

we can make any repairs we think are advisable. The costs of any inspections and any needed repairs we make are immediately payable by you. Until paid the costs will be added to the loan amount and will be a charge against your property. Interest is payable by you on these costs at the interest rate payable on the loan amount until the costs are paid to us in full.

## 13. ENVIRONMENTAL PROVISIONS

We (including, in this section, the Canada Mortgage and Housing Corporation if this is a CMHC-insured mortgage) may inspect your property and the buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, investigations or studies which we consider necessary. The costs of any testing, assessment or study will be payable by you and you will pay us the costs immediately after we give you notice of them. If you do not pay us when we request it, we can add the amounts to the outstanding balance under your mortgage and they will bear interest at your mortgage interest rate. If we do the things permitted under this section, we will not be considered to be in control of your property.

## 14. REPAYMENT OF LOAN AMOUNT ACCELERATED

The loan amount will become payable immediately, at our option, if:

- a) You default in paying any regular monthly loan payment, or any other payment you are obliged to make to us under the mortgage.
- b) You fail to comply with any of your other obligations under the mortgage.

- c) Any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, unpaid condominium maintenance fees, judgments or construction liens or other similar encumbrances.
- d) Your property is abandoned.
- e) Any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for 30 consecutive days.
- f) You do or allow anything to be done to lessen the value of your property.
- g) You, or any party using your property with your permission, uses your property for illegal purposes.

## 15. APPOINTING A RECEIVER TO RECEIVE INCOME

If you default in making any regular monthly loan payment or any other payment which you have agreed to make to us, or in complying with any of your obligations under the mortgage, we can, in writing, appoint a **receiver** (which includes a receiver and manager) to collect any income from your property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and not ours and his defaults are considered to be solely your defaults.

### The receiver has the right:

- Use any legal remedy (taken in your name or our name) to collect the income from your property.
- Take possession of your property or part of it; and
- Manage your property and maintain it in good condition.

### From the income collected the receiver may:

- a) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.
- b) Retain enough money to pay disbursements spent on collecting the income.
- c) Pay all taxes, fire insurance premiums, expenses of keeping your property in good condition, interest on those payments and all other charges that have priority over the mortgage and interest on those charges.
- d) Pay us all interest that is due and payable under the mortgage and then pay us all or part of any other amount payable under the mortgage, whether it is due or not.

Nothing done by the receiver puts us in possession of your property nor makes us accountable for any money except for money actually received by us.

## 16. ENFORCING OUR RIGHTS

**A.** If you default in making your regular monthly loan payments or any other payments that you are obliged to make to us under the terms of the mortgage we may enforce any one or more of the following remedies in any order:

- i) **Sue you** – We may take such action as is necessary to collect the unpaid balance of the loan amount and our expenses.
- ii) **Take possession of or lease your property** - If you default in making any payment for one month, we can take possession of your property and lease it on such terms and for whatever period we may decide upon to any maximum period allowed by law.
- iii) **Power of sale** - If you default in making any payment for one month, we can on one month's notice given in the manner required by law apply to a district land titles registrar for an order permitting us to sell all or part of your property.
- iv) **Foreclose upon your property** - If you default in making any payment for six months, we may, after taking the steps required by law to sell your property, apply to foreclose your property. If we obtain a final order of foreclosure, your property will by law become our property.
- v) **Other** - We may take any other remedies available to us under Manitoba law.

We will use the net proceeds of the sale or lease after paying all our expenses concerning the taking, recovering or keeping possession of or the sale or lease of your property, to pay ourselves the loan amount. Any balance remaining after our claim and any other claims have been satisfied will be paid to you. If the amount we receive from the sale or lease of your property is less than what you owe us plus our expenses, you must pay us the difference.

You agree not to make any claim concerning the sale or lease of your property against anyone who buys or leases it from us, or anyone who buys or leases it after that time.

**B. Default on your obligations including default in payment** – If you default in any obligation included under the mortgage, we can enforce our above rights and we can enter on your property at any time, without the permission of any person, and make all essential arrangements that we consider necessary to:

- Inspect, lease, collect rents or manage your property; or
- Repair or put in order any building on your property; or
- Complete the construction of any building on your property.

We can also take whatever action is necessary to take possession, recover and keep possession of your property.

**C. Our expenses** – You will immediately pay all our expenses of enforcing our rights. Our expenses include our costs of taking or keeping possession of your property, an allowance for the time and services of our and/or The Bank of Nova Scotia's employees utilized in doing so, our legal fees on a solicitor and own client basis and all other costs related to protecting our interest under this mortgage. All our expenses are immediately payable by you. Until paid our expenses will be added to the loan amount and will be a charge against your property. Interest is payable by you on the payments made by us at the interest rate payable on the loan amount until our expenses are paid to us in full. These expenses can be deducted from the net proceeds of any sale or lease of your property. If the net proceeds from the sale or lease do not cover our expenses, you must pay us the difference immediately.

**D. Sale of goods** (Commercial mortgage only) - If you fail to:

- Make any payments to us when they are due; or
- Make any other payments that you are obliged to make to us under the mortgage;

we can distraint against your goods. This means we can take any goods on your property and sell them as permitted by Manitoba law. The net proceeds from the sale will be applied to reduce the loan amount. Taking this action does not put us in possession of your property nor make us accountable for any money except the money we actually receive.

**E. Judgments** – If we obtain a court judgment against you for your failure to comply with any of your obligations to us under the mortgage, the judgment will not result in a merger of the terms of the judgment with our other remedies or rights to enforce your other obligations under this mortgage. We continue to be entitled to receive interest on the loan amount at the rate charged on the loan amount and at the same times as provided for in the mortgage. The rate of interest payable on any judgment until it has been paid in full shall be calculated and payable in the same way as interest is calculated under this mortgage and at the same interest rate paid on the loan amount until the judgment has been paid in full.

## 17. DELAY IN ENFORCEMENT OF OUR RIGHTS

No delay or extension of time granted by us to you or any other person in exercising the enforcement of any of our rights under the mortgage nor any agreement referred to in paragraph 20 shall affect our rights to:

- a) Receive all payments you are obliged to make to us, when they are due and payable.
- b) Demand that you repay the loan amount and all interest which is due and payable, on any default by you.
- c) Have you comply with all of your obligations to us under the mortgage.
- d) Have any other person comply with the obligations that person has to us under the mortgage.

## 18. BUILDING MORTGAGE TERMS

If you are having any buildings or improvements constructed on your property you will have them constructed only according to plans and specifications approved in writing by us in advance. You must complete all such buildings or improvements as quickly as possible. We will make advances (part payments of the principal amount) to you based on the progress of the construction, until either completion and occupation or sale of your property. We will determine whether or not any advances will be made and when they will be made.

## 19. RELEASING YOUR PROPERTY FROM THE MORTGAGE

We may establish the terms for releasing our interest in all or part of your property (that is, we may discharge, or partially discharge, your property) from the mortgage whether we receive value for our release or not. If we release part of your property from the mortgage at any time, the rest of your property will continue to secure the loan amount. We are only accountable for money actually received by us.

If your property is subdivided before our interest in your property comes to an end, the mortgage will be secured by each part into which your property is subdivided. This means that each part will secure repayment of the total amount you owe us, even if we release another part of your property from the mortgage.

If any part of the property, or any land adjoining the property, is taken by the exercise of any power of expropriation or similar power, the entire compensation which you may be entitled to receive shall, at our option, be applied to reduce the balance of the mortgage including any penalty, fee or interest to which we have a right under this mortgage or the relevant legislation.

We can release you, any guarantor, or any other person from performing any obligation contained in the mortgage or any other security document, without releasing any part of your property secured by the mortgage or any other security, and any such release shall not release any other person from the obligations in the mortgage.

## 20. RENEWING OR OTHERWISE AMENDING THE MORTGAGE

We may from time to time enter into one or more written agreements with you (or with any one to whom your property is transferred) to amend the mortgage by extending the time for payment, renewing it or its term for further periods of time, changing the interest rate payable under the mortgage or otherwise altering the provisions of the mortgage. Whether or not there are any encumbrances on your property in addition to the mortgage at the time the agreement is entered into, it will not be necessary to register the agreement on title in order to retain priority for the mortgage, as amended, over any instrument registered after the mortgage. Any reference in this set of standard charge mortgage terms to the mortgage means the mortgage as amended by any such agreement or agreements.

## 21. CONDOMINIUM PROVISIONS

If your property is a condominium unit, you are also to comply with the provisions in this paragraph 21 in addition to all of the other provisions of the mortgage (except paragraph 11).

In this paragraph 21, The Condominium Act as amended or reenacted is called the Act. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression **condominium property** has the same meaning as the word "property" in the Act.

- A.** You will comply with all of the obligations contained in the mortgage, except as they may be modified by the Act, the by-laws and rules of the condominium corporation (the corporation) concerning your property and by the provisions contained in this paragraph.
- B.** You will comply with the Act, the Condominium Declaration and the by-laws and rules of the corporation.
- C.** You will provide us with proof of your compliance from time to time as we may request.
- D.** You will pay the common expenses for your property to the corporation on the due dates. Or, if we exercise our right to collect your contribution towards the common expenses from you, you will pay the same to us upon being so notified. We can accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due.
- E.** You will forward to us any notices, assessments, by-laws, rules and financial statements of the corporation.
- F.** You will provide us, on request, with any documents and information that you receive from the corporation or are entitled to receive.

- G.** You will maintain all improvements made to your unit and repair them after damage.
- H.** You will not do or let anyone else do anything that lowers the value of your property.
- I. Insurance** - In addition to the insurance which the corporation must obtain, you must:
- i) Insure all improvements which you or previous owners have made to your unit;
  - ii) Obtain insurance for those additional risks that we require;
  - iii) insure your common or other interest in buildings (whether presently existing or built in the future, both during construction and afterwards) which are part of the condominium property or assets of the corporation if the corporation fails to insure the buildings as required or if we require you to do so;
  - iv) Assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the corporation;
  - v) Provide us with proof that the required insurance is in force, as well as evidence of any renewal or replacement of the insurance, within fifteen days before the insurance expires or is terminated;
  - vi) Do all that is necessary to collect insurance proceeds.

Each of your insurance policies (and those of the corporation) must comply with the following:

- Your property must be covered against destruction or damage by fire and other perils usually covered in fire insurance policies for the replacement cost (maximum amount for which it can be insured) in Canadian dollars;
- We may stipulate the risks and perils which must be covered and what amounts you must insure for;
- We may approve the insurance company; and
- We may say what terms the policy must contain.

With respect to the corporation's insurance, we have the right to have the insurance proceeds used, as permitted by law, to repair or rebuild the buildings or to repay the loan amount in full or in part or both.

If you fail to insure your property as required in this paragraph, you authorize us to obtain insurance which you, on behalf of the condominium corporation and yourself, are required to obtain. But, we are under no obligation to obtain any insurance. You will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the **Condominium Act** and the Declaration and By-Laws of the Condominium Corporation.

**J. You must pay certain other Expenses** – In addition to our other rights and remedies contained in the mortgage you will pay to us on, demand, all our expenses in relation to:

- Any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required);
- The enforcement of our right to have the corporation or any owner comply with the Act, the Condominium Declaration and the by-laws and rules; and
- Our exercising any voting rights we may have.

Where our expenses relate to other units as well as to your property, the amount you are required to pay will be the expenses related to your property as we determine. All our expenses are immediately payable by you. Until paid our expenses will be added to the loan amount and will be a charge against your property. Interest is payable by you on our expenses at the interest rate payable on the loan amount until our expenses are paid in full to us.

**K. Voting Rights** - You irrevocably authorize us to exercise your rights under the Act to vote, consent and dissent. You also irrevocably authorize us to exercise your right to receive your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements.

If we do not exercise your rights, you may do so. But you will do so according to any instructions we may give you. Before making a demand or election you must obtain our prior written approval. You must do this even if we do not have the right as between ourselves and the corporation, and even if we had previously arranged for you to exercise that right.

Nothing done under this paragraph 21 puts us in possession of your property. We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act. We may at any time revoke any arrangement we make for you to do anything you have authorized us to do.

**L. Our Additional Rights under the Mortgage** – You authorize us to do the following:

- i) Inspect your property at any reasonable time.
- ii) Do any needed maintenance or repairs after damage.
- iii) Inspect the corporation's records.
- iv) Remedy any failure of yours to comply with the Act, the Condominium Declaration or the by-laws and rules of the corporation.

**M. Repayment of your Mortgage may be Accelerated** – The loan amount to which we are entitled becomes immediately payable, at our option, if:

- i) The corporation fails to comply with the Act, the Condominium Declaration and the by-laws and rules of the corporation;
- ii) The corporation fails to:
  - insure all the condominium units and common elements according to law and according to any additional requirements of ours;
  - insure its assets if we so require and according to our requirements;
  - provide us with proof that the insurance is in force, if we ask for it, or
  - do all that is necessary to collect insurance proceeds;
- iii) The corporation does not in our opinion manage the condominium property and assets in a careful way;
- iv) The corporation fails to keep the corporation's assets in good repair and working order;
- v) The corporation makes any substantial modification to the common elements or the corporation's assets without our approval;

- vi) There has been substantial damage and the owners have voted for termination of the condominium;
- vii) A sale of the condominium property or any part of the common elements is authorized;
- viii) A court makes an order that the government of the condominium property by the Act be terminated;
- ix) The condominium property ceases to be governed by the Act;
- x) You fail to comply with your obligations in this paragraph 21.

Our rights will not be affected by the fact that we voted for or consented to the above termination, sale or order or to the condominium property not being governed by the Act.

**N. What we can do on Termination of the Corporation** – If your property ceases to be governed by the Act:

- All the terms of the mortgage apply to your interest in your property;
- You authorize us to agree with anyone to a partition of the condominium property. We can also pay or receive money to ensure that the partition is equal. And, we can execute all documents and do all acts needed to carry out the partition;
- Any money received by us (after payment of all our expenses) will be applied to reduce your loan amount.

**22. DISCHARGE**

When our interest in your property comes to an end, we will prepare for you a full release of our claim which is called a Discharge of Mortgage (**the Discharge**) or, if requested by you, an assignment of the mortgage. You will give us a reasonable time in which to prepare and sign either the Discharge or the assignment. You will pay our usual administrative fee for preparing, reviewing or signing either document and all legal and other expenses we incur in so doing. You will be responsible for registering and for the costs of registering any Discharge or assignment.

**23. HEADINGS**

Headings form no part of the mortgage. They are used so that parts of the mortgage can easily be referred to.

**24. WHO IS BOUND BY THE MORTGAGE**

You agree to observe and be bound by all of the terms and obligations contained in the mortgage. The mortgage will also be binding on your heirs, legal and personal representatives, successors or assigns, our successors, assigns or legal representatives and anyone else to whom your property is transferred. As well, the mortgage will be binding on anyone to whom it is transferred by us. All persons who sign the mortgage as mortgagors and covenantors are collectively and individually (that is, jointly and severally) bound to comply with all obligations under the mortgage.

**25. STATEMENT**

**THE MORTGAGE ACT PROVIDES THAT YOU CAN OBTAIN FROM US, FREE OF CHARGE, A STATEMENT OF THE DEBTS SECURED BY THE MORTGAGE ONCE EVERY TWELVE MONTHS, OR AS NEEDED FOR PAYOFF OR SALE.**

**26. GUARANTEE**

In this paragraph 26, **guarantor** means each person who signs the mortgage as covenantor. **Mortgagor** means the person or persons who sign the mortgage as mortgagor and **property** means the property charged by the mortgage.

In return for us making a loan to the mortgagor, the guarantor, by signing the mortgage, guarantees the mortgagor's payments (including interest, whether or not the interest rate is changed), and compliance with the mortgagor's other obligations, under the mortgage. Each guarantor agrees that, if the mortgagor defaults in making any payment or in performing any other obligation under the mortgage, the guarantor will pay us all of the unpaid payments and comply with all of the obligations which have not been complied with by the mortgagor. Each guarantor will be collectively and individually (that is, jointly and severally) responsible with the mortgagor and with one another (if more than one) for all obligations under the mortgage.

It is understood that we can without lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor:

- Grant any extensions of time for payment and extensions of the term of the mortgage, including any renewals of the mortgage or its term for further periods of time;
- Increase the rate of interest payable under the mortgage, either during the initial term or in any subsequent renewal period;
- Release the whole or any part of the property from the mortgage or any other security;
- Otherwise deal with the mortgagor, any other person (including any guarantor), any security (including the mortgage) or the property, including releasing, realizing on or replacing any security we may hold;
- Waive any provision of the mortgage or change any of the terms of the mortgage at any time during the initial term of the mortgage or in any subsequent renewal period;

either before or after requiring payment from any person without affecting the guarantee. We may require payment from any guarantor without first trying to collect from the mortgagor or any other person (including any guarantor) or on any security (including the mortgage). Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.