



Retail Collateral Mortgage

Form A15.1

Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

THE PARTIES TO THIS MORTGAGE ARE:

_____, of _____
(Borrower's Name) (Address)

AND _____
(Occupation or other identification)

_____, of _____
(Co-Borrower's Name) (Address)

_____,
(Occupation or other identification)

" the mortgagor"
AND

THE BANK OF NOVA SCOTIA, of _____
(Branch address)

A Canadian Chartered Bank,

" the mortgagee"
AND

_____, of _____
(Spouse's name if spouse not a mortgagor) (Address)

_____, of _____
(Occupation or other identification)

the " spouse of the mortgagor"

The mortgagor mortgages in fee simple to the mortgagee, with a proviso for redemption, the parcel described in Schedule " A" attached hereto as collateral security for payment to the mortgagee on demand of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the mortgagor to the mortgagee or remaining unpaid by the mortgagor to the mortgagee, whether arising from dealings between the mortgagor and the mortgagee or from any other dealings or proceedings by which the mortgagee may be or become in any manner whatever the creditor of the mortgagor, and wherever incurred, and whether incurred by the mortgagor alone or with another or others and whether as principal or surety including the additional amounts payable as expenses under this mortgage. The debts and liabilities secured by this mortgage are referred to in this mortgage as the " Obligations Secured" .

You agree to pay interest on amounts due under the mortgage but not yet paid at an interest rate equal to the prime lending rate of The Bank of Nova Scotia for commercial loans denominated in Canadian dollars announced from time to time plus _____ percent per year, calculated on a daily basis and payable monthly, both after demand and before and after default and/or judgement.

This mortgage contains the covenants and conditions which are set out in:
(b) Schedule " C" attached hereto.

The spouse of the mortgagor joins in this instrument and consents to this disposition for the purpose of complying with Section 19 of the Marital Property Act.

DATED on _____, _____.

SIGNED, SEALED AND DELIVERED)
in the presence of)
)
)
)
)
(Witness)) (Mortgagor) LS
)
)
)
(Witness)) (Mortgagor) LS
)
)
(Witness)) (Spouse of the Mortgagor) LS

Schedule "A"

to the Collateral Mortgage made between:

(Mortgagor)

(Mortgagor)

and The Bank of Nova Scotia (Mortgagee) and dated _____

Description of property covered

Schedule "C"

the Collateral Mortgage made between:

(Mortgagor)

(Mortgagor)

and The Bank of Nova Scotia (Mortgagee) and dated _____



Retail Collateral Mortgage

The following additional covenants and conditions are included in this Schedule "C" to the mortgage.

1. Definitions

Mortgage means the Form A15.1 Collateral Mortgage and any schedule attached to it including this Schedule "C"; **you** and **your** mean each person who has signed or is bound by the Mortgage as Mortgagor; **we, our** and **us** mean The Bank of Nova Scotia, the Mortgagee including our successors and assigns; **property** means the property described in Schedule "A" attached hereto and anything else included under the heading **Description of property covered** below; **Obligations Secured** means all debts and liabilities described under the heading **Obligations Secured**. **Agreements** means all of the contracts, agreements, promissory notes, bills, notices or other documents which govern or relate to the Obligations Secured and all renewals, replacements and substitutions of them. If this is a CMHC-insured mortgage, it is made pursuant to the **National Housing Act**.

2. Description of property covered

Any buildings now or later on the property and any other property that is at any time attached or fixed to the land, including additions, alterations and improvements to the buildings are covered by this Mortgage.

3. Obligations Secured

The debts and liabilities secured by this Mortgage are all debts and liabilities, present or future, absolute or contingent, matured or not, at any time owing by you to us or remaining unpaid by you to us, either arising from dealings between you and us or from any other dealings or proceedings by which we may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety.

You agree to pay in accordance with the Agreements and this Mortgage all amounts including but not limited to all costs and other amounts due to us under this Mortgage or under any of the Agreements, and all interest, including compound interest, accruing on the Obligations Secured from time to time. These amounts are secured by this Mortgage and form part of the Obligations Secured.

4. What the mortgage does

By signing this Mortgage, you charge your entire interest in the property to us, and to anyone to whom the Mortgage is transferred in any way, as security for the payment to us, on demand, of the Obligations Secured. The preceding sentence does not include the final day of any lease. The Mortgage secures a current or running account. The Mortgage is not satisfied or discharged by any intermediate payment of all or part of the Obligations Secured but remains a continuing security for payment of the Obligations Secured, notwithstanding any change in the amount, nature or form of the Obligations Secured or any renewal, extension, amendment or replacement of the Agreements.

Our charge upon your interest in the property subject to the Mortgage will end when:

- (i) You have repaid the Obligations Secured including all amounts to which we may become entitled under the Mortgage, and
- (ii) You have done everything else you have promised to do in the Agreements and the Mortgage, and
- (iii) We have signed and delivered to you a Discharge of the Mortgage.

You may remain in possession of the property as long as you are not in default under any of the Agreements and as long as you meet all your other obligations to us under the Mortgage.

5. No obligation to advance

We have no obligation to advance funds to you, even though the Mortgage is prepared, signed or registered, and whether or not any amounts have already been advanced. However, by signing the Mortgage you charge all of your interest in the property to us. You will reimburse us, on demand, for all our expenses incurred in investigating the title to the property and preparing and registering the Mortgage.

6. Your title to the property

As owner of the property, you certify that, as of the date of this Mortgage and at each subsequent advance of the Obligations Secured:

- (i) You are the lawful owner of the property;
- (ii) There are no encumbrances on the title to the property other than those disclosed on the registered title to the property; and
- (iii) There are no limitations or restrictions on your title to the property except building by-laws, zoning regulations and registered restrictions which have been complied with.

If you are a tenant of the property, you certify that, as of the date of this Mortgage and at each subsequent advance of the Obligations Secured:

- (i) The property is leased to you and your legal or personal representatives under a lease, a copy of which you have provided to us;
- (ii) The lease is a binding and existing lease and all information you have provided to us concerning it is true;
- (iii) All rents payable and other amounts due under the lease have been paid to the date you sign the Mortgage;
- (iv) You have permission or the right to assign and mortgage or charge the lease; and
- (v) 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 which have been complied with.

You promise not to do anything that will interfere with our charge upon your interest in the property and you agree to sign any documents which we think are necessary to charge to us your interest in the property.

You agree not to further mortgage, charge, hypothecate or encumber the property without our prior written consent.

7. Your Responsibilities

- (i) **Payment** – You agree to pay us the Obligations Secured on demand, and to comply with all your other obligations under this Mortgage or under the Agreements.
- (ii) **Insurance** – You will insure without delay, and keep insured, in our favour and until the Mortgage is discharged, all buildings and improvements covered by the Mortgage (including those which will be built in the future both during construction and afterwards) ("the Buildings") 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 the Canadian standard mortgage clause satisfactory to us stating that loss under the policy 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 from that insurance. Co-insurance is not permitted.

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 any insurance we obtain under this paragraph shall be added to the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will pay this amount to us immediately. Also, if the insurance you obtain is not acceptable to us in our reasonable estimation, we can require you to replace it with insurance which is acceptable. 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. Our providing a copy 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. If the property includes a condominium unit you will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the **Condominium Property Act** and the Declaration and By-Laws of the condominium corporation.

Insurance proceeds may, to the extent permitted by law, in whole or in part and, at our option, be applied to rebuild or repair the damaged Buildings or paid to you or paid to any other person who owns or did own the property, (as established by the registered title) or applied, at our sole discretion, to reduce any part of the Obligations Secured, whether due or not yet due.

- (iii) **Taxes** – You agree to pay all taxes on the property when they are due. If we require it, you will make monthly tax payments to us on account of property taxes with each monthly loan payment. The amount of each monthly tax payment will be 1/12th of our estimate of a year's taxes on the property next coming due and payable and may change from time to time to reflect changes in the annual taxes on the property. The monthly tax payments should enable us to pay all taxes on or before their annual due date. Or, if the taxes are payable in instalments, the monthly payments should enable us to pay the full year's instalments of taxes on or before the date on which the first instalment is due.

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

We will apply the monthly payments we receive from you towards payment of your property taxes as long as you are not in default under the Mortgage. We are not obliged to make tax payments on multiple instalment dates or more often than once a year. If you have not paid us enough for taxes, we may, at our option, still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. We are under no obligation to advise you that a debit balance has been created.

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 us 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 provided for in the Agreements until the debit balance is paid to us in full. Any such debit balance and all accrued interest thereon will form a part of the Obligations Secured.

If you fail to pay us any Obligations Secured when it is due, we may apply the credit balance in your tax account towards payment of the Obligations Secured.

We can deduct from any advance of the Obligations Secured enough money to pay all taxes due which have not been paid.

You will immediately send us all assessment notices, tax bills or tax notices which you receive and provide us with receipted tax bills if we require.

- (iv) **Other charges** – You agree to pay all taxes, charges, mortgages, liens, common expenses and other encumbrances on the property when they are due. If you do not pay any of these amounts when they are due, we can pay them. We can also pay off any liens, claims, common expenses or encumbrances against your property which we consider to have priority over the Mortgage. If we pay on your behalf any taxes, charges, mortgages, liens or other encumbrances or any common expenses, you will immediately pay us our costs of so doing and until paid, all such costs will form part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will also pay all our costs of collecting any payments not received from you when due. These costs will include all of our legal expenses on a solicitor and own client basis. All of these costs will form a part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements.
- (v) **Keeping the property in good condition** – You agree to keep the property in good condition and to make any repairs that are needed. You also agree not to do anything, or let anyone else do anything, that lowers the value of the property. We can inspect the property at any reasonable time, and charge the cost of any inspections to you. These costs shall be payable to us immediately, shall bear interest as provided for in the Agreements and shall form part of the Obligations Secured.

If you don't keep the property in good condition, or if you or anyone else does anything that lowers the value of the property, we can make any repairs which we consider necessary and charge our cost of repairs to you. These amounts shall be payable to us immediately, shall bear interest as provided in the Agreements and shall form part of the Obligations Secured. You will not make any alterations, improvements or changes without our prior written consent.

You will not use the property for any business purposes without our consent.

- (vi) **If you are a tenant of the property** – You promise:
- to pay the rents and other amounts due under the lease as they fall due;
 - to comply with all of the other terms of the lease and not to do anything that would cause the lease to be terminated;
 - not to surrender the lease;
 - not to make any change in the lease without first obtaining our written consent;
 - to give us a true copy of any notice or request you receive concerning the lease; and
 - to notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.

We shall have the right to cure any default by you under the lease but are not required to do so. If we cure any default under the lease, you will pay to us all costs we incur. These costs shall be payable to us immediately, shall bear interest as provided in the Agreements and shall form part of the Obligations Secured.

8. Prepayment

Your right to prepay, if any, the principal amount will be set out in the Agreements.

9. Building Mortgages

The word **improvement** includes any construction, installation, alteration, addition, repair or demolition. If any portion of the Obligations Secured is to finance an improvement, you must so inform us in writing immediately and before any advances of such portion of the Obligations Secured. You must also provide us immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. You agree that any improvement shall be made only according to contracts, plans and specifications approved in writing by us in advance. You must complete all such buildings or improvements as quickly as possible and provide us with proof of payment of all contracts from time to time as we require. If you do not complete the construction, we may do so and our expenses will form a part of the Obligations Secured and will bear interest at the interest rate provided for in the Agreements. You will pay us these expenses immediately. We will make advances (part payments of the principal amount) to you based on the progress of the improvement, until either completion and occupation or sale of the property. We will determine whether or not any advances will be made, when they will be made and in what amount. Whatever the purpose of the Mortgage may be, we may in our sole and absolute discretion hold back funds from advances until we are satisfied that you have complied with the holdback provisions of **The Mechanics' Lien Act** as amended or re-enacted. You authorize us to provide information about the Mortgage to any person claiming a mechanics' lien on the property.

10. Transfer of leases and rents

As additional and separate security for the Obligations Secured, you assign to us all existing and future rents and leases relating to the property. In particular you transfer and assign to us as security:

- (i) All leases, lease agreements and their renewals;
- (ii) All rents and other money payable under the terms of all such 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 of your rights under such leases and agreements.

In addition you confirm that:

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

11. Environmental Provisions

We (including, in this section, the Canada Mortgage and Housing Corporation if this is a CMHC-insured mortgage) may inspect the 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 inspection, 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 Obligations Secured under your Mortgage and these amounts will bear interest at the interest rate provided for in the Agreements. If we do the things permitted under this section, we will not be considered to be in possession or control of the property.

12. Securitization

We may, at our option, sell or deposit all or any part of the Obligations Secured, any Agreement or this Mortgage to one or more third party(ies) without notice to you or your consent. If we do so, you agree that this Mortgage shall continue to secure all Obligations Secured, including all amounts owing under any Obligations Secured or Agreement that has been so sold, or assigned or deposited and all Obligations Secured that arise under any Agreement after such sale, assignment or deposit. This Mortgage and any Obligations Secured or Agreement once sold, assigned or deposited may be repurchased by us, whether or not in default.

13. Immediate Payment

You will immediately, at our option, pay to us all of the Obligations Secured if any part of the Obligations Secured is not paid when it is due, or if you fail to comply with any of your obligations under the Mortgage or under any Agreement.

14. Delay in Enforcement

We can delay enforcing any of our rights under the Mortgage or the Obligations Secured without losing those rights, and we can release others from their obligations under the Mortgage or any of the Obligations Secured without releasing you.

15. Enforcing our Rights

If you fail to comply with any of your obligations under this Mortgage, we may enforce our rights in any of the ways set out below. These provisions do not limit any other rights given to us by law or this Mortgage. We may enforce this and any other security we may have for any of the Obligations Secured and enforce our rights under this Mortgage, at the same time or at different times and in any order we choose.

- (i) **You will make immediate payment** - You will immediately pay to us all the Obligations Secured if any part of the Obligations Secured is not paid when it is due or if you fail to comply with any of your obligations under this Mortgage or any other agreement to which you and we are parties.

- (ii) **We may sue you** - We may take such legal action as is necessary to collect the Obligations Secured.
- (iii) **We may take possession of and collect rents** - We may take and keep possession of, collect rents from, and manage the property or any part of it. You certify that we will have the right to take possession of the property or collect rents from it
- (iv) **We may sell or lease the property** - On giving you four weeks' notice in writing by registered or certified mail and on publishing notice in one of the public newspapers published in the Province of New Brunswick once in each week for four successive weeks, we can sell and dispose of the property and the appurtenances or any part of it, by public auction or private contract, for such price or prices, or cash or otherwise, as seems fit to us. All contracts that shall be entered into and all conveyances that shall be signed by us for the purpose of completing any such sale shall be valid notwithstanding the fact that you were not a party or did not consent to them. We may bid and buy at any such sale.

We may lease the property without notice at any time, in any way and on any terms which we think are reasonable.

We will use the proceeds of sale or lease to reduce or repay the Obligations Secured and will pay you any balance remaining after all our claims have been satisfied. If the amount we receive from the sale or lease of the property is less than what you owe, you will immediately pay the difference to us.

You agree that a buyer or lessee may pay all of the money due under a sale or lease to us without seeing to the application of the money. You agree that a buyer or lessee under a sale or lease by us will receive a good title to the property or a valid lease of the property. You will not make any claims concerning the sale or lease against the buyer or lessee or their successors in title. If you do have any claims concerning a sale or lease by us, you will make them only against us and only for money damages.

- (v) **We may foreclose or sell through the courts** - We may commence court proceedings to foreclose the property. If we obtain a final order of foreclosure, the property will by law become our property. We may also ask a court to order a sale of the property. We may also ask a court to appoint a receiver (or receiver and manager) of the property.
- (vi) **We may appoint a receiver** - We may appoint in writing a receiver (or receiver and manager), on any terms (including remuneration) that we think are reasonable, to collect any income from the property. We may make the appointment even if we have taken possession of the property. We may also, in writing, remove a receiver appointed by us and appoint a new receiver. The receiver is considered to be your agent and not ours; his defaults are considered your defaults and not ours. Nothing done by the receiver puts us in possession of the property or makes us accountable for any money except money we actually receive.

The receiver has the right to use any legal remedy (taken in your name or our name) to collect the income from the property; take possession of the property or part of it; manage the property and any business conducted on the property and maintain the property in good condition; lease the property or any part of it; enforce any of our other rights under this Mortgage which we delegate to him; and borrow money on the security of the property in priority to this Mortgage for these purposes.

- (vii) **We may recover our expenses** - You will pay us on demand, as additional amounts secured under this Mortgage, our expenses incurred:
- under the headings Taxes, Other charges, Insurance, Keeping the property in good condition and Condominium Provisions;
 - in negotiating this Mortgage, investigating title to the property and preparing and registering this Mortgage;
 - in collecting payment after default or the Obligations Secured; and
 - in enforcing our rights under this Mortgage,

including our reasonable legal fees on a solicitor and own client basis and interest on the total amount of our above expenses from the date we incur them to the date you pay them to us at a rate of interest provided for in the Agreements. We may deduct our expenses from any money we owe you.

16. Sale of Property

If you sell or transfer the property then, at our option, you will immediately pay to us all the Obligations Secured. If we do not require you to pay to us the Obligations Secured, your obligations to us under the Mortgage, and our rights against you or anyone else who is liable for the payment of the Obligations Secured, are not affected.

17. Amendments

We may from time to time enter into one or more written agreements with you (or with anyone to whom the property is transferred) to amend the Agreements or the Mortgage. 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 for the full amount of the Obligations Secured. Any reference in this Schedule "C" to the Mortgage means the Mortgage as amended by any such agreement.

18. Giving Notice

Any written notice under this Mortgage or the Agreements may be given to you and shall be considered to have been received by you when we send it to the last address of which we have received written notice from you. Written notice to any one of you shall be considered to be notice to all of you. Written notice shall be considered to have been received by us when it is received at the address of the branch indicated on the Mortgage document or any other branch as we may notify you in writing.

19. Effect on other agreements, obligations and security

The Mortgage does not change or release you from any of your other obligations under the Agreements with us. Also, the Mortgage does not affect any other security we hold for the repayment of the Obligations Secured, or any other rights we may have to enforce repayment of the Obligations Secured.

20. Condominium Provisions

The Condominium Property Act, as amended or re-enacted, 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.

You will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the **corporation**) relating to the property and provide us with proof of your compliance from time to time as we may request.

You will pay the common expenses for your property to the corporation on the due dates. In addition to our other rights and remedies contained in the Mortgage, you will pay us immediately 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) or the enforcement of our right to have the corporation or any owner comply with the Act, declaration, by-laws and rules and our exercising any voting rights we may have.

These costs will bear interest in accordance with the Agreements and will form a part of the Obligations Secured.

You irrevocably authorize us to exercise your rights in all matters concerning the Act and the condominium. You also authorize us to exercise your rights to demand the corporation purchase the unit and common interest, where provided under the Act; elect to have the value of the unit and common interest or that of the condominium property determined by arbitration and receive your share of the corporation's assets and the proceeds from the sale of the 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 according to any instructions we may give you. Before making such a demand or election you must obtain our prior written approval. You must do this even if we do not have the right to make the demand or election as between ourselves and the corporation, and even if we had previously arranged for you to exercise that right.

The above actions will not put us in possession of the 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.

You authorize us to inspect the corporation's records and remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the corporation. You will forward to us, if we require, any notices, assessments, by-laws, rules and financial statements of the corporation you receive (or are entitled to receive) from the corporation.

The Obligations Secured will become payable immediately, at our option, if (i) the corporation fails to comply with the Act and the declaration, 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 or do all that is necessary to collect insurance proceeds; (iii) the corporation makes any substantial modification to the common elements or the corporation's assets without our approval; (iv) there has been substantial damage and the owners have voted for termination of the condominium; (v) a sale of the condominium property or any part of the common elements is authorized, or (vi) the property ceases to be governed by the Act.

If the property ceases to be governed by the Act all the terms of the Mortgage continue to apply to the property. You authorize us to agree with anyone to a partition of the condominium property. We can pay or receive money to ensure that the partition is equal and you will reimburse us, immediately, for any money we have paid. We can also execute all documents and do all acts needed to carry out the partition. Your share of the corporation's assets and the proceeds from the sale of the unit and common interest or of the condominium property or any part of the common elements shall be paid to us (unless we notify you to the contrary in writing) and you will do all things necessary to accomplish this and any money received by us (after payment of all our expenses) may be applied to reduce any part of the Obligations Secured. Any balance remaining after all claims have been satisfied will be paid by you.

21. Releasing the Property from the Mortgage

We may establish the terms for releasing our interest in all or part of the property (that is, we may discharge, or partially discharge, the property from the Mortgage) whether we receive value for our release or not. If we release part of the property from the Mortgage at any time, the rest of the property will continue to secure the Obligations Secured.

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

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 the property secured by the Mortgage or any other security document. Any such release shall not release any other party from their obligations under the Mortgage or Agreements.

22. Discharge of Mortgage

When our interest in the property comes to an end, we will prepare for you a full discharge of our claim (which is called a Discharge of Mortgage). You will give us a reasonable time in which to prepare and sign the discharge and you will pay our usual administrative fee for preparing, reviewing or signing the 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.

23. 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, personal representatives and any person to whom the property is transferred, and shall benefit us and our successors and assigns. All persons who sign or who are otherwise bound by the Mortgage as Mortgagors are jointly and severally bound to comply with all obligations under the Mortgage.

24. Guarantee

In this paragraph, **guarantor** means each person who signs the Mortgage as guarantor of the Obligations Secured. **Mortgagor** means each person who signs or is otherwise bound by the Mortgage as mortgagor.

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

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

- Make new advances of the Obligations Secured;
- Grant any extensions of time for payment and extensions of the term of the Obligations Secured, including any amendments, replacements, additions or renewals of the Agreements covering the Obligations Secured;
- Increase the rate of interest payable under the Agreements, 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 Agreements or change any of the terms of the Mortgage or Agreements at any time;

either before or after requiring payment from any other person. 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). The obligations of the guarantor under this guarantee shall be as principal debtor and not as surety and are not affected by the release of any mortgagor or any other person (including any guarantor) of its obligations under the Obligations Secured or any compromise or termination of any Obligations Secured, whether in bankruptcy proceedings or otherwise. Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.

25. Headings

The headings in the body of the Mortgage form no part of the Mortgage. They are inserted for convenience only. You agree that all of the provisions stated in this Schedule "C" form a part of the Mortgage.

MEMORANDUM OF ENCUMBRANCES

AFFIDAVIT OF LEGAL AGE AND SPOUSAL STATUS

Province of _____)

Country of _____)

I/We _____
of _____ in the _____
of _____ make oath and say:

- 1. The Marital Property Act is referred to in this Affidavit as the Act. I (We) have read the definitions of "spouse" * and "marital home" ** below.
2. I am (We are) at least 19 years of age.
3. [] We are spouses of one another.
[] I was not a spouse at the time of making this mortgage.
[] I am a spouse and _____ is my only spouse.
[] I am a spouse.
4. [] The property covered by this mortgage has never been occupied by me and my spouse as our marital home.
[] My spouse has released all rights to the property covered by this mortgage under Part II of the Act by a domestic contract.
[] The property covered by this mortgage has been released from the application of Part II of the Act by an order under paragraph 23 (1)(b) of the Act.

(SEVERALLY) SWORN before me) X _____
at the _____)
in the _____ of _____)
this _____ day of _____, _____) X _____

A Commissioner of Oaths being a Solicitor

*** A Notary Public in and for _____

* "Spouse" means a married person.
** "Marital home" means property that is or has been occupied by a person and his or her spouse as their family residence.
*** Where affidavit is sworn outside New Brunswick, it must be sworn before a Notary Public in and for the place where sworn and he/she must impress his/her official seal here.

AFFIDAVIT OF WITNESS

Province of _____)

Country of _____)

TO WIT:

I _____
of the _____
in the _____ of _____,
make oath and say:
(occupation)

- 1. I was personally present and did see the attached instrument duly signed and executed by _____
_____ for the purposes
named therein, and that I am the subscribing witness.
- 2. The said instrument was executed at _____.
- 3. I know the said _____,
and that _____ of the full age of 19 years.

SWORN before me at _____)
in the _____)
of _____)
this _____ day of _____, _____)

X _____
(Signature of Witness)

A Commissioner of Oaths being a Solicitor

A Notary Public in and for*

* Where affidavit is sworn outside New Brunswick, it must be sworn before a Notary Public in and for the place where sworn and he/she must impress his/her official seal here.

ACKNOWLEDGEMENT OF MAKER

Province of _____)
Country of _____)

I, _____, a Notary Public duly commissioned, appointed and sworn in and
for the province of _____ residing therein and practising in the
_____ of _____ DO HEREBY CERTIFY that on the
_____ day of _____, _____ before me at the said
_____ of _____ personally came and
appeared, _____,
the mortgagor (or the spouse of the mortgager) named in the foregoing instrument, and acknowledged that they/he/
she signed, sealed, executed and delivered the said instrument as and for their/his/her respective act and deed to and for
the uses and purposes therein expressed and contained.

IN TESTIMONY WHEREOF I, the said Notary Public, have
hereunto set my hand and affixed by Notarial Seal at the said
_____ of
_____ the day and year in this certificate written.

Notary Public in and for the Province of _____

DATED _____, _____.

(mortgagor)

TO
THE BANK OF NOVA SCOTIA

(mortgagee)

Branch address _____

Form A15.1
COLLATERAL MORTGAGE
Standard Forms of Conveyances Act
S.N.B. 1980, c.S. - 12.2,s.2

Solicitors:

Solicitor for the mortgagor