

Freehold Leasehold (Check one box)

1. **This Mortgage** is made on _____
 BETWEEN _____

 (the "Mortgagor")
 - and -
THE BANK OF NOVA SCOTIA
 (the "Mortgagee")

2. You agree that, in consideration of the sums of money advanced or to be advanced to you by us as set out in paragraph 4, you charge your entire interest in the Property described in paragraph 3 to us on the terms and conditions set out in the Set of Standard Mortgage Terms attached to this Mortgage and you and we agree to be bound by the Set of Standard Mortgage Terms. You certify that you are at least nineteen years old.

3. **Description of Property Covered**

4. **Payment Provisions**

(a) Principal Amount \$				(b) Interest Rate XXXXXXXX % per annum	(c) Calculation Period XXXXXXXX			
(d) Interest Adjustment Date	Y XXXX	M XX	D XX	(e) Payment Date and Period XXXXXXXX	(f) First Payment Date	Y XXXX	M XX	D XX
(g) Last Payment Date	Y XXXX	M XX	D XX	(h) Amount of Each Payment XXXXXXXX Dollars \$ XXXXXXXX				
(i) Balance Due Date	Y XXXX	M XX	D XX	(j) Insurance See Set of Standard Mortgage Terms Dollars \$ XXXXXXXX				

5. **Additional Provisions**

6. **Mortgagor's Address for Service**

7. **Mortgagee's Address for Service**

Signing this Mortgage

If you have read this Mortgage and agree to its terms, sign in the spaces provided for the Mortgagor's signatures. Witnesses must sign in the space provided for the witnesses' signatures, and necessary legal seals should be added next to the Mortgagor's signatures. You acknowledge receiving a copy of this Mortgage.

X

Witness

X (Seal)

Mortgagor

X

Witness

X (Seal)

Mortgagor

AFFIDAVIT OF EXECUTION

I, _____ of the
_____ of _____ in the
_____ of _____
_____, (occupation), make oath and say that I was personally,

present and did see _____,
the Mortgagor named in the within Mortgage, duly sign, seal and deliver same and that I am the subscribing witness to the due execution thereof.

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

X

Signature of Witness

BEFORE ME:

Notary/Commissioner/Justice of the Peace or Barrister
(Newfoundland and Labrador)

AFFIDAVIT OF VALUE

I, _____ of _____
in the Province of Newfoundland and Labrador, make oath and say as follows:

1. THAT I am the Solicitor for the Mortgagee in the foregoing Mortgage and am familiar with all matters herein deposed to except where otherwise stated.
2. THAT the foregoing Indenture of Mortgage is given by the Mortgagor to the Mortgagee to secure all debts and liabilities over the Mortgagor's property located at _____, aforesaid, or this Mortgage is a refinancing of the subject property and the consideration appearing herein is the difference owing under the mortgage presently over the property and the new Mortgage now being advanced.
3. THAT for the purposes of the calculation of the appropriate registration fees under the provisions of the Registration of Deeds Act, the Mortgagee declares that a present advance of \$ _____ is being made under this Mortgage.
4. THAT the value provided herein is given solely for the purposes of calculating registration fees under the provisions of the Registration of Deeds Act and is not intended to restrict or limit in any way the liability of the Mortgagor herein as it may exist from time to time under the provisions of the said Indenture of Mortgage nor in any manner whatsoever alter or impair the nature of the complete security given under the provisions of the said Indenture of Mortgage.

SWORN TO at _____ before me this _____ day of _____, _____

Notary/Commissioner/Justice of the Peace or
Barrister (Newfoundland and Labrador)

Solicitor

MATRIMONIAL PROPERTY AFFIDAVIT

IN THE MATTER OF THE Family Law Act for the Province of Newfoundland and Labrador ("the Act")

AFFIDAVIT

I, _____, of _____
in the Province of Newfoundland and Labrador, make oath and say as follows:

- 1. I am not eighteen years of age or younger and I have full knowledge of the facts herein deposed to:
- 2. The word "spouse" as hereinafter used means either of a man and woman who:
 - (i) are married to each other
 - (ii) are married to each other by a marriage that is voidable and has not been voided by a judgement of nullity; or
 - (iii) have gone through a form of marriage with each other, in good faith, that is void and are co-habiting or have co-habited within the preceding year.
and includes a widow or widower.
- 3. The word "matrimonial home" as hereinafter used means the dwelling and relative property occupied by a person and his or her spouse as their family residence and owned by either or both of them whether their occupation occurred before, on or after July 1, 1980.
- 4. (a) _____ I am a spouse. My spouse is the other Borrower identified in this Mortgage and the Property is our matrimonial home. I have had no former spouse and I have never entered into a co-habitation agreement; OR
 - (b) _____ I am not a spouse. I have had no former spouse (or no former spouse who has an unregistered interest in the Property), and I have not made a co-habitation agreement under Part IV of the Act; OR
 - (c) _____ I am a spouse but the Property has never been the matrimonial home of me and my spouse, or of me and any former spouse; OR
 - (d) _____ I am a spouse and the Property is a matrimonial home, but my spouse has released all rights to the matrimonial home by a separation agreement, marriage contract or designation made under Section 9 of the Act.
 - (e) _____ The within Mortgage was authorized or the Property has been released as a matrimonial home by order of the _____
Court dated _____ day of _____, _____, and recorded at the Registry of Deeds at Roll _____ Frame _____.
- _____ 5. There is no equipment, chattels or goods affixed in any way to the Property which is subject to a lease, conditional sales agreement, chattel mortgage, or other similar agreement.
- _____ 6. I am not an employer as defined under either the Workplace Health, Safety and Compensation Act, Labour Standards Act, or the Health and Post-Secondary Education Tax Act, and I have not at any time operated a commercial venture required to collect, remit or pay a Newfoundland and Labrador tax or royalty and I am not and will not become liable for any tax imposed under S. 35(1) and 35(2) of the **Retail Sales Tax Act**, at least until registration of this instrument.
- _____ 7. I have not made an Assignment into bankruptcy pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

SWORN TO at _____ in the _____)
 Province of Newfoundland and Labrador this _____) **X**
 day of _____, _____)
 Borrower

BEFORE ME:

 Notary/Commissioner/Justice of the Peace or Barrister
 (Newfoundland and Labrador)

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 - (ii) are married to each other by a marriage that is voidable and has not been voided by a judgement of nullity; or
 - (iii) have gone through a form of marriage with each other, in good faith, that is void and are co-habiting or have co-habited within the preceding year.
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- (c) _____ I am a spouse but the Property has never been the matrimonial home of me and my spouse, or of me and any former spouse; OR
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Court dated _____ day of _____, _____, and
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_____ 6. I am not an employer as defined under either the Workplace Health, Safety and Compensation Act, Labour Standards Act, or the Health and Post-Secondary Education Tax Act, and I have not at any time operated a commercial venture required to collect, remit or pay a Newfoundland and Labrador tax or royalty and I am not and will not become liable for any tax imposed under S. 35(1) and 35(2) of the **Retail Sales Tax Act**, at least until registration of this instrument.

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SWORN TO at _____ in the _____)
Province of Newfoundland and Labrador this _____) **X**
day of _____, _____)
Borrower

BEFORE ME:

Notary/Commissioner/Justice of the Peace or Barrister
(Newfoundland and Labrador)

LAND REGISTRATION REFORM ACT

SET OF STANDARD CHARGE TERMS

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SECTION 1 DEFINITIONS

- 1.01 In this set of Standard Charge Terms, the following terms have the following meanings:
- (a) Agreement(s) means all of the contracts, credit agreements, companion booklets, promissory notes, bills, guarantees, notices or other documents, present or future, and all renewals, extensions, amendments, restatements, replacements and substitutions relating to any of them, and in each case entered into, or otherwise approved by you and us, and which by their terms are intended to be secured by a mortgage on the Property.
 - (b) Buildings means all buildings and Improvements covered by the Charge, as set out in Section 2 , whether presently existing or built in the future, both during construction and afterwards.
 - (c) Charge means the mortgage of land from you to which you have agreed these Standard Charge Terms apply, and to which the Standard Charge Terms is attached or is referred.
 - (d) Condominium Corporation means any condominium corporation of which the Property is a part.
 - (e) Costs and Servicing Fees means all costs and servicing fees referred to in the Charge or the Agreements including without limitation costs and servicing fees under the headings Costs and Servicing Fees and Additional Costs and Servicing Fees covered below.
 - (f) Improvement means any construction, erection, remodeling, rebuilding, installation, alteration, addition, change, tear down, renovation, repair or demolition on, of or to your Property or a part of your Property.
 - (g) Judgment has the meaning assigned to it in Subsection 15.08.
 - (h) Obligations Secured means all debts, liabilities and other obligations, present or future, absolute or contingent, matured or not, at any time owing by you to us or remaining unpaid by you to us, and wherever incurred and whether incurred by you alone or with others and whether as principal or surety, and which arise pursuant to the Agreements and/or this Charge.
 - (i) Person means a natural person or any other legal entity such as a corporation.
 - (j) Principal Amount means the amount specified as the Principal Amount or as the Principal in the Charge, which is the maximum amount of Obligations Secured secured by the Charge.
 - (k) Property means the lands described under the heading Description of Property Covered in the Charge and everything else included under the heading Description of Property Charged in Section 2.
 - (l) Standard Charge Terms means this set of standard charge terms.
 - (m) We, our and us means Scotiabank or The Bank of Nova Scotia, the Chargee including our successors and assigns, and, as appropriate, any of our subsidiaries. Scotiabank acts as an agent for Scotia Mortgage Corporation, a wholly owned subsidiary. Any of our subsidiaries such as Scotia Mortgage Corporation, may act as our agent. Dealing with them is the same as dealing with us.
 - (n) You and your mean each and every Person who has signed or is bound by the Charge as Mortgagor and anyone who has signed the Agreements.
- 1.02 The Charge is made pursuant to the *Conveyancing Act* (Newfoundland and Labrador). If the Charge is Canada Mortgage and Housing Corporation (CMHC) insured, or insured by any other third party provider of similar insurance, it is made according to the *National Housing Act* (Canada).
- 1.03 Any reference to signing the Charge means signing the mortgage of land or a schedule to it. References to sections refer to sections of this set of Standard Charge Terms. Any reference to an Act in this Charge includes any amendment, replacement, or re-enactment of that Act.
- 1.04 For the purposes of these Standard Charge Terms and subject to Subsection 13.01, each loan that is made or provided to you under an Agreement will be treated as a separate and distinct loan. If this Charge secures any mortgage loan(s) insured by mortgage default insurance (including without limitation any mortgage default insurance obtained by us after a mortgage loan is advanced), no further advances or re-advances on such insured mortgage loan(s) are permitted.

SECTION 2 DESCRIPTION OF PROPERTY CHARGED

- 2.01 The Property, including any Buildings and any other property that is at any time attached or affixed to the land or Buildings, including without limitation any fixtures or Improvements and all other associated rights including easements and right-of-way and all related rents and profits are charged by this Charge.

SECTION 3 WHAT THE CHARGE DOES

- 3.01 By signing this Charge, you charge your entire interest in the Property to us and to anyone to whom the Charge is transferred in any way, as security for the performance and payment to us, on demand, of the Obligations Secured up to the Principal Amount. The preceding sentence does not include the final day of any lease.
- 3.02 The Charge secures a current or running account. The Charge is not satisfied or discharged by any intermediate payment of all or part of the Obligations Secured but remains a continuing security for payment and performance of the Obligations Secured, notwithstanding any change in the amount, nature or form of the Obligations Secured or any renewal, extension, amendment, replacement, restatement or substitution of the Agreements.
- 3.03 Our charge upon your interest in the Property, subject to the Charge and Agreements, will end when:
- (a) you have repaid and performed the Obligations Secured including without limitation all amounts to which we may become entitled under the Charge;
 - (b) you have done everything else you have promised to do in the Charge and the Agreements; and
 - (c) we have signed and delivered to you a discharge of the Charge.
- 3.04 You may remain in possession of the Property in accordance with the Charge and the Agreements. We can take any steps necessary to protect the entire interest you have charged to us and you authorize us and agree that we may, on your behalf, execute and/or register any documents necessary to give effect to your charging your entire interest to us. This includes, but is not limited to, rectifying clerical errors.
- 3.05 You agree to perform all of your obligations and to pay in accordance with the Agreements and this Charge all amounts including without limitation all Costs and Servicing Fees and other amounts due to us under this Charge or under any of the Agreements, and all interest, including without limitation compound interest, accruing on the Obligations Secured from time to time. These amounts are secured by this Charge and form part of the Obligations Secured.

- 3.06 You agree that all payments that you make to us or that we ask you to make will be made in full without any set off, abatement, counterclaim, deduction or withholding whatsoever. You agree that you do not have a right to cancel, offset or reduce any payment or debt by any amount we owe you.

SECTION 4 NO OBLIGATION TO ADVANCE

- 4.01 If we decide, for any reason, that we do not wish to lend you any money or more money, or provide other forms of credit to you, then we do not have to do so, even though the Charge is prepared, signed or registered, and whether or not any amounts have already been advanced. However, by signing the Charge you charge all of your entire interest in the Property to us. You will, immediately, pay our Costs and Servicing Fees, including without limitation investigating the title to the Property and preparing and registering the Charge.

SECTION 5 YOUR TITLE TO THE PROPERTY

- 5.01 If you are the owner of the Property, you promise and declare that, as of the date of this Charge and as at each subsequent advance of the Obligations Secured:
- (a) you are the registered legal owner and beneficial owner of the Property and have good and marketable freehold title to the Property;
 - (b) you have the right to give us the Charge and to enter into the Agreements;
 - (c) there are no encumbrances or other claims or interests on the title to the Property other than those disclosed on the registered title to the Property; and
 - (d) there are no limitations or restrictions on your title to the Property except building by-laws, zoning regulations and registered restrictions, all of which have been and will continue to be complied with.
- 5.02 If you are a tenant of the Property, you promise and declare that, as of the date of this Charge and as at each subsequent advance of the Obligations Secured:
- (a) the Property is leased to you 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 and other amounts due under the lease have been paid;
 - (d) you have permission or the right to assign, sublease 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, all of which have been and will continue to be complied with.
- 5.03 You agree not to further transfer, mortgage, charge, hypothecate, lease or encumber the Property without our prior written consent.
- 5.04 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 or do anything further that we think is necessary to charge to us your interest in the Property.
- 5.05 If we agree in writing that the Charge is not a first charge on the Property, you agree not to increase the principal amount owing under any prior charge or to re-borrow any amount repaid under any prior charge without first obtaining our written approval, unless the prior charge is held by us. We may withhold our approval for any reason. You promise not to default under any prior charge. You consent to us giving notice to the holder of any other charge on the Property of the existence of this Charge and of all the terms of this Charge and the Agreements.

SECTION 6 YOUR RESPONSIBILITIES

6.01 Payment

- (a) You agree to pay us the Obligations Secured on demand, and to comply with all your other obligations under this Charge and under the Agreements.

6.02 Insurance

- (a) You will insure without delay and keep insured in our favour and until the Charge is discharged the Buildings against loss or damage by fire and other perils usually covered by a standard extended coverage insurance policy and against any other perils we request from time to time (including without limitation earthquake insurance).
- (b) Such insurance must be provided by a company approved by us for the full replacement cost of the Buildings (the maximum amount for which the Buildings can be insured) in Canadian dollars. Your policy must be in a 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 of payment you have on the Buildings and any proceeds from that insurance. Co-insurance is not permitted.
- (c) In our opinion, if you do not comply with this Subsection 6.02 before your insurance expires or is terminated, or if you do not:
 - (i) maintain insurance on the Buildings; or
 - (ii) deliver a copy of any insurance policy and/or receipt of payment to us within five (5) calendar days after we make a request; or
 - (iii) provide us with evidence of any renewal or replacement of the insurance or insurance broker at least thirty (30) calendar days before your insurance expires or is terminated; or
 - (iv) provide us with a policy that contains an assurance by the insurer to notify us in writing not less than thirty (30) calendar days prior to any material change, cancellation, failure to renew or termination of any policy;
 we can, but are not obliged to, insure any of the Property or Buildings.
- (d) We may take out insurance under an individual policy or the Property may be insured under a blanket insurance policy issued to us. If we take out such insurance, we will insure the Property only for the amount owing under the Obligations Secured. You will pay our Costs and Servicing Fees as set out in Subsection 6.02(n).
- (e) 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.
- (f) If the Property includes a condominium unit, you will ensure the full compliance by the Condominium Corporation with its duties and obligations under the *Condominium Act*, 2009 (Newfoundland and Labrador) and the declaration

and by-laws of the Condominium Corporation. You will also ensure that the Condominium Corporation will at all times comply with the terms of all insurance policies, the insurance provisions of the Condominium Corporation's declaration and any insurance trust agreement. You will also ensure that the insurance taken out by the Condominium Corporation complies with the obligations of this Subsection 6.02. Furthermore, you will ensure that the Condominium Corporation assigns and delivers to us certificates of insurance or, if required by us, certified copies of each insurance policy, as soon as possible after placing the required insurance.

- (g) If the Property includes a condominium unit, in addition to the insurance which the Condominium Corporation must obtain, you must:
 - (i) insure your condominium unit;
 - (ii) insure all improvements which you or previous owners have made to your condominium unit;
 - (iii) insure your common or other interest in the 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 Condominium Corporation, if the Condominium Corporation fails to insure the Buildings or assets as required or if we require you to do so; and
 - (iv) assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the Condominium Corporation.
- (h) Insurance proceeds may, to the extent permitted by law, in whole or in part and at our sole discretion, be:
 - (i) applied to rebuild or repair the Property;
 - (ii) paid to you or paid to any other Person who owns or did own the Property, as established by the registered title to the Property; or
 - (iii) applied to reduce any part of the Obligations Secured, whether due or not yet due.
- (i) You will not take or fail to take any action that may jeopardize insurance coverage for the Property without our prior written consent, including without limitation leaving the Property unoccupied in contravention of any insurance policy(ies) applicable to the Property. If you are in default under the Charge, the Agreements or the Obligations Secured and if we post a notice on the Property requesting that you contact us and you fail to do so within five (5) calendar days following posting of the notice, you agree that you will be deemed to have left the Property unoccupied for the applicable period and we shall be at liberty to enter or take possession of the Property, at our option, and if we do not enter or take possession, that we are not and shall not be deemed to be a mortgagee in possession.
- (j) All policies of insurance must show any loss payable:
 - (i) to us;
 - (ii) to a trustee approved in writing by us pursuant to an insurance trust agreement approved by us; or
 - (iii) to both (if the Property includes a condominium unit).
- (k) The terms of any insurance trust agreements, once approved in writing by us, may not be altered without our further written approval.
- (l) The Charge also charges all insurance proceeds as security for the Obligations Secured. If the Property includes a condominium unit, the Charge also charges your interest in any insurance trust and any insurance proceeds relating to the Property held by the trustee.
- (m) If there is any loss or damage to the Property, you must furnish at your own expense all necessary proofs of claims and do all necessary acts to enable us to obtain payment of the insurance proceeds. You also empower us to complete and file any necessary proofs of claims or loss on your behalf. Production of the Charge will be sufficient authority for the insurer to pay any loss to us.
- (n) You will immediately pay our Costs and Servicing Fees related to and with respect to insurance, including without limitation investigating any insurance matters, administering insurance cancellations, paying insurance premiums, dealing with insurance claims or taking out any insurance under an individual or blanket insurance policy issued to us. You will pay our Costs and Servicing Fees immediately. If you do not, we may declare that you are in default of this Charge or add these amounts to your Obligations Secured, or do both. If we add these amounts to your Obligations Secured, interest will be charged at the interest rate provided for in the applicable Agreement until they are repaid.

6.03 Taxes

- (a) You will make tax payments to us in accordance with this Subsection 6.03 on account of the property taxes payable on your Property so that we may pay the taxes when they become due.
- (b) We can deduct from any advance of the Obligations Secured enough money to pay all taxes due which have not been paid.
- (c) The tax payments will be made on the same dates that your regular mortgage loan payments are to be paid to us. Your tax installments will consist of the estimated annual taxes divided by the number of regular mortgage loan payments you are required to make annually. We may change the amount of the tax payments you make and the frequency of the tax installments from time to time to reflect changes in the annual taxes on your Property or to reflect an amount that exceeds our estimate of your taxes.
- (d) The tax payments should enable us to pay all taxes on or before the annual due date for the taxes. If your taxes are payable in installments, the tax payments should enable us to pay each and every installment of taxes on your Property on or before the date on which the final installment is due.
- (e) If, however, the annual due date or the final installment date for the payment of your taxes is less than one year from the interest adjustment date indicated in the applicable Agreement, you will pay us equal tax payments during that period and during the next 12 months. These equal 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.
- (f) You will send us immediately upon their receipt, all assessment notices, tax bills or tax notices which you receive. Failure to do so may result in additional charges or fees from the taxing authority.
- (g) We may estimate your Property taxes for the year based on information received from you. We may revise the estimate

from time to time. You will pay to us on demand any amount by which the actual taxes on your Property exceed our estimate of your taxes or exceed the amount we have accumulated to pay your taxes and failure to do so may result in additional charges, fees or penalties from the taxing authority. Or, at our option, we may increase the tax payment to cover this amount. You will be responsible for any additional charges, fees or penalties from the taxing authority.

- (h) We will pay your taxes from the tax payments we receive from you as long as you are not in default under this Charge. We are not obliged to make tax payments on the due dates 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 Obligations Secured and will be a charge against your Property. We are under no obligation to advise you that a debit balance has been created. We will charge you interest on the debit balance in your tax account at the interest rate provided for in the applicable Agreement until the debit balance is paid to us in full.
- (i) 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 their savings-chequing accounts with the same credit balance.
- (j) We may apply the money in your tax account towards payment of any amount you owe in connection with the Obligations Secured that you fail to pay us when it is due.
- (k) We may agree not to require you to make property tax payments through us. If this is the case, you agree to pay all taxes directly to the taxing authority when due and to provide us with a copy of a receipt or other acceptable evidence of payment within thirty (30) days after the due date. We may also verify payment of property taxes directly with the taxing authority. Despite our agreeing not to require you to make property tax payments through us, we can, on notice, at any time, require you to make tax payments to us in accordance with this Subsection 6.03 on account of the property taxes payable on your Property so that we may pay the taxes when they become due. You agree to execute all necessary documents required by us.
- (l) Whether the taxes are paid through us or by you, you will immediately pay our Costs and Servicing Fees related to and with respect to taxes, including without limitation collecting money for and paying your property taxes, amounts charged by the taxing authority for providing information about your property taxes, for sending us your property tax invoices or for accepting property tax payments from us on your behalf. You will pay our Costs and Servicing Fees immediately. If you do not, we may declare that you are in default of this Charge or add these amounts to your tax account, or do both. If we add these amounts to your tax account, interest will be charged at the interest rate provided for in the applicable Agreement until they are repaid. If you do not have a tax account, we may add these amounts to your Obligations Secured and interest will be charged at the interest rate provided for in the applicable Agreement until they are repaid.

6.04 Other Charges

- (a) You agree to pay all taxes, charges, mortgages, liens, common expenses, contributions, levies, assessments, claims 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, without prior notice to you, pay off any liens, common expenses contributions, levies, assessments, claims or encumbrances against your Property which we consider to have priority over the Charge. If your obligation under the Charge is to comply with an obligation to another Person, and the other Person claims that you have not complied, we can do what we choose to cause compliance as if such claim is valid and even if you dispute it. We are entitled to rely on any statement we receive for the purpose of making any payment required to protect our interest in your Property and will not be required to undertake any further investigation. These statements will be considered conclusive evidence of the amount owing.
- (b) If we pay on your behalf any taxes, charges, mortgages, liens, contributions, levies, assessments, claims or other encumbrances or any common expenses, you will pay our Costs and Servicing Fees immediately.
- (c) You will also pay immediately all our Costs and Servicing Fees related to collecting any payments not received from you when due.

6.05 Keeping the Property in Good Condition

- (a) You agree to keep the Property in good condition and to make any repairs that are needed. You also agree not to do or fail to do anything, or let anyone else do or fail to do anything, that lowers the value of the Property or negatively affects the marketability of your Property. We can inspect the Property at any reasonable time, and charge the Costs and Servicing Fees of any inspections to you.
- (b) If you do not keep the Property in good condition, or if you or anyone else does or fails to do anything that lowers the value of the Property or negatively affects the marketability of your Property, or fail to comply with this Subsection 6.05, we can make any repairs which we consider necessary and charge our Costs and Servicing Fees of any such repairs to you. You will pay our Costs and Servicing Fees immediately.
- (c) Despite whether you did or did not obtain the governmental approvals that apply to your Property, you will not make any Improvements to the Property without our prior written consent. In either case, we may withhold our approval in our sole discretion.
- (d) You or any party using your Property with your permission will not use the Property for any business purposes without our prior written consent.
- (e) You or any party using your Property with your permission may not use the Property for illegal purposes or illegal substances.
- (f) You or any party using your Property with your permission will not use the Property to cultivate or store marijuana.

6.06 Leasehold Interests

- (a) If you are a tenant of the Property, you promise to:
 - (i) pay the rents and other amounts due under the lease as they fall due;
 - (ii) comply with all of the other terms of the lease and not to do or fail to do anything that would cause the lease to be terminated or fall into default;
 - (iii) not surrender the lease;

- (iv) not make any change in the lease without first obtaining our written consent;
 - (v) give us a true copy of any notice or request you receive concerning the lease; and
 - (vi) notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.
- (b) We can but are not obliged to appoint an agent to assign your lease and the last day of the term of your lease and the last day of any renewal term of your lease on your behalf and in your name. We may appoint an agent to transfer your interest in your Property as required to enforce any of our rights under this Charge, including without limitation our right to sell your Property under power of sale. The agent is to be your agent and not ours and the agent's default is considered to be solely your default.
 - (c) 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. If we choose to exercise any of our rights with respect to the rents, then our rights in the rents will take priority over all other parties claiming an interest in the rents.
 - (d) We shall have the right to cure any default by you under the lease but are not required to do so. You will pay our Costs and Servicing Fees immediately.

SECTION 7 APPLYING YOUR PAYMENT

- 7.01 We may allocate your payments to any Obligations Secured both before and after default.
- 7.02 Subject to the rights of any third party, any money we obtain by enforcing our rights, after paying our Costs and Servicing Fees, will be applied as follows:
- (a) first, to any mortgage loan(s) insured by mortgage default insurance (including without limitation any mortgage default insurance obtained by us after a mortgage loan is advanced);
 - (b) second, to any uninsured mortgage loan(s);
 - (c) third, to any line(s) of credit;
 - (d) fourth, to any term loan(s) other than mortgage loans;
 - (e) fifth, to any credit card(s);
 - (f) sixth, to any overdraft(s); and
 - (g) seventh, to any other loans and credit accounts not listed in items (a) through (f).
- 7.03 If there is more than one loan in any category listed in Subsection 7.02, the money we obtain will be applied among such loans at our sole discretion.

SECTION 8 PREPAYMENT

- 8.01 Your right to prepay, if any, the Obligations Secured is set out in the Agreements.
- 8.02 If there is a default under the Charge or the Agreements and the entire balance of the Obligations Secured is accelerated and becomes immediately due and payable prior to the maturity date in the applicable Agreement, you shall pay us immediately, in addition to the full balance of the Obligations Secured, a bonus equal to three (3) months of interest on the mortgage loan amounts, at the interest rate provided for in the applicable Agreement. The said bonus shall be payable notwithstanding any enforcement action already taken by us and we shall have no obligation to discharge the Charge until such payment is made.
- 8.03 Where a default under the Charge or the Agreements continues to or is made after the maturity date in the applicable Agreement, you shall still pay us, in addition to the full balance of the amount owing on the Obligations Secured, a bonus equal to three (3) months of interest on the mortgage loan amounts, at the interest rate provided for in the applicable Agreement, and we shall have no obligation to discharge the Charge until such payment is made, notwithstanding any enforcement action already taken by us. In the event your Property is sold by us, we shall be entitled to recover the bonus of three (3) months of interest on the mortgage loan amounts, at the interest rate provided for in the applicable Agreement, from the proceeds of any sale of your Property or other proceedings for enforcement of the Charge or the Agreements, even if the sale of your Property occurs after the maturity date in the applicable Agreement. Nothing herein shall be deemed to affect or in any way limit our rights to recover by action or otherwise the Obligations Secured upon default or maturity of the Obligations Secured.

SECTION 9 BUILDING MORTGAGES

- 9.01 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 comply with all of your obligations under the *Mechanics' Lien Act* (Newfoundland and Labrador) including without limitation the obligation to maintain holdbacks. 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 with our prior written consent and according to contracts, plans and specifications first approved in writing by us in advance. If we consent, you must complete all such Buildings and/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 Improvement, we may do so and our Costs and Servicing Fees will form a part of the Obligations Secured and will bear interest at the interest rate provided for in the applicable Agreement. You will pay our Costs and Servicing Fees immediately. We will make advances pursuant to the applicable Agreement to you based on the progress of the Improvement, until either completion and occupation or sale of the Property. We will determine, in our sole and absolute discretion, whether or not any advances will be made, when they will be made and in what amount. You authorize us to provide information about the Charge to any Person claiming a construction lien on the Property.
- 9.02 We do not assume any responsibility for the construction of any Buildings on your Property or the completion of any Improvements to your Property or for any contractual terms or arrangements made between you and the builder or any contractors/subcontractors. The fact that we have made an advance does not constitute any representation or warranty by us with respect to the condition of the Buildings on your Property or the completion of any Improvements to your Property or any compliance with any contractual terms or arrangements made between you and the builder or any contractor/subcontractor.
- 9.03 Costs and Servicing Fees relating to inspections, appraisals and other external experts which we require are your

responsibility and may be deducted from advances.

SECTION 10 TRANSFER OF LEASES AND RENTS

10.01 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:

- (a) all leases, lease agreements and their renewals;
- (b) all rents and other money payable under the terms of all such leases and agreements, however, we may allow you to receive such 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 Charge or any of the Agreements; and
- (c) all of your rights under such leases and agreements.

10.02 In addition, you confirm and agree that:

- (a) 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 already approved by us);
- (b) nothing we do under this Section 10 shall put us in possession of the Property;
- (c) however, if you default under the Charge or any of the Agreements we have the right to take possession of, inspect, collect rents or manage the Property;
- (d) 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; and
- (e) if we choose to exercise any of our rights with respect to the rents, then our rights in the rents will take priority over all other parties claiming an interest in the rents.

SECTION 11 APPOINTING A RECEIVER

11.01 If you do not repay all of the Obligations Secured when they become due and payable in accordance with Section 13 of this Charge or if any one or more of the events listed in Subsections 13.01(a) through (g) occurs, we can, in writing, appoint a receiver (which includes a receiver and manager) to collect any income from the Property and to otherwise exercise its or our rights as set out in this Charge. 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.

11.02 The receiver has the right, but not the obligation, to:

- (a) use any available remedy (taken in your name or our name) to collect the income from the Property;
- (b) take possession of the Property or part of it;
- (c) manage the Property, maintain it in good condition and complete any Improvements if applicable; and
- (d) lease the Property on whatever terms considered appropriate.

11.03 From the income collected from your Property, or the proceeds of sale of your Property, the receiver may:

- (a) retain a commission of 5% of the total money received or any higher rate permitted by law;
- (b) retain enough money to pay disbursements spent on collecting the income;
- (c) pay all taxes, insurance premiums, expenses of keeping the Property in good condition or completing any Improvements, interest on those payments, and all charges that have priority over the Charge and interest on those charges at the interest rate provided for in the applicable Agreement; and
- (d) pay us all interest that is due and payable under the Obligations Secured and then, at our option, pay us all or part of the Obligations Secured, whether due or not yet due.

11.04 Nothing done by the receiver puts us in possession of the Property or makes us accountable for any money except for money actually received by us.

SECTION 12 PROTECTING OUR SECURITY AND INSPECTIONS

12.01 We (including, in this Section 12, the mortgage default insurer, if the Charge is insured) may inspect the Property and any Buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, appraisals, occupancy checks, investigations or studies which we consider appropriate. You will pay our Costs and Servicing Fees immediately. If we do the things permitted under this Section 12 or any other provision in these Standard Charge Terms, we will not be considered to be in possession, management or control of the Property. This also applies to our agents.

12.02 In all cases, you will protect and indemnify us against all actions, claims, lawsuits, expenses, costs, or other demands relating to marijuana, hazardous or illegal substances on your Property, and any breach of your obligations under this Section 12.

12.03 You agree that you have made reasonable investigations and enquiries and that no part of your Property now contains, nor has it ever contained, and agree that it will never contain in the future, marijuana, hazardous or illegal substances, or be used for an illegal purpose.

12.04 If marijuana, hazardous or illegal substances are found on your Property, regardless of the source or cause, you must, with our prior written consent, immediately carry out all work required to remove the marijuana, hazardous or illegal substances from your Property and repair the damage to your Property. The plans and proposals for doing the work and repairs must have been prepared in consultation with us and have been approved, in writing, by us in advance. When the work is completed, you must provide us with confirmation in writing that the work is completed. This confirmation must be in a form acceptable to us. You are responsible for all of the Costs and Servicing Fees associated with this work, including without limitation providing evidence that the work has been completed. You will pay our Costs and Servicing Fees immediately.

12.05 If we do not consent to your repairing the damage, completing the work or if you fail to meet one or more of your obligations under this Section 12, you agree that we may do all or any part of the work we feel is appropriate. However, we are not obliged to do so. If we do, you will be responsible for all of the Costs and Servicing Fees associated with this work. You will pay our Costs and Servicing Fees immediately.

SECTION 13 IMMEDIATE PAYMENT

13.01 You will immediately, at our option, pay to us all of the Obligations Secured if:

- (a) any part of the Obligations Secured is not paid when it is due;
- (b) you fail to comply with any of your obligations under the Charge or under any Agreement;
- (c) you become insolvent or bankrupt;
- (d) any lien is registered against the 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;
- (e) your Property is abandoned;
- (f) any buildings being erected or Improvements done on your Property remain unfinished without work being done on them for thirty (30) consecutive calendar days; or
- (g) you, or any party using your Property with your permission, uses your Property for illegal purposes.

SECTION 14 DELAY IN ENFORCEMENT

- 14.01 We can delay enforcing any of our rights under the Charge or the Agreements without losing any of those rights, and we can release others from their obligations under the Charge or any of the Agreements without releasing any one of you.
- 14.02 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 Charge and Agreements, nor any Agreement referred to in Section 17 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 Obligations Secured 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 Charge and the Agreements; or
 - (d) have any other Person comply with the obligations that Person has to us under the Charge and the Agreements.
- 14.03 In some cases, we may not enforce our rights on a particular default. However, by doing so, we are not forgiving any existing default or any other defaults in the future.
- 14.04 In addition, if in these Standard Charge Terms we reserve the right to make a payment or do something on your behalf, we may do so but are not obliged to do so.

SECTION 15 ENFORCING OUR RIGHTS

- 15.01 We can take immediate possession of your Property if you do not repay all of the Obligations Secured after they become due and payable in accordance with Section 13 of this Charge or if any one or more of the events listed in Subsections 13.01(a) through (g) occurs. In addition to the foregoing and to our rights set out in Section 11 we may enforce, at our option, any one or more of the following remedies in any order:
- (a) Sue you - We may take such action as is necessary to obtain payment of the Obligations Secured.
 - (b) Foreclose - We may commence court proceedings to foreclose your right, title and equity of redemption to all or part of the Property. If we obtain a final order of foreclosure, your Property will by law become our Property. We may also ask the court to order the sale of the Property. If the court makes such an order, it will supervise the sale proceedings. The net proceeds of the sale will be applied to reduce the Obligations Secured. Any balance remaining after all claims have been satisfied will be paid to you in accordance with applicable law. If the amount we receive from the sale of the Property is less than the Obligations Secured, you must pay us the difference.
 - (c) Power of Sale - Upon giving you thirty (30) days' notice or as required by law, we may sell the Property or lease it or pursue any other remedy available to us under Newfoundland and Labrador law.
- 15.02 If you default in any obligation under the Charge or the Agreements (including without limitation any default referred to in this Section 15), we can enforce our rights and we can enter on the Property at any time, without the permission of any Person, and make all arrangements that we consider advisable to:
- (a) inspect, lease, collect rents or manage the Property;
 - (b) repair or put in order any Buildings on the Property; or
 - (c) complete the construction of any Buildings on the Property.
- 15.03 We can also take whatever action is necessary to take possession, recover and keep possession of the Property.
- 15.04 After we are in a position to sell or lease the Property, we can sell it, by public auction, public tender or private sale, or lease it at any time, in any way, and on any terms which we think are reasonable whether in cash or part cash and credit, upon giving such notice required by law. When offering the Property for sale by public auction or public tender, we can set a reserve bid and we can also make a credit bid which will allow us to make a bid for the Property by offsetting from the Obligations Secured the amount of our bid. We may, with or without entering on the Property, lease the Property without notice to you. If we think it is reasonable, we may cancel, terminate, amend or dispute any lease or enter into new leases without being responsible for any resulting loss.
- 15.05 We may apply the net proceeds of the sale or lease to reduce any part of the Obligations Secured, after paying all expenses and Costs and Servicing Fees. We will only be accountable for the money remaining after payment of all our expenses and Costs and Servicing Fees when we actually receive it. If the money remaining, after paying all expenses and Costs and Servicing Fees, does not satisfy the Obligations Secured in full, you must pay us the difference.
- 15.06 You will not interfere with our possession of your Property, if we enter into possession of your Property while enforcing our rights, nor with the possession of anyone to whom your Property is sold or leased.
- 15.07 You agree not to make any claims concerning the Property against anyone who buys it or leases it from us, or anyone who buys or leases the Property after that time. If you do have any claims concerning the Property, you agree to make them only against us and only for money damages.
- 15.08 If we obtain a court order or judgment (a "Judgment") against you for your failure to comply with any of your obligations to us under any of the Agreements or the Charge, 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 the Charge or the Agreements. We will continue to be entitled to receive interest on the Obligations Secured in the manner established and at the interest rate provided for in the applicable Agreement. The rate of interest payable on any Judgment shall be calculated and payable in the same way as interest is calculated in the applicable Agreement and at the same rate that interest is payable in the applicable Agreement until the Judgment has been paid in full.
- 15.09 If you have not removed your personal belongings from the Property before we take possession, you authorize us to remove and dispose of your belongings in any manner that we, in our absolute discretion, deem appropriate, without

notice to you. We have no obligation to move, dispose or store your personal belongings and we shall have no liability for, and you hereby release us from such liability, for any damages, losses, claims or expenses whatsoever arising out of our handling of your personal property, whether negligent or otherwise, including but not limited to moving or not moving, disposing or storing those belongings. You will be responsible for all Costs and Servicing Fees incurred by us in dealing with those belongings. You will pay our Costs and Servicing Fees immediately.

- 15.10 If we enforce our rights under the Charge or the Agreements, we will not be considered to have taken possession, management or control of the Property.
- 15.11 When the Charge or Agreements go into default as a result of an event that is outside your control, you are in default of the Charge and the Agreements.
- 15.12 If there is more than one of you, a default is yours even if the default applies only to one of you or was caused by only one of you.
- 15.13 You will immediately pay all our Costs and Servicing Fees of enforcing or protecting our security or any of our rights under the Charge or the Agreements. Our Costs and Servicing Fees include, without limitation, our Costs and Servicing Fees, the cost of taking or keeping possession of the Property, an allowance for our time and services utilized in so doing, our legal fees in an amount that represents full indemnity and all other Costs and Servicing Fees related to enforcing or protecting our security or any of our rights under the Charge or the Agreements. These Costs and Servicing Fees will form part of the Obligations Secured and will bear interest at the interest rate provided for in the applicable Agreement. You will pay our Costs and Servicing Fees immediately.
- 15.14 For the purpose of this Section 15, we, our, and us, includes the mortgage default insurer if the Charge is insured.

SECTION 16 DEALING WITH THE PROPERTY

16.01 In the event of:

- (a) a sale, conveyance, mortgage, hypothec, charge or other encumbrance, lease or transfer of the Property; and/or
- (b) a claim, a lien, execution, court order, restraint order, injunction, or certificate of pending litigation, whether we are or are not a party, is registered, filed or obtained against the Property,

then, at our option, we may declare that you are in default and all of the Obligations Secured shall forthwith become due and payable. We can do this even if one or more of the Agreements do not contemplate immediate payment. If we do not require you to repay the Obligations Secured, our rights under this Charge or against anyone who has guaranteed the Obligations Secured are not affected.

SECTION 17 AMENDMENTS

- 17.01 We may, from time to time, enter into one or more written agreements with you to amend the Agreements or the Charge by extending the time for payment, renewing for further periods of time, changing the interest rate, increasing the balance or otherwise altering the provisions of the Agreements or the Charge. You will be required to meet all of our credit and other requirements at that time. You may also be required to pay additional fees and premiums related to mortgage default insurance. You will immediately pay our Costs and Servicing Fees for a search of the title records at the appropriate Land Titles or Registry Office, where applicable. It will not be necessary to register any Agreements on title in order to retain priority of the Charge for the full amount of the Obligations Secured. Any reference in this set of Standard Charge Terms to the Charge will mean this Charge, as amended by any such Agreements. Any renewals and/or amendments are at our sole discretion.
- 17.02 You agree to pay all money owing under any mortgage loan or other term loan forming part of the Obligations Secured on the maturity date(s) set out in the applicable Agreement(s) or, if we have offered to renew such mortgage loan or other term loan, to enter into a renewal agreement with us on or before the maturity date(s) set out in the applicable Agreement(s). If you do not, provided that we have not advised you that we will not renew such mortgage loan or other term loan, you agree that: (i) any mortgage loan will be automatically renewed into a fixed rate six month closed term at our posted rate with a Scotiabank Flexible Package and Flexible Prepayment type (as described in the applicable renewal agreement) unless we otherwise indicate in the renewal agreement; and (ii) any term loan will be automatically renewed on the terms we indicate in the applicable renewal agreement, in each case including, without limitation, all the other terms and conditions stated in the applicable renewal agreement. For purposes of Section 10 of the *Interest Act* (Canada), the date of your mortgage loan or term loan will be the date the applicable renewal takes effect.
- 17.03 If there are any executions, encumbrances or other claims or interests registered, filed or obtained against your Property in addition to this Charge, we may require them to be discharged, withdrawn or formally postponed. You will be required to pay all Costs and Servicing Fees to prepare, execute and register such discharges, withdrawals or postponements before we offer to renew or amend the Charge or the Agreements. This is required in order to preserve the priority of this Charge.

SECTION 18 GIVING NOTICE

- 18.01 Any written notice under this Charge or the Agreements may be given to you and is considered to have been received where notice has been given to you by one or more of the following means:
- (a) personal service at your last known address;
 - (b) regular mail at your last known address;
 - (c) electronic communication including, without limitation, by electronic mail, text message or message sent via our online banking platform;
 - (d) publication in a newspaper published in the county, town, city or district where your Property is located;
 - (e) leaving it with an adult on your Property; or
 - (f) posting it on your Property.
- 18.02 Where notice is given by any of the above methods we consider you to have received the notice on the same date it is given or published or, if we send it by mail, we consider you to have received the notice within five (5) calendar days of the date of mailing. We are not required to provide notice to you at an alternate address unless you have, in writing, designated the alternate address to receive the notice.
- 18.03 Written notice shall be considered to have been received by us when it is received at our address indicated on the

Charge and any other address as we may notify you in writing.

18.04 If there is more than one of you:

- (a) written notice to any one of you shall be considered to be notice to all of you; and
- (b) any one of you can provide instructions to us (including without limitation in connection with any renewal of a mortgage loan or term loan) or designate an alternate address for service that will be binding on all of you.

SECTION 19 EFFECT ON OTHER AGREEMENTS, OBLIGATIONS AND SECURITY

19.01 The Charge does not change or release you from any of your obligations under the Agreements with us. Also, the Charge 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.

SECTION 20 CONDOMINIUM PROVISIONS

20.01 In this section, The *Condominium Act, 2009* 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.

20.02 You will comply with the Act and with the declaration, by-laws and rules of the Condominium Corporation relating to the Property and provide us with proof of your compliance from time to time as we may request.

20.03 You will pay the common expenses for your Property to the Condominium Corporation on the due date. In addition to our other rights and remedies contained in the Charge, you will pay us immediately all our Costs and Servicing Fees 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 Condominium 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 at the interest rate provided for in the applicable Agreement and will form a part of the Obligations Secured.

20.04 You irrevocably authorize us to exercise your rights in all matters concerning the Act and the condominium property, including without limitation all voting and rights of consent which you may have as owner of the condominium property. You also authorize us to exercise your rights to demand the Condominium Corporation to 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 Condominium 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.

20.05 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 Condominium Corporation and even if we had previously arranged for you to exercise that right.

20.06 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 and any action we may take will not put us in possession of the Property.

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

20.08 The Obligations Secured will become payable immediately, at our option, if:

- (a) the Condominium Corporation fails to comply with the Act or the declaration, by-laws or rules of the Condominium Corporation;
- (b) the Condominium 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;
- (c) the Condominium Corporation makes any substantial modification to the common elements or the Condominium Corporation's assets without our prior written approval;
- (d) there has been substantial damage and the owners have voted for termination of the Condominium Corporation;
- (e) a sale of the condominium property or any part of the common elements is authorized; or
- (f) the Property ceases to be governed by the Act.

20.09 If the Property ceases to be governed by the Act, all the terms of the Charge 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 appropriate 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 Condominium 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. 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.

20.10 You will not sell or transfer any parking, storage or bicycle unit that forms part of your Property while still retaining ownership of the living accommodation. If you sell or transfer the living accommodation to someone, you will also sell or transfer the parking, storage or bicycle unit to them.

20.11 In addition to any other rights under the Charge and the Agreements, you authorize us at any time to be able to enter upon the condominium complex and, if the Charge is in default, enter into the condominium unit. You will pay our Costs and Servicing Fees for so doing immediately.

SECTION 21 RELEASING THE PROPERTY FROM THE CHARGE

21.01 We may establish, at our sole discretion, the terms for releasing our interest in all or part of the Property; that is, we may discharge or partially discharge the Charge from the Property, whether we receive value for our release or not. If we partially discharge the Charge from the Property at any time, the rest of the Property will continue to secure the Obligations Secured. We are only accountable for money actually received by us. If we release part of the Property at any time from the Charge, we will either prepare, execute and register a partial discharge of our Charge and you or your representative will be provided with confirmation of partial discharge, or, at our sole option, we will prepare and provide you with an executed but unregistered official partial discharge document. You will give us a reasonable time in

which to prepare, review, execute and register the partial discharge document and you will pay our usual Costs and Servicing Fees for preparing, reviewing and executing the partial discharge document and, where we elect to register the partial discharge of our Charge, our usual Costs and Servicing Fees for registering the partial discharge document. You will also pay all our legal fees in an amount that represents full indemnity and other Costs and Servicing Fees that we incur in connection with the partial discharge of our Charge. You will pay our Costs and Servicing Fees immediately. In the event that we provide you with an executed but unregistered partial discharge document, you will be responsible for registering the document and for all costs relating to such registration.

- 21.02 If the Property is subdivided before our interest in the Property comes to an end, the Charge will apply to 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 Charge.
- 21.03 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 Obligations Secured, including without limitation any penalty, fee or interest to which we have a right under this Charge or in the relevant legislation.
- 21.04 We can release you, any guarantor or any other Person from performing any obligation contained in the Charge or any other security document without releasing any part of the Property secured by the Charge or any other security document. Any such release shall not release any other party from their obligations under the Charge or the Agreements.

SECTION 22 DISCHARGE OR ASSIGNMENT OF CHARGE

- 22.01 When our interest in your Property comes to an end and you request that we discharge our Charge, we will either prepare, execute and register a full discharge of our Charge and provide you with confirmation of discharge, or, at our sole option, we will prepare and provide you with an executed but unregistered discharge document. You will give us a reasonable time in which to prepare, review, execute and register the discharge document and you will pay our usual Costs and Servicing Fees for preparing, reviewing and executing the discharge document and, where we elect to register the discharge of our Charge, our usual Costs and Servicing Fees for registering the discharge document. You will also pay all legal fees in an amount that represents full indemnity and other Costs and Servicing Fees that we incur in connection with the discharge of our Charge. You will pay our Costs and Servicing Fees immediately. In the event that we provide you with an executed but unregistered discharge document, you will be responsible for registering the document and for all costs and fees relating to such registration.
- 22.02 When our interest in your Property comes to an end and you request that we assign your registered Charge, and we are required by law to assign your registered Charge, we will prepare and execute an assignment of the registered Charge. You will give us a reasonable time in which to prepare, review and execute the assignment of the registered Charge and you will pay our usual Costs and Servicing Fees for preparing, reviewing, and executing the assignment of the registered Charge. You will also pay all legal fees in an amount that represents full indemnity and other Costs and Servicing Fees that we incur in connection with the assignment of the registered Charge. You will pay our Costs and Servicing Fees immediately. You will be responsible for registering the assignment of the registered Charge and for all costs and fees relating to such registration. We may, but are not required to, provide you or any other party with any notice of the assignment of the registered Charge. We have no obligation to assign or transfer the Agreements.
- 22.03 Any assignment or transfer of the registered Charge will be on a non-recourse basis.

SECTION 23 WHO IS BOUND BY THE CHARGE

- 23.01 You agree to observe and be bound by all of the terms and obligations contained in the Charge. The Charge 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 Charge are jointly and severally bound to comply with all obligations under the Charge.

SECTION 24 HEADINGS

- 24.01 The headings in the body of the Charge form no part of the Charge. They are inserted for convenience only. You agree that all of the provisions stated in this set of Standard Charge Terms form a part of the Charge.

SECTION 25 HOME WARRANTY PLAN/PROGRAM

- 25.01 If a home warranty plan/program or any other regulatory program applicable to new homes under a regulatory authority applies to your Property, you agree to meet all of its requirements. You also agree to reimburse us for any Costs and Servicing Fees that we incur in meeting your obligations or enforcing your rights on your behalf, if we choose to do so. You will pay our related Costs and Servicing Fees immediately.
- 25.02 Where you have purchased the Property from a builder, or where a general contractor is building the Property, we must be satisfied that the builder/contractor and the housing unit are registered under a home warranty plan/program or any other regulatory program applicable to new homes prior to disbursement of funds. You will provide evidence satisfactory to us, in the form prescribed under the home warranty plan/program or other regulatory program applicable to new homes, and any other evidence we may require until we are satisfied, in our sole and absolute discretion, that the Property is completed and is ready to be occupied. If you are acting as the contractor and are not a builder, you will provide proof, issued by the appropriate authority, and any other evidence we may require until we are satisfied in our sole and absolute discretion that the Property is ready to be occupied. You will immediately pay any related Costs and Servicing Fees to satisfy our requirements.

SECTION 26 OUR PRIORITY

- 26.01 Our Charge has priority for the Obligations Secured over every interest in the Property created in favour of any other Person after our Charge was entered into. Our Charge has priority even if an Agreement with us for the Obligations Secured is entered into after our Charge was entered into, and even if that Agreement is not registered. Our providing a mortgage statement does not constitute consent to any encumbrance or interest.

SECTION 27 FINAL REPORT

- 27.01 Where you have retained a solicitor and the solicitor is required to submit a Report on Title in a form that is satisfactory to us, in our sole and absolute discretion, including without limitation originals if requested and with the applicable enclosures, together with the form provided by the title insurance provider if applicable, together with evidence of the registered Charge, and the solicitor fails to do so within thirty (30) calendar days after the final advance is made, we

are entitled to retain another solicitor or title insurer, if applicable, to satisfy our requirements at your expense. You will pay our Costs and Servicing Fees immediately.

SECTION 28 CONFLICT

28.01 If there is any conflict between the terms of the Charge and the terms of the Agreements, the Agreements will prevail to the extent of such conflict.

SECTION 29 CHANGE OF CORPORATE CONTROL OR STATUS

29.01 If you are a corporation, you agree that:

- (a) you will provide us, in a form satisfactory to us, with such information relating to the ownership of your shares as we may from time to time require; and
- (b) you will not transfer, issue or redeem any of your shares or amalgamate, merge or consolidate with any other corporation, without our prior written consent.

SECTION 30 REPRESENTATIONS AND WARRANTIES

30.01 If you are a corporation, you represent and agree on a continuous basis while any Obligations Secured remain outstanding that:

- (a) you are duly organized, validly existing and in good standing under the laws of your governing jurisdiction;
- (b) you have full power, authority and legal right to own your interest in the Property and are duly qualified to do your business and are in good standing in each jurisdiction where qualification is necessary for your business and you have not commenced any dissolution or reorganization proceedings;
- (c) you have full power, authority and legal right to enter into the this Charge and the Agreements and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by you under this Charge and/or the Agreements;
- (d) you have taken all necessary action and proceedings to authorize the execution, delivery and performance of the Charge and the Agreements and to observe and perform the provisions of each;
- (e) neither the execution and delivery of the Charge and the Agreements, nor compliance with the terms and conditions of any of them,
 - (i) has resulted or will result in a violation of the constating documents governing you, including without limitation any unanimous shareholders' agreement, or any resolution passed by your board of directors or shareholders;
 - (ii) has resulted or will result in a breach of or constitute a default under applicable laws or any agreement or instrument to which you are a party or by which you or the Property or any part of the Property is bound; or
 - (iii) requires any approval or consent of any Person except such as has already been obtained.

30.02 You further agree that all statements, information or documents which you have given or made to us, or which you give or make to us in the future, in applying for the Obligations Secured, or in any Agreement, including without limitation the Charge, are true and accurate. If we discover that any statement, information or document which you have given or made to us, or which you give or make to us in the future, in applying for the Obligations Secured, or in any Agreement, including without limitation the Charge, is untrue and/or inaccurate, you will be in default of your obligations under the Charge, the Agreements and the Obligations Secured and the entire balance of the Obligations Secured will, at our option, immediately become due and payable, regardless of whether you knew that the statement, information or document was untrue and/or inaccurate at the time it was given or made to us and regardless of whether we relied or did not rely on the truth or accuracy of any such statement, information or document.

30.03 If there is more than one of you and any untrue and/or inaccurate statement, information or document is given or made to us by only one of you, all of you will be considered to be in default of your obligations under the Charge, the Agreements and the Obligations Secured, and we will have the right to demand immediate payment of the entire balance of the Obligations Secured from any or all of you, at our option.

SECTION 31 COSTS AND SERVICING FEES

31.01 Costs and Servicing Fees include costs, servicing fees for our time and expenses for all aspects of the administration of the Charge and the Agreements including, without limitation, a fee or allowance for:

- (a) administering the account for the collection and payment of taxes and tax matters;
- (b) investigating any insurance matters, administering insurance cancellations, paying insurance premiums, dealing with insurance claims or taking out any insurance under an individual or blanket insurance policy issued to us;
- (c) investigating the status of realty tax matters and administering tax payments;
- (d) generally, any matter connected with the administration of the Charge, the Agreements and your Property including, without limitation, inquiring into compliance, dealing with or enforcing any obligation contained in the Charge or Agreements and including, without limitation, preparation, processing and administration of legal actions and enforcements, requests by you or third parties, taxes, condominium fees, and condominium matters, insurance, repair and construction, environmental matters, leases and other encumbrances and managing or selling your Property;
- (e) investigating the status of any condominium fees, common expenses and other condominium matters;
- (f) administering condominium fees, common expenses and other condominium matters;
- (g) collecting money for and making payments with respect to condominium fees, common expenses and other condominium matters;
- (h) investigating the title to the Property;
- (i) collecting any payments not received from you when due;
- (j) paying, on your behalf, any charges, mortgages, liens, claims, or other encumbrances or any common expenses, levies, assessments, and contributions;
- (k) making any repairs which we consider necessary or completing any construction;
- (l) curing any default under a lease referred to in the Charge or the Agreements;
- (m) conducting any inspections or appraisals and engaging any other external experts, appraisers, consultants, service

- providers or representatives, including without limitation legal representatives;
- (n) conducting any environmental testing, site assessments, appraisals, occupancy checks, investigations or studies;
- (o) consulting on and approving any plans and proposals related to your Property;
- (p) removing, moving, disposing, storing or dealing with any chattels, fixtures or personal belongings on the Property;
- (q) enforcing or protecting our security or any of our rights under the Obligations Secured;
- (r) taking or keeping possession of the Property;
- (s) preparing, reviewing, executing, or registering the Charge, a discharge of the Charge, a partial discharge of the Charge, or any other discharge, withdrawal or postponement of the Charge;
- (t) preparing, reviewing, and executing the assignment of the registered Charge and any matters in connection with the assignment of the registered Charge;
- (u) meeting your obligations or enforcing your rights under a home warranty plan/program or any other regulatory program applicable to new homes on your behalf; and
- (v) retaining a solicitor, or title insurer, if applicable, with respect to any title matter relating to the Property.

31.02 Our servicing fees shall be the amounts established disclosed and generally applied by us from time to time and may be ascertained upon inquiry to us. We have the right to change the fees we charge from time to time without notifying you.

31.03 In addition, costs include, without limitation, legal fees in an amount that represents full indemnity and all other costs related to enforcing or protecting our security or any of our rights under the Charge or any Agreements.

31.04 You will pay our Costs and Servicing Fees under the Charge and Agreements immediately. If you do not, we may declare that you are in default or add these amounts to the Obligations Secured, or do both. If we add these amounts to the Obligations Secured, interest will be charged at the interest rate provided for in the applicable Agreement until they are repaid.

SECTION 32 ADDITIONAL COSTS AND SERVICING FEES

32.01 In addition to the Costs and Servicing Fees outlined in the Charge and the Agreements, you also agree to pay to us immediately our Costs and Servicing Fees in connection with the administration and processing of any requests by you or third parties related to your Charge or Property.

32.02 For greater certainty, the charging of an administration and processing fee does not prevent us from engaging external experts, appraisers, consultants, service providers or representatives, including without limitation legal representatives, to assist with a matter related to your Property and/or your Charge and you will be responsible for any and all expenses, Costs and Servicing Fees, including without limitation legal fees in an amount that represents full indemnity, associated therewith.

SECTION 33 ASSIGNABILITY

33.01 We may, at our option, sell, assign or deposit all or any part of the Obligations Secured, any Agreement and/or this Charge to one or more third parties (including without limitation a mortgage default insurer if any mortgage loan secured by this Charge is insured or a title insurer, if title insurance has been obtained in connection with this Charge), without notice to you or your consent. This Charge, any Agreement and/or any Obligations Secured once sold, assigned or deposited may be repurchased or reacquired by us, whether or not in default, without notice to you or your consent. If any part of the Obligations Secured is so sold, assigned or deposited and we retain any part of the Obligations Secured, we have the right to require you to provide us with another charge to be registered on the Property with respect to the Obligations Secured retained by us.

33.02 In addition, we may also disclose information about you, the Charge, the Agreements and the Obligations Secured to a mortgage default insurer or other insurer, or other third party from whom we may obtain benefits that protect our security. You consent to insurers and other third parties that provide benefits or services to us for the Charge obtaining information about you from credit bureaus and other lenders to evaluate you and the Charge.

SECTION 34 SEVERABILITY

34.01 If any provision of this Charge is held to be illegal, invalid, or unenforceable, that provision will be fully severable and this Charge will be construed and enforced as if such illegal, invalid or unenforceable provision had never been part of this Charge and the remaining provisions of this Charge shall remain in full effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from the Charge. In lieu of the illegal, invalid or unenforceable provision there shall be added automatically as part of this Charge a provision as similar in terms to the illegal, invalid or unenforceable provision as may be possible to be legal, valid and enforceable.

DATED _____, _____

(mortgagor)

TO
THE BANK OF NOVA SCOTIA
(mortgagee)

Branch address _____

MORTGAGE

Solicitor for the mortgagee