



Form 15

MORTGAGE

Land Titles Act, S.N.B. 1981 c.L-1.1, s.25
Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

Parcel Identifier:

_____ PID _____

Mortgagor:

_____ name _____

_____ address _____

AND

_____ name _____

_____ address _____

(Spouse of: _____ name _____

_____ name _____

_____ of Mortgagor

_____ address _____

Mortgagee:

SCOTIA MORTGAGE CORPORATION

_____ name _____

_____ address _____

Guarantor:

_____ name _____

_____ address _____

Manner of Tenure:

NOT APPLICABLE

Limitation of Right, Title or Interest Mortgaged:

NOT APPLICABLE

Principal Sum:

\$ _____

Interest Rate:

as set out in Schedule G

How Interest Calculated:

as set out in Schedule G and

Interest Adjustment Date:

_____, _____

Term:

_____ commencing on the Interest Adjustment Date

Payments:

\$ _____

Payment Dates:

commencing on the _____ day of _____, _____ and continuing on the _____ day of each and every following month of the Term.

Maturity Date:

_____, _____

Place of Payment:

the mortgagee's office in Toronto, Ontario, or at any other place the mortgagee may designate. Until further notice, the mortgagee hereby designates the place of payment to be the Branch address of The Bank of Nova Scotia as shown above.

Statutory Covenants and Conditions Excluded: ALL

Optional Covenants and Conditions Included: SMC-2402

The mortgagor mortgages (subject to the specified limitation) to the mortgagee in the specified manner of tenure the specified parcel to secure repayment of the principal sum with interest as well after as before maturity as specified.

The mortgagor and the guarantor acknowledge(s) receipt of the text of the covenants and conditions which are contained in this mortgage by reference to a distinguishing number or by virtue of subsection 25(4) of the *Land Titles Act*, and agree(s) to be bound by them to the same extent as if set out at length herein.

(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 _____, _____.

WITNESS:

Mortgagor:

X _____

X _____

X _____

X _____

Spouse of: _____
Name of mortgagor

X _____

X _____

X _____

X
Guarantor

X _____

X
Guarantor

SCHEDULE "G"

to a Mortgage made between

and **SCOTIA MORTGAGE CORPORATION** dated _____

2A. Interest Rate (Supplement to section 2A of the Optional Covenants and Conditions) - At the time you sign this mortgage, the Variable Rate Mortgage (VRM) Base Rate is _____% per annum with a variance of _____% per annum and therefore the interest rate payable on the loan amount is _____% per annum calculated monthly not in advance, which is equivalent to _____% per annum calculated half-yearly not in advance.

Complete only if applicable:

2A. Interest Rate (Supplement to section 2A of the Optional Covenants and Conditions) - If this is a VRM with a Cap Rate, the maximum interest rate payable by you on the loan at any time during the term will be _____% per annum, calculated monthly not in advance, which is equivalent to _____% per annum calculated half-yearly not in advance.

Complete only if applicable:

2E. Progress Draw Construction Mortgage (Supplement to section 2E of the Optional Covenants and Conditions) - At the time you sign this mortgage, the interest rate during the initial interest-only term is the Prime Rate of _____% per annum plus _____% per annum and therefore the interest rate payable on the loan amount during the initial interest-only term is _____% per annum calculated half-yearly not in advance but payable monthly.

CERTIFICATE OF EXECUTION

Land Titles Act, S.N.B. 1981, c. L-1.1, s.55

Notary Public: _____
(Name)

(Address)

Jurisdiction: _____

Place of Residence of
Notary Public: _____

Person(s) Who Executed
the Instrument: _____
(Name)

(Name)

Place of Execution: _____

Date of Execution: _____

I, the notary public, a Notary Public in and for the jurisdiction specified above and residing at the place of residence specified above, do hereby certify:

1. That the person(s) who executed the attached instrument personally appeared before me;
2. That the person(s) is/are known to me or the person's (persons') identity has been proved to my satisfaction;
3. That I explained to the person(s) the contents of the attached instrument to the best of my professional abilities;
4. That, after receiving the explanation, the person(s) executed the attached instrument voluntarily at the place and on the date specified above;
5. That the person(s) acknowledged that he (she) (they) or she is/are of the age of majority;
6. That I have ascertained that the name by which the person(s) is/are identified in the attached instrument is/are the person's (persons') name(s) in accordance with the *Naming Conventions Regulation* under the *Land Titles Act*, and
7. That I have signed the attached instrument next to the signature(s) of the person(s) for whom this Certificate of Execution has been prepared, with my name printed legibly underneath my signature.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Notarial Seal.

Place: _____

Date: _____

*Notary Public: _____
Signature

* Certificate must be taken before a Notary Public in and for the place where taken and he/she must impress his/her official seal here.

AFFIDAVIT OF CORPORATE EXECUTION

Land Titles Act, S.N.B. 1981, c. L-1.1, s.55

Deponent: _____
(name)

(address)

Office Held by Deponent: _____

Corporation _____
(name)

Other Officer Who Executed the Instrument: _____
(name)

(address)

Office Held by Other Officer Who Executed the Instrument: _____

Place of Execution: _____

Date of Execution: _____

I, the deponent, make oath and say:

1. That I hold the office specified above in the corporation specified above, and am authorized to make this affidavit and have personal knowledge of the matters hereinafter deposed to;
2. That the attached instrument was executed by me (and the other officer(s) specified above) as the officer(s) duly authorized to execute the instrument on behalf of the corporation;

DELETE INAPPLICABLE CLAUSE

3. That the seal of the corporation was affixed to the instrument by order of the Board of Directors of the corporation;

OR

That the corporation has no seal;

4. That the instrument was executed at the place and on the date specified above;
5. That the ownership of a share of the corporation does not entitle the owner thereof to occupy the parcel described in the attached instrument as a marital home.

SWORN TO at _____)
 In the Province of _____)
 On _____, _____)
 Before Me: _____)
 _____) _____)

Commissioner of Oaths Being a Solicitor
* Notary Public

**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 MARITAL STATUS

Land Titles Act, S.N.B. 1981, c. L-1.1, s.81

Deponent:

_____)
(name)

_____)
(address)

_____)
(name)

_____)
(address)

(Spouse of Deponent:

_____)
(name)

_____)
(address)

(Date of Domestic Contract:

_____)

(Date of Court Order:

_____)

I/We, the deponent, make oath and say:

- 1. That I am (we are) a person(s) conveying an interest in the attached instrument and have personal knowledge of the matters hereinafter deposed to;

DELETE INAPPLICABLE CLAUSES

- 2. That I am/we are not married;

OR

That the name of my spouse is as specified above;

- 3. That I/we have no former spouse with a right under the *Marital Property Act* to any interest in or possession of the subject land;

- 4. That the subject land has (not) been occupied by me and my spouse as our marital home;

- 5. That my spouse has joined in this instrument and has consented to the disposition for the purpose of complying with section 19 of the *Marital Property Act*,

OR

The signature of my spouse is not required because

my spouse has released all rights to the marital home by reason of a domestic contract dated as specified above.

OR

the marital home has been released by order of The Court of Queen's Bench of New Brunswick dated as specified above, pursuant to paragraph 23(1)(b) of the *Marital Property Act*.

OR

this disposition has been authorized by The Court of Queen's Bench of New Brunswick by order dated as specified above.

(SEVERALLY) SWORN TO at the _____ of)

_____ in the _____)

of _____ on the _____)

day of _____, _____)

Before Me: _____)

_____)

_____)

Commissioner of Oaths Being a Solicitor

*Notary Public

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

OPTIONAL COVENANT AND CONDITIONS NO. SMC-2402

DEFINITIONS

In this set of optional covenants and conditions and in any schedules attached to a Form 15 Mortgage: **mortgage** means the Form 15 Mortgage in which this set of optional covenants and conditions is referred to by its filing number, any schedules attached to the Form 15 Mortgage and this set of optional covenants and conditions; **you** and **your** mean each person who has signed this mortgage as mortgagor; **we, our** and **us** mean the mortgagee, Scotia Mortgage Corporation; **your property** means the specific parcel(s) on the Form 15 Mortgage (the "mortgage"), all buildings now or later on it and anything now or later attached or fixed to the buildings or the land, including additions, alterations and improvements; **loan amount** means the principal sum loaned to you that is outstanding from time to time; **year of the term of the mortgage** means a twelve month period starting on the Interest Adjustment Date or on an anniversary of that date; **term of the mortgage** means the period starting on the Interest Adjustment Date and ending on the day before the final payment date in the mortgage.

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

1. ADDITIONS, ALTERATIONS OR IMPROVEMENTS TO AND USE OF YOUR PROPERTY

No significant additions, alterations or improvements may be made by you without our prior written consent.

Use of Your Property - You may of course continue to remain in possession of your property. However, if you default in any of your obligations to us under this mortgage, we have the right to take immediate possession.

You will not use your property for any business purposes, without our prior written consent.

2. INTEREST

A. Interest Rate – The interest rate payable by you on the loan amount is a variable rate, expressed as a rate per annum equal to our Variable Rate Mortgage (VRM) Base Rate with a variance of plus or minus the percentage per annum specified in Schedule "G". Our VRM Base Rate varies from time to time, as the Prime Rate of The Bank of Nova Scotia varies.

Interest is calculated monthly not in advance. Interest at this variable rate is payable on the loan amount both before and after the final payment date, default and judgment. The interest rate will vary automatically on the day The Bank of Nova Scotia Prime Rate changes. Wherever this mortgage refers to the interest rate payable on the loan amount, that expression means the VRM Base Rate from time to time plus or minus the number of percentage points per annum set out in Schedule "G" payable as set out above.

The interest rate payable on the loan amount, as specified in Schedule "G" (VRM Base Rate plus/minus the number of percentage points set out in Schedule "G"), calculated monthly not in advance (with the equivalent rate calculated half-yearly not in advance), will remain in effect after you have signed this mortgage until it is varied as provided herein. Section 28 of these Optional Covenants and Conditions set out interest rates calculated half-yearly not in advance which are equivalent to interest rates calculated monthly not in advance.

If this is a VRM with a Cap Rate, the maximum interest rate payable by you on the loan amount at any time during the term will be the percentage indicated in Schedule "G". Your monthly payments will be calculated using this interest rate.

B. How you Can Ascertain the Interest Rate – After each VRM Base Rate change, we will mail a notice showing the new interest rate and the date it became effective. The notice will be sent to your last known address shown in our records. However, our failure to mail a notice or the fact that you do not receive it will not prevent the rate from varying. The VRM Base Rate in effect at any time will be available at any branch of The Bank of Nova Scotia in Canada or at www.scotiabank.com.

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

D. Deferred Interest – If the interest that has accrued on the loan amount from one monthly loan payment date (or, in the case of the first payment, from the interest adjustment date) to the next monthly loan payment date exceeds the monthly loan payment, the excess (called **deferred interest**) will bear interest at the interest rate payable on the loan amount. On the next monthly loan payment date the interest on the deferred interest will be added to the deferred interest and become part of it. If the deferred interest is not paid on that monthly loan payment date, it will bear interest at the interest rate payable on the loan amount and that interest will be added to the deferred interest on the next monthly loan payment date, and so on.

E. Progress Draw Construction Mortgage – If this is a Progress Draw Construction Mortgage, the annual interest rate of your mortgage, during the initial interest-only term, will be a variable interest rate equal to the Prime Rate of The Bank of Nova Scotia (the “Prime Rate”) plus the percentage set out in Schedule “G”. Interest will be payable monthly and calculated half-yearly, not in advance. Your interest rate will vary automatically, without notice to you, on the day the Prime Rate changes. The Prime Rate in effect at any time is available at any branch of The Bank of Nova Scotia in Canada or at www.scotiabank.com.

The initial interest-only term is defined as the 12 month period following the date of your 1st loan advance or the period from the date of your 1st advance to the date your mortgage is at least 85% advanced, whichever is shorter.

3. HOW YOU WILL REPAY YOUR LOAN

A. Payment - You shall repay the loan amount and all interest due and payable on it to us in Canadian dollars. The interest rate payable is described in section 2A of these Optional Covenants and Conditions and in any supplement to section 2A in Schedule “G”. If this is a Progress Draw Construction Mortgage, the interest rate during the initial interest-only term is described section 2E of these Optional Covenants and Conditions and in any supplement to section 2E in Schedule “G”.

B. Interest Payable Prior to your First Regular Payment Due Date - Before your term start date, you will pay us interest, at the rate payable on the loan amount, calculated monthly, not in advance, on all money we have advanced to you. At our option, such interest may be deducted from subsequent advances. Interest will be computed from the date of each advance and will become due and payable in monthly installments starting one month from the date of the 1st advance and continuing each and every month thereafter until the first regular payment due date or term start date for your conversion product term, if this is a Progress Draw Construction Mortgage.

If more than one month will elapse from the advance date (or your last interest-only payment date during the initial interest-only term, if this is a Progress Draw Construction Mortgage) to your 1st regular payment due date, you will owe interest for the period separately. At our option, such interest will be due and payable one month prior to the 1st regular payment due date or on the 1st regular payment due date or it may be deducted from subsequent advances.

C. Payments After the Interest Adjustment Date - The principal sum together with interest calculated from the Interest Adjustment Date shall become due and be paid by you in regular monthly loan payments.

You will make your regular monthly loan payments to us in equal installments as shown on the Form 15 Mortgage.

Each of the above dates is called a monthly loan payment date. You will pay the balance of the principal sum together with all the interest that is due and payable on the date shown on the Form 15 Mortgage as the Maturity Date.

D. Application of Monthly Loan Payments - Each monthly loan payment will be used.

first, to pay or reduce the interest (other than deferred interest) that has accrued on the loan amount from (and including) the previous monthly loan payment date to (but excluding) the monthly loan payment date on which the payment is made (if the payment is the first monthly loan payment, the interest will be the interest that has accrued from the Interest Adjustment Date);

secondly, if any of the payment remains, to pay or reduce deferred interest, if any; and

thirdly, if any of the payment remains, to reduce the loan amount.

E. Early Payment - We may require you to pay all the money that you owe us under this mortgage immediately whenever the total of the loan amount, all other amounts due and payable under this mortgage and all amounts secured by a mortgage, charge lien or other encumbrances against your property which ranks equal or in priority to this mortgage exceeds 105% of the original advanced amount.

F. Early Payment on Sale or Mortgage - If you sell, transfer, mortgage or charge your property, we may, at our option, require you to pay all the money that you owe us under the mortgage immediately, unless we have given our prior written consent to the sale, transfer, mortgage or charge. If we consent to the sale, transfer, mortgage or charge and do not require you to immediately pay all the money that you owe us under the mortgage, your obligations to us under the mortgage and our rights against you or anyone else who is liable for the payment of money owing under the mortgage, are not affected.

A consent to a sale or transfer of your property is **not** a consent to an assumption of the mortgage nor a consent to release you from your obligations under the mortgage. In the event of a sale or transfer of your property, in whole or in part, or of any interest in your property to a transferee, the mortgage will **not** be considered assumed unless:

(i) you apply in writing for our approval to the transferee and the terms and conditions of the sale or transfer, and

(ii) we approve in writing the transferee, and

(iii) we approve in writing the terms and conditions of the sale or transfer, and

(iv) the transferee enters into an assumption agreement or credit agreement satisfactory to us, agreeing to assume this mortgage, any amendments to it, and any collateral agreements and to pay the amounts

secured and perform all obligations that were to be performed by you (including this obligation) at the time and in the same manner and in all respects be bound by all of the terms, covenants, conditions and obligations of this mortgage, any amendments to it and any collateral agreements..

You will be required to pay us our administration and processing fees which are in effect at the time of any assumption of the mortgage in connection with the preparation of any assumption statement, assumption agreement or any information statement for assumption purposes as well as any other applicable administration and processing fees (refer to the section heading Administration And Processing Fees of these Optional Covenants and Conditions for more information) and any other costs or expenses we incur in connection with any assumption of the mortgage. Our fees are subject to change at any time without notice. The administration and processing fee amounts in effect from time to time can be obtained from any branch of The Bank of Nova Scotia in Canada.

G. Amounts Covered by Mortgage - All amounts payable by you to us under this mortgage are secured by this mortgage and are a charge on your property.

H. Progress Draw Construction Mortgage - If this is a Progress Draw Construction Mortgage, you will pay interest-only payments, monthly, during the initial interest-only term, starting one month from the date of your 1st advance. Your interest-only payment amount will vary automatically with The Bank of Nova Scotia Prime Rate (as outlined in section 2E above and in any supplement to section 2E in Schedule "G") and will be calculated based on the principal amount advanced so far. Your last interest-only payment amount will be due on the date your mortgage loan is at least 85% advanced or the date that is 12 months from the date of your 1st advance, whichever comes first. At that time, the total loan amount plus all interest owing will become due and payable, unless converted as set out below.

If your Progress Draw Construction Mortgage is not at least 85% advanced on or before the end of the 12 month initial interest-only term, we may, at our discretion:

1. convert your mortgage to the conversion product term as described below
2. continue to collect interest-only payments for a set period of time
3. require the outstanding loan amount and all interest owing to be paid in full.

Conversion Product Term – When your mortgage loan is at least 85% advanced or it is 12 months from the date of your first advance, whichever comes first, we will reset your term start date and convert your mortgage to your chosen term, rate type, and repayment schedule, based on the full principal amount, as detailed in your Cost of Borrowing Disclosure Statement for the conversion product term. We will provide you with a confirmation notice, which will set out, among other things, your initial mortgage interest rate, principal & interest payment amount, term start date and maturity date.

4. YOUR TITLE TO YOUR PROPERTY.

AS OWNER OF YOUR PROPERTY, you certify that:

- i) You are the lawful owner of your property;
- ii) You have the right to convey your property to us;
- iii) There are no encumbrances on the title to your property; and
- iv) There are no limitations or restrictions on your title (excepting only building by-laws, zoning regulations and registered restrictions) to your property.

5. FURTHER ASSURANCES.

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

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

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

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

7. TAXES.

- A.** You will make monthly payments to us 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 the final advance of the principal sum enough money to pay all taxes due on or before the Interest Adjustment Date and which have not been paid on the date the final advance is made.
- C.** The tax payments will be made on the same dates that your regular monthly loan payments are to be paid to us. Each monthly payment will consist of approximately 1/12th of our estimate of a year's taxes next becoming due and payable. The tax payment may change 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. The monthly payments should enable us to pay all taxes on or before the annual due date for the taxes. Or, if your taxes are payable in installments, the monthly 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.
- D.** 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, you will pay us equal monthly payments during that period and during the next 12 months. These equal monthly 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.
- E.** 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 municipality.
- F.** We will 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. Or, at our option, we may increase the monthly payment to cover this amount.
- G.** 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. We will charge you interest on the debit balance in your tax account at the interest rate payable on the loan amount until the debit balance is paid to us in full.
- H.** 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. We will charge you interest on the debit balance in your tax account at the interest rate payable on the loan amount until the debit balance is paid to us in full.
- I.** We may apply the money in your tax account towards payment of any amount you owe in connection with your mortgage that you fail to pay us when it is due.
- J.** 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 municipality 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 municipality.

8. TRANSFER OF LEASES AND RENTS.

- A.** If you have leased, or at a later date, lease all or part of your property, then at our request to you in writing, you will transfer and assign to us:
- i) All leases, lease agreements and their renewals (for which you must first obtain our written consent), other than the renewals which are provided for in any lease;
 - ii) All rents and other money payable under the terms of all leases and agreements. However, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your obligations to us under this mortgage; and
 - iii) All rights under the leases and agreements as they affect your property.
- B.** In addition, you confirm that:
- i) You must obtain our prior written consent for any future leases of your property;
 - ii) Nothing we do under this section shall put us in possession of your property;
 - iii) However, if you default under this mortgage, we have the right to take possession of your property; and
 - iv) We are not obligated to collect any rent or other income from your property nor to comply with any term of any lease or agreement.

9. PAYMENTS WE CAN MAKE.

We can pay off any claims or encumbrances against your property which we consider to have priority over this mortgage. We can also pay all our expenses of collecting any payments not received from you when

due. These expenses will include all our legal expenses on a solicitor and own client basis. You must immediately reimburse us at our request for the payment of all claims or encumbrances against your property and our expenses all of which have been paid by us. Until paid, the payments will all be added to the loan amount and will be a charge against your property. Interest is payable by you on the payments made by us at the interest rate payable on the loan amount until they are paid to us in full. We may also exercise our right to collect the payments from you together with interest due and payable under the heading **ENFORCING OUR RIGHTS** in the optional covenants and conditions included in this mortgage.

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

10. INSURANCE.

You will without delay insure, and keep insured in our favour and until this mortgage is discharged, all buildings covered by this mortgage (including those which will be built in the future both during construction and afterwards) against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Your policy must be in a form satisfactory to us and must include extended perils coverage and a mortgage clause stating that loss is payable to us. You must keep the buildings insured for their replacement cost (the maximum amount for which the buildings can be insured) in Canadian dollars, by a company approved by us. If, in our opinion, you do not provide adequate insurance we can obtain insurance for you. What we pay for this insurance will immediately become payable by you to us. Any premium paid by us may be added to the loan amount and will be a charge against your property. Interest is payable by you on the premiums paid by us at the interest rate payable on the loan amount until they are paid by you 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.

If you do not:

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

we can, but are not obliged to insure any of the buildings. What we pay for this insurance shall be added to the amount you owe under this mortgage and shall bear interest at the mortgage interest rate. You will pay this amount with your next monthly payment.

If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. The production of this mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss. Insurance proceeds may, in whole or in part, at our option, be:

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

Any payment of the loan proceeds to the mortgagor shall not operate as a reduction of any money owing or any obligation of this mortgage or amendment to this mortgage.

This paragraph 10 does not apply (and paragraph 25.I. does apply) if your property is a condominium unit.

11. KEEPING YOUR PROPERTY IN GOOD CONDITION.

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

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

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

12. ENVIRONMENTAL PROVISIONS.

We (including, in this section, the Canada Mortgage and Housing Corporation if this is a CMHC-insured

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

13. REPAYMENT OF LOAN AMOUNT ACCELERATED.

The loan amount together with all interest which is due and payable and to which we are entitled becomes immediately payable at our option, if:

- a) You default in paying any regular monthly loan payments, any portion of the loan amount, any interest that is due and payable or any other payment you are obliged to pay to us.
- b) You fail to comply with any of your obligations under this mortgage.
- c) Any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, unpaid condominium maintenance fees, judgements or construction liens or other similar encumbrances.
- d) Your property is abandoned.
- e) Any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for 30 consecutive days.
- f) You do or allow anything to be done to lessen the value of your property.
- g) For a VRM without a Cap Rate, the loan balance ever exceeds 105% of the original advanced amount.
- h) You, or any party using your property with your permission, uses your property for illegal purposes.

14. APPOINTING A RECEIVER TO RECEIVE INCOME.

If you default in making your regular monthly loan payments or any other payments which you have agreed to make to us, or in complying with your obligations under this mortgage we can, in writing, appoint a receiver to collect any income from your property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and his defaults are considered to be your defaults.

The receiver has the right to:

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

From the income collected the receiver may:

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

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

15. ENFORCING OUR RIGHTS.

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

- i) **Sue you** - We may take such action as is necessary to collect the unpaid balance of the loan amount, the interest that is due and payable and our expenses.
- ii) **Power of sale** - 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 and in the Royal Gazette as required by law, we can sell and dispose of your property and the appurtenances or any part of it, by public auction or private contract, for such price or prices, for 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.

- iii) **Take possession of or lease your property** - We may take possession of your property and lease it on such terms for whatever period we may decide upon.
- iv) **Other remedies** - We may take any other remedy available to us under New Brunswick law.

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

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

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

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

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

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

D. Sale of goods - If you fail to:

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

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

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

16. DELAY IN ENFORCEMENT OF OUR RIGHTS.

Any delay or extension of time granted by us to you or any other person, in exercising the enforcement of any of our rights under this mortgage does not affect our rights to:

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

17. PROGRESS DRAW CONSTRUCTION MORTGAGE / PROPERTY IMPROVEMENTS / NEW CONSTRUCTION PROPERTY COMPLETION.

If you are having any buildings constructed on your property or improvements made to your property, you will have them constructed or completed only according to the plans and specifications approved in writing by us in advance. 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. Where applicable, we will make advances as the construction progresses or as the improvements are made, in accordance with the terms provided to you. We will determine whether or not any advances will be made and when they will be made. Any inspection fees incurred are your responsibility and may be

deducted from advances. We will hold back sufficient funds to meet provincial lien holdback requirements and/or require our solicitor to do so until the applicable lien filing period has expired. Your solicitor can provide you with the applicable amount of the holdback.

For purchases from a builder, or where a general contractor is building the property, our solicitor must be satisfied that the builder/contractor and the housing unit are registered under a home warranty program prior to disbursement of funds. A copy of the Certificate of Completion and Possession form (executed by both builder/contractor and purchaser) for the unit must be forwarded to us. If you are acting as the contractor and are not a builder, our solicitor will require a copy of the Occupancy Certificate issued by the appropriate authority.

18. RELEASING YOUR PROPERTY FROM THIS MORTGAGE.

We may establish the terms for the releasing of our interest in all or part of your property, from this mortgage whether we receive value for our release or not. This means making a provision for discharging or partially discharging your property. If we release part of your property at any time from this mortgage, the rest of your property will continue to secure the loan amount and all interest payable to us under this mortgage. We are only accountable for money actually received.

If we release part of your property at any time from this mortgage, we will either prepare, execute and register a partial discharge of our claim 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 documents and you will pay our usual administration and processing fees for preparing, reviewing and executing the partial discharge document and, where we elect to register the partial discharge of our claim, our usual administration and processing fees for registering the partial discharge document. You will also pay all costs and other expenses that we incur in connection with the partial discharge of our claim. In the event that we provide you with an unregistered official partial discharge document, you will be responsible for registering the documentation and for all costs relating to such registration. You will also be required to pay any other applicable administration and processing fees (refer to the section heading Administration And Processing Fees of these Optional Covenants and Conditions for more information). Our fees are subject to change at any time without notice. The administration and processing fee amounts in effect from time to time can be obtained from any branch of The Bank of Nova Scotia in Canada.

19. RENEWING OR OTHERWISE AMENDING THE MORTGAGE.

We may from time to time enter into one or more written agreements with you (or with any one to whom your property is transferred) to amend the mortgage by extending the time for payment, renewing it or its term for further periods of time, changing the interest rate payable under the mortgage or otherwise altering the provisions of the mortgage.

You agree to pay all money owing under the mortgage on the maturity date or, if we have offered to renew your mortgage, to enter into a renewal agreement with us on or before the maturity date. If you do not, provided that we have not advised you that we will not renew your mortgage, you agree that the mortgage will be automatically renewed on the renewal terms we indicate in the renewal agreement, including all the other terms and conditions stated in the renewal agreement.

Whether or not there are any encumbrances on your property in addition to the mortgage at the time the agreement is entered into, it will not be necessary to register the agreement on title in order to retain priority for the mortgage, as amended, over any instrument registered after the mortgage. Any reference in this set of standard charge terms to the mortgage means the mortgage as amended by any such agreement or agreements.

20. DISCHARGE.

When our interest in your property comes to an end, we will either prepare, execute and register a full discharge of our claim and you or your representative will be provided with confirmation of discharge, or, at our sole option, we will prepare and provide you with an executed but unregistered official discharge document. You will give us a reasonable time in which to prepare, review, execute and register the discharge documents and you will pay our usual administration and processing fees for preparing, reviewing and executing the discharge document and, where we elect to register the discharge of our claim, our usual administration and processing fees for registering the discharge document. You will also pay all costs and expenses that we incur in connection with the discharge of our claim. In the event that we provide you with an unregistered official discharge document, you will be responsible for registering the documentation and for all costs relating to such registration.

When our interest in your property comes to an end and you request that we assign your mortgage, we will prepare and execute an assignment of the mortgage for you. You will give us a reasonable time in which to prepare, review and execute the assignment and you will pay our usual administration and processing fees for preparing, reviewing, and executing the documentation and all costs and expenses we incur in so doing. You will be responsible for registering the assignment documentation and for all costs relating to such registration.

You will also be required to pay any other applicable administration and processing fees (refer to the

section heading Administration And Processing Fees of these Optional Covenants and Conditions for more information). Our fees are subject to change at any time without notice. The administration and processing fee amounts in effect from time to time can be obtained from any branch of The Bank of Nova Scotia in Canada.

21. ADMINISTRATION AND PROCESSING FEES.

In addition to the administration and processing fees outlined elsewhere in these Optional Covenants and Conditions, you also agree to pay to us, when due, our administration and processing fees in connection with:

- the preparation of any amending agreement or other type of agreement, or statement for information purposes;
- the processing of any request related to providing our consent, approval, postponement or agreement to any other document or matter affecting title to your property;
- the processing of any third party requests related to your mortgage or property;
- the processing of any material or documentation related to any legal proceeding related to your mortgage or property;
- any failure to have sufficient funds in your account to meet a payment amount, closure of the account from which you authorized us to deduct your payments, or cancellation of your authorization to deduct payments from your account;
- the replacement of cheques if a payment has been refused because of insufficient funds;
- providing copies of documents from your file;
- providing duplicate documents;
- providing an amortization schedule;
- the retrieval of information, documents or records from offsite storage at your request;
- providing a detailed breakdown of your payment history or tax account;
- any audit verification;
- any courier charges; and
- any other special requests by you or third parties for similar services of a clerical or administrative nature.

We will charge you our fees in effect at the time we do the work. You must pay us these fees immediately. If you do not pay us these fees immediately, we will add these fees to the loan amount or we may declare that you are in default on your mortgage, or do both. We will charge you interest on these fees at the mortgage rate from the date the fees are incurred.

We have the right to change the fees we charge from time to time without notifying you. The fees in effect at any particular time are available from any branch of The Bank of Nova Scotia in Canada.

In addition to any administration and processing fees, you are responsible for any and all other costs and expenses that we incur in connection with your mortgage. 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 legal representatives, to assist with a matter related to your property and/or your mortgage and you will be responsible for any and all costs and expenses, including legal costs, associated therewith.

22. HEADINGS.

Except as provided for in the General Regulation under the Land Titles Act, headings form no part of this mortgage. They are used so that parts of the mortgage can easily be referred to.

23. WHO IS BOUND BY YOUR MORTGAGE.

You agree to observe and be bound by all of the terms and obligations contained in this mortgage. This mortgage will also be binding on your heirs, personal and legal representatives, successors or assigns, our successors, assigns or legal representatives and anyone else to whom your interest is transferred. As well, it will be binding on anyone to whom it is transferred from us. By signing this mortgage as mortgagor, you are collectively and individually (that is jointly and severally) bound to comply with all obligations under this mortgage.

24. NO DEDUCTIONS.

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, deductions or withholdings 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.

25. GUARANTEE.

In return for the mortgagee making this loan to the mortgagor, the guarantor guarantees the mortgagor's payments including interest, whether or not the interest rate is changed, and compliance with the mortgagor's obligations under this mortgage. If the mortgagor defaults in any payments or any other obligations, the guarantor will pay to the mortgagee all of the unpaid payments and comply with all of the obligations which have not been complied with by the mortgagor. The guarantor will be collectively and individually (that is jointly and severally) responsible with the mortgagor for all

obligations under this mortgage.

It is understood that the mortgagee can without lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor; grant any extensions of time for payment and extensions of the term of the mortgage, including any renewals of the mortgage or its term for further periods of time; increase the rate of interest payable under this mortgage, either during the initial term or in any subsequent renewal period; release the whole or any part of the property from the mortgage or any other security; otherwise deal with the mortgagor, any other person (including any guarantor), any security (including the mortgage) or the mortgagor's property, including discharging, releasing, realizing on or replacing any security we may hold; waive any provision of the mortgage or change any of the terms of the mortgage at any time during the initial term of the mortgage or in any subsequent renewal period. We may do all of this either before or after requiring payment from any person without affecting the guarantee. The mortgagee may require payment under this guarantee without first trying to collect from the mortgagor or any other person (including any guarantor) or any security (including the mortgage). The guarantee of this mortgage shall be binding upon the legal and personal representatives of the guarantor.

Where there is more than one guarantor, each guarantor agrees with the mortgagee to be collectively and individually (that is jointly and severally) responsible under this guarantee with any other guarantor and the mortgagor.

26. IF YOUR PROPERTY IS A CONDOMINIUM UNIT, YOU ARE TO COMPLY WITH THE FOLLOWING OBLIGATIONS.

(In this section, The Condominium Property Act is called the Act, Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression "condominium property" has the same meaning as the word "property" in the Act.)

- A.** You will comply with all of the obligations contained in the mortgage except as they may be modified by the Act, the declaration, by-laws, and rules of the condominium corporation (the corporation) concerning your property and by the provisions contained in this section.
- B.** You will comply with the Act, declaration, by-laws and rules of the corporation.
- C.** You will provide us with proof of your compliance from time to time as we may request.
- D.** You will pay the common expenses for your property to the corporation on the due dates. Or, if we exercise our right to collect your contribution towards the common expenses from you, you will pay the same to us, upon being so notified. We can accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due.
- E.** You will forward to us any notices, assessments, by-laws, rules and financial statements of the corporation.
- F.** You will provide us, on request, with any documents and information that you receive from the corporation or are entitled to receive.
- G.** You will maintain all improvements made to your unit and repair them after damage.
- H.** You will not do or let anyone else do anything that lowers the value of your property.
- I. Insurance** - In addition to the insurance which the corporation must obtain, you must:
 - i) Insure all improvements which you or previous owners have made to your unit;
 - ii) Obtain insurance for those additional risks that we require;
 - iii) Insure your common or other interest in buildings (whether presently existing or built in the future, both during construction and afterwards) which are part of the condominium property or assets of the corporation if the corporation fails to insure the buildings as required or if we require you to do so;
 - iv) Assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the corporation;
 - v) Provide us with proof that the required insurance is in force, as well as evidence of any renewal or replacement of the insurance, within fifteen full days before the insurance expires or is terminated;
 - vi) Do all that is necessary to collect insurance proceeds.

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

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

With respect to the corporation's insurance, we have the right to have the insurance proceeds used, as

permitted by law, to repair or rebuild the buildings or to repay the loan amount and interest which is due and payable in full or in part or both.

If you fail to insure your property as required in this section, we can, but are not obliged to, obtain any insurance which you are required to obtain. What we pay for this insurance will immediately become payable by you to us. If any loss or damage occurs, you, on behalf of the condominium corporation and yourself, 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. You will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the **Condominium Act** and the Declaration and By-Laws of the condominium corporation.

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

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

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

K. Voting Rights - You authorize us to exercise your rights under the Act to vote, consent and dissent.

You also authorize us to exercise your rights to:

- Demand the corporation purchase your unit and common interest, where provided under the Act.
- Elect to have the value of your unit and common interest or that of the condominium property determined by arbitration.
- Receive your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements.

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

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

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

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

M. Repayment of your Mortgage may be Accelerated – The loan amount together with all interest which is due and payable and to which we are entitled becomes immediately payable, 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;
 - insure its assets if we so require and according to our requirements;
 - provide us with proof that the insurance is in force, if we ask for it, or
 - do all that is necessary to collect insurance proceeds;
- iii) The corporation does not in our opinion manage the condominium property and assets in a careful way;
- iv) The corporation fails to keep the corporation's assets in good repair and working order;
- v) The corporation makes any substantial modification to the common elements or the corporation's assets without our approval;
- vi) There has been substantial damage and the owners have voted for termination of the condominium;
- vii) A sale of the condominium property or any part of the common elements is authorized;

- viii) A court makes an order that the government of the condominium property by the Act be terminated;
- ix) The condominium property ceases to be governed by the Act;
- x) You fail to comply with your obligations in this section.

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

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

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

27. CHANGE IN MARITAL STATUS.

The mortgagor covenants with the mortgagee that upon any change affecting the marital status of the mortgagor or the qualification of the lands as a marital home within the meaning of the Marital Property Act, the mortgagor will advise the mortgagee accordingly and furnish the mortgagee with full particulars thereof.

28. PREPAYMENT TERMS AND CONDITIONS.

Prepayment Charges – Paying off your mortgage before the maturity date.

You may prepay some, or the entire mortgage early, based on the type of mortgage you have. If we later agree to change or extend the terms of the loan, these prepayment conditions do not apply to the new renewal or extended term.

***Miss-a-Payment*[®] Option**

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

If this is a Progress Draw Construction Mortgage, the *Miss-a-Payment* option is only applicable during the conversion product term of your mortgage and is not applicable during the initial interest-only term of your mortgage.

Continuing Liability

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

If your mortgage does not provide for a Cap Rate and the Prepayment Type is Open

If your mortgage payments are up to date, you may pay off some, or the entire principal amount of your mortgage, on any regular payment date. If you pay off the entire principal amount owing you must pay an administration fee of \$100 for each year or part of a year remaining in the term. If this is a Progress Draw Construction Mortgage, this option is only applicable during the conversion product term of your mortgage and is not applicable during the initial interest-only term of your mortgage.

You may early renew this mortgage to a fixed rate, closed prepayment type mortgage for a term of 3 years or longer without a prepayment charge. If this is a Progress Draw Construction Mortgage, this option is only applicable during the conversion product term of your mortgage and is not applicable during the initial interest-only term of your mortgage.

If you received a Cashback with your mortgage, the cashback amount will be payable as outlined below under the heading *Cashback*.

If your mortgage provides for a Cap Rate and the Prepayment Type is Closed

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

If this is a Progress Draw Construction Mortgage, these options are only applicable during the conversion product term of your mortgage and are not applicable during the initial interest-only term of your mortgage.

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

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

Prepayment Costs

When you prepay some, or the entire principal of your mortgage, you will incur prepayment charges unless the partial prepayment is in accordance with the prepayment options chart above.

The charge to pay off some, or the entire principal amount of your mortgage early is 3 months' interest costs on the amount you wish to prepay. The interest rate used to calculate the 3 months interest is the Cap Rate. If you received a Cashback with your mortgage the cashback amount will be repayable as outlined below under the heading *Cashback*.

Cashback

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

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

29. EQUIVALENT RATES

The interest rate payable on the loan amount under the mortgage is calculated monthly not in advance. The table below sets out what would be the equivalent interest rate if the interest rate were calculated half-yearly not in advance.

Interest Rate per annum calculated monthly not in advance (%)	Equivalent Interest Rate per annum calculated half-yearly not in advance (%)	Interest Rate per annum calculated monthly not in advance (%)	Equivalent Interest Rate per annum calculated half-yearly not in advance (%)
2.00000	2.00835	3.37500	3.39882
2.05000	2.05878	3.40000	3.42417
2.10000	2.10921	3.45000	3.47489
2.12500	2.13443	3.50000	3.52562
2.15000	2.15965	3.55000	3.57636
2.20000	2.21011	3.60000	3.62711
2.25000	2.26057	3.62500	3.65249
2.30000	2.31105	3.65000	3.67787
2.35000	2.36154	3.70000	3.72864
2.37500	2.38678	3.75000	3.77942
2.40000	2.41203	3.80000	3.83021
2.45000	2.46254	3.85000	3.88101
2.50000	2.51306	3.87500	3.90642
2.55000	2.56359	3.90000	3.93183
2.60000	2.61412	3.95000	3.98265
2.62500	2.63940	4.00000	4.03348
2.65000	2.66467	4.05000	4.08433
2.70000	2.71523	4.10000	4.13518
2.75000	2.76580	4.12500	4.16061
2.80000	2.81638	4.15000	4.18605
2.85000	2.86698	4.20000	4.23692
2.87500	2.89228	4.25000	4.28781
2.90000	2.91758	4.30000	4.33871
2.95000	2.96819	4.35000	4.38961
3.00000	3.01881	4.37500	4.41507
3.05000	3.06945	4.40000	4.44053
3.10000	3.12009	4.45000	4.49146
3.12500	3.14542	4.50000	4.54240
3.15000	3.17074	4.55000	4.59335
3.20000	3.22141	4.60000	4.64431
3.25000	3.27208	4.62500	4.66979
3.30000	3.32277	4.65000	4.69528
3.35000	3.37347	4.70000	4.74626

**Interest Rate
per annum
calculated monthly
not in advance (%)**

**Equivalent Interest Rate
per annum
calculated half-yearly
not in advance (%)**

**Interest Rate
per annum
calculated monthly
not in advance (%)**

**Equivalent Interest Rate
per annum
calculated half-yearly
not in advance (%)**

4.75000	4.79725	8.87500	9.04072
4.80000	4.84826	8.90000	9.06666
4.85000	4.89927	8.95000	9.11855
4.87500	4.92478	9.00000	9.17045
4.90000	4.95029	9.05000	9.22236
4.95000	5.00133	9.10000	9.27428
5.00000	5.05237	9.12500	9.30024
5.05000	5.10343	9.15000	9.32621
5.10000	5.15450	9.20000	9.37815
5.12500	5.18003	9.25000	9.43010
5.15000	5.20557	9.30000	9.48206
5.20000	5.25666	9.35000	9.53403
5.25000	5.30776	9.37500	9.56002
5.30000	5.35887	9.40000	9.58602
5.35000	5.40999	9.45000	9.63801
5.37500	5.43555	9.50000	9.69002
5.40000	5.46112	9.55000	9.74203
5.45000	5.51226	9.60000	9.79406
5.50000	5.56341	9.62500	9.82008
5.55000	5.61457	9.65000	9.84610
5.60000	5.66574	9.70000	9.89815
5.62500	5.69133	9.75000	9.95021
5.65000	5.71692	9.80000	10.00228
5.70000	5.76812	9.85000	10.05436
5.75000	5.81932	9.87500	10.08040
5.80000	5.87054	9.90000	10.10645
5.85000	5.92176	9.95000	10.15855
5.87500	5.94738	10.00000	10.21066
5.90000	5.97300	10.05000	10.26279
5.95000	6.02424	10.10000	10.31492
6.00000	6.07550	10.12500	10.34099
6.05000	6.12677	10.15000	10.36707
6.10000	6.17805	10.20000	10.41922
6.12500	6.20369	10.25000	10.47139
6.15000	6.22934	10.30000	10.52357
6.20000	6.28064	10.35000	10.57576
6.25000	6.33195	10.37500	10.60185
6.30000	6.38327	10.40000	10.62795
6.35000	6.43460	10.45000	10.68016
6.37500	6.46027	10.50000	10.73238
6.40000	6.48594	10.55000	10.78462
6.45000	6.53730	10.60000	10.83686
6.50000	6.58866	10.62500	10.86298
6.55000	6.64003	10.65000	10.88911
6.60000	6.69142	10.70000	10.94138
6.62500	6.71711	10.75000	10.99365
6.65000	6.74281	10.80000	11.04594
6.70000	6.79422	10.85000	11.09823
6.75000	6.84564	10.87500	11.12438
6.80000	6.89706	10.90000	11.15054
6.85000	6.94850	10.95000	11.20286
6.87500	6.97423	11.00000	11.25519
6.90000	6.99995	11.05000	11.30753
6.95000	7.05141	11.10000	11.35988
7.00000	7.10288	11.12500	11.38605
7.05000	7.15436	11.15000	11.41224
7.10000	7.20585	11.20000	11.46461
7.12500	7.23160	11.25000	11.51699
7.15000	7.25736	11.30000	11.56938
7.20000	7.30887	11.35000	11.62179
7.25000	7.36039	11.37500	11.64800
7.30000	7.41193	11.40000	11.67420
7.35000	7.46347	11.45000	11.72663
7.37500	7.48925	11.50000	11.77907
7.40000	7.51503	11.55000	11.83151
7.45000	7.56659	11.60000	11.88397
7.50000	7.61817	11.62500	11.91021
7.55000	7.66976	11.65000	11.93644
7.60000	7.72135	11.70000	11.98892
7.62500	7.74716	11.75000	12.04141
7.65000	7.77296	11.80000	12.09391
7.70000	7.82458	11.85000	12.14643
7.75000	7.87621	11.87500	12.17269
7.80000	7.92785	11.90000	12.19895
7.85000	7.97951	11.95000	12.25149
7.87500	8.00534	12.00000	12.30403
7.90000	8.03117	12.05000	12.35659
7.95000	8.08284	12.10000	12.40915
8.00000	8.13452	12.12500	12.43544
8.05000	8.18622	12.15000	12.46173
8.10000	8.23792	12.20000	12.51432
8.12500	8.26378	12.25000	12.56692
8.15000	8.28964	12.30000	12.61953
8.20000	8.34137	12.35000	12.67215
8.25000	8.39310	12.37500	12.69846
8.30000	8.44485	12.40000	12.72478
8.35000	8.49661	12.45000	12.77742
8.37500	8.52249	12.50000	12.83008
8.40000	8.54838	12.55000	12.88274
8.45000	8.60016	12.60000	12.93542
8.50000	8.65195	12.62500	12.96176
8.55000	8.70375	12.65000	12.98810
8.60000	8.75556	12.70000	13.04080
8.62500	8.78147	12.75000	13.09351
8.65000	8.80739	12.80000	13.14623
8.70000	8.85922	12.85000	13.19896
8.75000	8.91106	12.87500	13.22533
8.80000	8.96292	12.90000	13.25170
8.85000	9.01479	12.95000	13.30445

Interest Rate per annum calculated monthly not in advance (%)	Equivalent Interest Rate per annum calculated half-yearly not in advance (%)	Interest Rate per annum calculated monthly not in advance (%)	Equivalent Interest Rate per annum calculated half-yearly not in advance (%)
13.00000	13.35721	16.50000	17.07769
13.05000	13.40998	16.55000	17.13123
13.10000	13.46277	16.60000	17.18478
13.12500	13.48916	16.62500	17.21156
13.15000	13.51556	16.65000	17.23834
13.20000	13.56837	16.70000	17.29192
13.25000	13.62118	16.75000	17.34550
13.30000	13.67401	16.80000	17.39909
13.35000	13.72685	16.85000	17.45270
13.37500	13.75327	16.87500	17.47950
13.40000	13.77970	16.90000	17.50631
13.45000	13.83256	16.95000	17.55994
13.50000	13.88543	17.00000	17.61358
13.55000	13.93831	17.05000	17.66723
13.60000	13.99121	17.10000	17.72089
13.62500	14.01766	17.12500	17.74772
13.65000	14.04411	17.15000	17.77456
13.70000	14.09702	17.20000	17.82824
13.75000	14.14995	17.25000	17.88193
13.80000	14.20289	17.30000	17.93564
13.85000	14.25583	17.35000	17.98935
13.87500	14.28231	17.37500	18.01621
13.90000	14.30879	17.40000	18.04308
13.95000	14.36176	17.45000	18.09682
14.00000	14.41474	17.50000	18.15056
14.05000	14.46773	17.55000	18.20432
14.10000	14.52073	17.60000	18.25809
14.12500	14.54724	17.62500	18.28498
14.15000	14.57375	17.65000	18.31187
14.20000	14.62677	17.70000	18.36567
14.25000	14.67981	17.75000	18.41947
14.30000	14.73285	17.80000	18.47328
14.35000	14.78591	17.85000	18.52711
14.37500	14.81244	17.87500	18.55403
14.40000	14.83897	17.90000	18.58095
14.45000	14.89205	17.95000	18.63479
14.50000	14.94514	18.00000	18.68865
14.55000	14.99824	18.05000	18.74252
14.60000	15.05135	18.10000	18.79640
14.62500	15.07791	18.12500	18.82335
14.65000	15.10448	18.15000	18.85030
14.70000	15.15761	18.20000	18.90420
14.75000	15.21075	18.25000	18.95811
14.80000	15.26391	18.30000	19.01204
14.85000	15.31707	18.35000	19.06597
14.87500	15.34366	18.37500	19.09295
14.90000	15.37025	18.40000	19.11992
14.95000	15.42344	18.45000	19.17388
15.00000	15.47664	18.50000	19.22785
15.05000	15.52985	18.55000	19.28183
15.10000	15.58307	18.60000	19.33582
15.12500	15.60968	18.62500	19.36282
15.15000	15.63630	18.65000	19.38982
15.20000	15.68954	18.70000	19.44384
15.25000	15.74279	18.75000	19.49786
15.30000	15.79606	18.80000	19.55190
15.35000	15.84933	18.85000	19.60594
15.37500	15.87597	18.87500	19.63297
15.40000	15.90262	18.90000	19.66000
15.45000	15.95592	18.95000	19.71407
15.50000	16.00922	19.00000	19.76815
15.55000	16.06254	19.05000	19.82224
15.60000	16.11587	19.10000	19.87634
15.62500	16.14254	19.12500	19.90340
15.65000	16.16922	19.15000	19.93046
15.70000	16.22257	19.20000	19.98458
15.75000	16.27593	19.25000	20.03872
15.80000	16.32930	19.30000	20.09286
15.85000	16.38269	19.35000	20.14702
15.87500	16.40939	19.37500	20.17411
15.90000	16.43609	19.40000	20.20119
15.95000	16.48949	19.45000	20.25537
16.00000	16.54291	19.50000	20.30956
16.05000	16.59634	19.55000	20.36376
16.10000	16.64978	19.60000	20.41798
16.12500	16.67650	19.62500	20.44509
16.15000	16.70323	19.65000	20.47220
16.20000	16.75669	19.70000	20.52644
16.25000	16.81016	19.75000	20.58068
16.30000	16.86365	19.80000	20.63494
16.35000	16.91714	19.85000	20.68921
16.37500	16.94389	19.87500	20.71635
16.40000	16.97065	19.90000	20.74349
16.45000	17.02417	19.95000	20.79778
		20.00000	20.85208

DATED _____, _____

(mortgagor)

TO

SCOTIA MORTGAGE CORPORATION
(mortgagee)

c/o The Bank of Nova Scotia

Branch address _____

Form 15
MORTGAGE

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25
Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

Solicitors: