



Retail Collateral Mortgage

THIS MORTGAGE made on _____,

BETWEEN

(the "Mortgagor"),

- and -

THE BANK OF NOVA SCOTIA

(the "Bank"),

- and -

(Spouse of the Mortgagor),

- and -

(the "Guarantor")

WITNESSES that the Mortgagor in consideration of the sums of money advanced or to be advanced to the Mortgagor by the Bank, being the Obligations Secured (as that term is defined in the attached Set of Standard Mortgage Terms) mortgages the real Property described below under **Description of Property covered** to the Bank as security for the repayment of the Obligations Secured and the performance of the Mortgagor's obligations set out or referred to in this Mortgage including, without limitation, the Agreements (as this is defined in the attached set of Standard Mortgage Terms). In this Mortgage **"you"** and **"your"** mean each person who has signed or is bound by the Mortgage as Mortgagor or Guarantor or anyone who has signed the Agreements. **"We"**, **"our"** and **"us"** mean The Bank of Nova Scotia, the Mortgagee, including our succesors and assigns and, as appropriate any of our subsidiaires. The Bank acts as agent for Scotia Mortgage Corporation, a wholly owned subsidiary of the Bank. Any of our subsidiaires may act as our agent. Dealing with any of our subsidiaires is the same as dealing with us.

You agree with us:

- Firstly

–

That you will repay to the Bank the Obligations Secured and will perform all of your Obligations, financial or otherwise, under the Agreements.

The debts and liabilities referred to above are all debts and liabilities, present or future, absolute or contingent, matured or not, at any time owing by you to the Bank or remaining unpaid by you to the Bank, either arising from dealings between you and the Bank or from any other dealings or proceedings by which the Bank may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety (the "Obligations Secured").
- Secondly

–

That you will pay on demand, interest on the principal amount at a rate equal to the Bank's prime lending rate from time to time plus ten per cent (10%) per annum, calculated daily and payable monthly, both before and after maturity and default, and interest on overdue interest at the same rate and calculated and payable in the same way.
- Thirdly

–

That you will pay all additional amounts to which the Bank may become entitled under this Mortgage or under the Agreements.
- Fourthly

–

That you will do everything else that you have promised to do in this Mortgage.

Description of Property covered

(If space insufficient, attach Schedule A describing Property and type in "See attached Schedule A").

SIGNED this _____ day of _____, _____.

Witness

Mortgagor

(Seal)

Witness

Mortgagor

(Seal)

Witness

Guarantor

(Seal)

CONSENT OF SPOUSE

The Spouse of the Mortgagor consents to this Mortgage and releases to the Bank any claim or interest which he or she had, have or may have by virtue of the *Matrimonial Property Act* (Nova Scotia) on the Property subject to this Mortgage as far as necessary to give effect to the Bank's rights under this Mortgage.

Witness

Mortgagor's Spouse

(Seal)

AFFIDAVIT OF LEGAL AGE AND SPOUSAL STATUS

I/We _____
of the _____ of _____
in the _____ of _____.

MAKE OATH AND SAY:

1. The *Matrimonial Property Act* as amended is referred to in this affidavit as the Act. I (We) have read the definitions of spouse¹ and matrimonial home² below.
2. I am (We are each) at least 19 years of age.
3. ☐ We are spouses of one another and neither of us has any other spouse nor, with respect to the within Property, (i) any former domestic partner with the rights contemplated by Section 55 of the *Vital Statistics Act*, or (ii) any former spouse with rights under the *Matrimonial Property Act*.
☐ I was not a spouse at the time of making this mortgage and, with respect to the within Property, I have no (i) former domestic partner with the rights contemplated by Section 55 of the *Vital Statistics Act*, or (ii) former spouse with rights under the *Matrimonial Property Act*.
☐ I am a spouse and _____ is my only spouse and I have no other spouse, or, with respect to the within Property (i) any former domestic partner with the rights contemplated by Section 55 of the *Vital Statistics Act*, or (ii) former spouse with rights under the *Matrimonial Property Act*.
☐ I am a spouse and I have no other spouse, or, with respect to the within Property (i) any former domestic partner with the rights contemplated by Section 55 of the *Vital Statistics Act*, or (ii) former spouse with rights under the *Matrimonial Property Act*.
4. ☐ The Property covered by this mortgage has never been occupied by me and my spouse as our matrimonial home.
☐ My spouse has released all rights to the Property covered by this mortgage by a separation agreement.⁴
☐ My spouse has released all rights to the Property covered by this mortgage by a marriage contract.⁵
☐ The Property covered by this mortgage is not designated as a matrimonial home under section 8(1)(d) of the Act and an instrument designating another Property as a matrimonial home of me and my spouse is registered under section 7(1) and not cancelled.

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

A Commissioner of the Supreme Court of Nova Scotia /

³ A Notary Public in and for _____

1 "Spouse" 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 annulled by a declaration of nullity, or

(iii) have gone through a form of marriage with each other in good faith, that is void and are cohabiting or have cohabited within the preceding year.

"Spouse" also includes an individual who is a party to a registered domestic partner declaration made in accordance with Section 53 of the *Vital Statistics Act* but does not include a former domestic partner.

2 "Matrimonial home" means dwelling and real Property occupied by a person and that person's spouse as their family residence and in which either or both of them have a Property interest other than a leasehold interest.

3 Where affidavit is sworn outside Nova Scotia, it may be sworn before a notary public in and for the place where sworn and he/she must impress his/her official seal here.

4 "Separation Agreement" means an agreement in writing between spouses who are living or intend to live separate and apart.

5 "Marriage Contract" means a marriage contract pursuant to Section 23 of the *Matrimonial Property Act*.

ACKNOWLEDGEMENT OF WITNESS

PROVINCE OF _____

COUNTY/REGIONAL MUNICIPALITY OF _____

On the _____ day of _____, _____.

(Witness)
a subscribing witness to the foregoing mortgage personally appeared before me. The witness having been duly sworn by me, made oath and said the parties to the mortgage did sign, seal and deliver it in his/her presence:

A Commissioner of the Supreme Court of Nova Scotia/

A Notary Public in and for* _____

* When acknowledgment is taken outside Nova Scotia, it may be sworn before a Notary Public in and for the place where taken and he/she must impress his/her official seal here.

SET OF STANDARD MORTGAGE TERMS**1. Definitions**

Mortgage means the Mortgage, any schedule attached to it and this set of Standard Mortgage Terms. **You** and **your** mean each and every person who has signed or is bound by the Mortgage as Mortgagor and anyone who has signed the Agreements. **We, our** and **us** mean The Bank of Nova Scotia, the Mortgagee 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. **Property** means the land and property described under the heading **Description of Property** covered on the Mortgage or any schedule attached to it and anything else included under the heading **Description of Property** covered below. **Obligations Secured** means all debts and liabilities described under the heading **Obligations Secured**. **Costs and Servicing Fees** means all costs and servicing fees referred to in the Mortgage and the Agreements including costs and servicing fees under the headings **Costs and Servicing Fees** and **Additional Costs and Servicing Fees** covered below. **Agreements** means all of the contracts, agreements, promissory notes, bills, notices or other documents which govern or relate to the Obligations Secured and all renewals, replacements and substitutions of them. The Mortgage is made pursuant to **The Land Titles Act, 2000**. If the Mortgage 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).

References to paragraphs refer to paragraphs of this set of Standard Charge Terms. Any reference to an Act in this Mortgage includes any amendment, replacement, or re-enactment of that Act

2. Description of Property covered

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

3. Obligations Secured

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

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

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.

4. What the mortgage does

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

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

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

You may remain in possession of the Property in accordance with this Mortgage and the Agreements. We can take any steps necessary to protect the entire interest you have charged to us and you 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.

5. No obligation to advance

If we decide, for any reason, that we do not wish to advance any amount pursuant to the Agreements to you then we do not have to do so, even though the Mortgage is prepared, signed or registered, and whether or not any amounts have already been advanced. However, by signing the Mortgage you charge all of your interest in the Property to us. You will immediately, pay our Costs and Servicing Fees including but not limited, to investigating the title to the Property and preparing and registering the Mortgage.

6. Your title to the Property

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

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

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

- (i) The Property is leased to you and your legal or personal representatives under a lease, a copy of which you have provided to us;
- (ii) The lease is a binding and existing lease and all information you have provided to us concerning it is true;
- (iii) All rents payable and other amounts due under the lease have been paid to the date you sign the Mortgage;
- (iv) You have permission or the right to assign and mortgage or charge the lease; and
- (v) Except as expressed in the lease, there are no limitations, restrictions or encumbrances on your interest under the lease other than building by-laws, zoning regulations and registered restrictions which have been complied with.

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

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. If we agree in writing that the Mortgage is not a first charge on the Property, you agree not to increase the principal amount owing under any prior mortgage or charge or to re-borrow any amount repaid under a prior mortgage or charge without our written approval unless the prior mortgage or charge is held by us. We may withhold our approval for any reason. You promise not to default under any prior mortgage or charge. You consent to us giving notice to the holder of the prior mortgage or charge of the existence of this Mortgage and of all the terms of this Mortgage and the Agreements.

7. Your Responsibilities

- (i) **Payment** – You agree to pay us the Obligations Secured on demand, and to comply with all your other obligations under this Mortgage or under all Agreements.

- (ii) **Insurance** –

(a) You will insure without delay, and keep insured, in our favour and until the Mortgage is discharged, all Buildings and improvements covered by the Mortgage as set out in the definition of Property Above (including those which will be built in the future both during construction and afterwards) ("the Buildings") against loss or damage by fire and other perils usually covered by a standard extended coverage insurance policy and against any other perils we request. 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 form satisfactory to us and must include extended perils coverage and the Canadian standard mortgage clause satisfactory to us stating that loss under the policy is payable to us. You shall, at our request, transfer to us all insurance policies and receipts you have on the Buildings and any proceeds from that insurance. Co-insurance is not permitted.

In our opinion, if you do not comply with this section before your insurance expires or is terminated, and if you do not:

- maintain insurance on the Buildings;
- deliver a copy of any insurance policy and/or receipt of payment to us within five (5) calendar days after we make a request;
- provide us with evidence of any renewal or replacement of the insurance or insurance broker, at least thirty (30) days before your insurance expires or is terminated; or
- provide us with a policy that contains an assurance by the insurer to notify the Bank in writing not less than thirty (30) 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.

(b) If we elect to insurance the Property or Buildings, 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 relating to such insurance immediately.

Also, if the insurance you obtain is not acceptable to us in our reasonable estimation, we can require you to replace it with insurance which is acceptable. If the Property includes a condominium unit you will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the Condominium Act and the Declaration and By-Laws of the condominium corporation.

(c) If the Property is a condominium unit you will ensure that the Condominium Corporation will at all times comply with the terms of all insurance policies, the insurance provisions of the 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 section. 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.

In addition to the insurance which the corporation must obtain, you must:

- i) Insure your condominium unit;
- ii) Insure all improvements which you or previous owners have made to your 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 corporation, if the 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 corporation.

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

(d) You will not take or fail to take any action that may jeopardize insurance coverage for the Property without our prior written consent. You will not leave the Property unoccupied for a period of four (4) consecutive days between September 1 and June 15 nor will you leave the Property unoccupied for a period of thirty (30) consecutive days between June 16 to August 31 without our prior written consent. If you are in default under the Mortgage and if we post a notice on the Property requesting you contact us and you fail to do so within five (5) calendar days following posting of the notice you agree that this constitutes conclusive evidence that you have left the Property unoccupied and we shall be at liberty to enter or take possession of the Property.

(e) 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 is a condominium unit). The terms of any insurance trust agreements, once approved in writing by us, may not be altered without our further written approval.

(f) This Mortgage also charges all insurance proceeds as security for the Obligations Secured. If the Property is a condominium unit, the Mortgage also charges your interest in the insurance trust and any insurance proceeds relating to the Property held by the trustee.

(g) If there is any loss or damage, 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. Production of the Mortgage will be sufficient authority for the insurer to pay any loss to us.

(h) You will, immediately, pay our Costs and Servicing Fees related to and with respect to insurance, including 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 on this Mortgage, 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 Mortgage and the Agreements until they are repaid.

(iii) **Taxes –**

(a) You will make tax payments to us in accordance with this section 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. 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. 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.

(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 date of advance of the Obligations Secured, 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.

(e) You will send us immediately upon their receipt, all assessment notices, tax bills or tax notices which you receive.

(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 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.

(g) We will pay your taxes from the tax payments we receive from you as long as you are not in default under this Mortgage. 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.

(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 mortgage 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 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 section 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 documentation required by us.

(k) 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 collecting money for and paying your property taxes, including 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 on this Mortgage, 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 payable on the mortgage loan amount 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 Mortgage and the Agreements until they are repaid.

- (iv) **Other charges** – You agree to pay all taxes, charges, mortgages, liens, common expenses and other encumbrances on the Property when they are due. If you do not pay any of these amounts when they are due, we can pay them. We can also pay off any liens, claims, common expenses or encumbrances against your Property which we consider to have priority over the Mortgage. If your obligation under the Mortgage or Agreements is to comply with an obligation to another person, and the other person claims that you haven't complied, we can do what we choose to comply as if this 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.

If we pay on your behalf any taxes, charges, mortgages, liens, claims, or other encumbrances or any common expenses, you will pay our Costs and Servicing Fees immediately.

You will also pay immediately all our Costs and Servicing Fees related to collecting any payments not received from you when due.

- (v) **Keeping the Property in good condition** – You agree to keep the Property in good condition and to make any repairs that are needed. You also agree not to do anything, or let anyone else do anything, that lowers the value of the Property 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 inspection to you.

If you don't keep the Property in good condition, or if you or anyone else does anything that lowers the value of the Property or negatively affects the marketability of your Property or you fail to comply with this section, we can make any repairs which we consider necessary and charge our Costs and Servicing Fees of repairs to you.

Despite whether you did or did not obtain the governmental approvals that apply to your Property, you will not make any alterations, improvements or changes without our prior written consent. In either case, we may withhold our approval in our sole discretion.

You or any party using your Property with your permission will not use the Property for any business purposes without our consent which may be withheld in our sole discretion.

You will not use your Property to cultivate or store marijuana.

- (vi) **If you are a tenant of the Property** – You promise:

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

We 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 Mortgage. The agent is to be your agent and not ours and the agent's default is considered to be solely your default.

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.

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.

(vii) **Payments of Costs and Servicing Fees:**

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

8. Applying your payment

We may allocate your payments to any loan under the Agreements both before and after default.

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 first to any mortgage loan(s), then line(s) of credit, term loan(s), credit card(s) and finally to overdraft(s).

9. Prepayment

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

If there is a default under the Mortgage and/or the Agreements and the entire balance of the Obligations Secured is accelerated and becomes immediately due and payable prior to the maturity date, you shall pay us, 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 rate of interest set out in the Agreements. The said bonus shall be payable notwithstanding any enforcement action already taken by us and we shall have no obligation to discharge the Mortgage until such payment is made.

Where a default under the Mortgage and/or the Agreements continues to or is made after the maturity date, 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 rate of interest set out in the Agreements, and we shall have no obligation to discharge the Mortgage 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 from the proceeds of any sale of your Property or other proceedings for enforcement of the Mortgage and/or the Agreements, even if the sale of your Property occurs after the maturity date. 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.

10. Building Mortgages

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

11. Transfer of leases and rents

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

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

In addition you confirm that:

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

12. Appointing a Receiver to Receive Income

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

The receiver has the right to:

- (i) Use any available remedy (taken in your name or our name) to collect the income from the Property;
- (ii) Take possession of the Property or part of it;
- (iii) Manage the Property, maintain it in good condition and complete any construction or improvements if applicable; and
- (iv) Lease the Property on whatever terms considered appropriate.

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

- (i) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.
- (ii) Retain enough money to pay disbursements spent on collecting the income.
- (iii) Pay all taxes, fire insurance premiums, expenses of keeping the Property in good condition or completing any construction or improvements, interest on those payments and all charges that have priority over the Mortgage and interest on those charges.
- (iv) 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.

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.

13. Protecting our Security and Inspections

We (including, in this section, the mortgage insurer, if the Mortgage is insured) may inspect the Property and the Buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, 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 or any other provisions, we will not be considered to be in possession, management or control of the Property. This also applies to our agents.

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

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.

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 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 providing evidence that the work has been completed. You will pay our Costs and Servicing Fees immediately.

If we do not consent to your repairing the damage, or if you fail to meet one or more of your obligations under this section 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. You will pay our Costs and Servicing Fees immediately.

14. Securitization

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

15. Immediate Payment

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

16. Delay in Enforcement

- (a) We can delay enforcing any of our rights under the Mortgage or the Agreements without losing those rights, and we can release others from their obligations under the Mortgage or any of the Agreements without releasing any one of you.

(b) No delay or extension of time granted by us to you or any other person in exercising the enforcement of any of our rights under the Mortgage and Agreements, nor any Agreement referred to in the Amendments section shall affect our rights to:

- i) Receive all payments you are obliged to make to us, when they are due and payable.
 - ii) Demand that you repay the Obligations Secured and all interest which is due and payable, on any default by you.
 - i) ii) Have you comply with all of your obligations to us under the Mortgage and Agreements.
 - iv) Have any other person comply with the obligations that person has to us under the Mortgage and Agreements.
- (c) 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.
- (d) 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.

17. Enforcing our Rights

(a) If you do not repay the Obligations Secured after we have demanded payment of them or if you fail to comply with any of your obligations under the Mortgage or Agreements or, if you have not corrected any other default under the Mortgage or Agreements we can take immediate possession of your Property. In addition, we may enforce any one or more of the following remedies in any order:

- (i) Sue you - We may take such action as is necessary to obtain payment of the Obligations Secured.
- (ii) 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. If the amount we receive from the sale of the Property is less than the Obligations Secured, you must pay us the difference.

If you default in any obligation under the Mortgage and Agreements (including any default referred to in this section), 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:

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

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

After we are in a position to sell or lease the Property, we can sell it, by public auction 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. 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.

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 pay the Obligations Secured in full, you must pay us the difference.

You will not interfere with our possession of your Property (if we go into possession of your Property in enforcing our rights) nor with the possession of anyone to whom your Property is sold or leased.

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.

If we obtain, a court order or judgment ("Judgment") against you for your failure to comply with any of your obligations to us under any of the Agreements or the Mortgage, the Judgment will not result in a merger of the terms of the Judgment with our other remedies or rights to enforce your other obligations under the Mortgage or the Agreements. We will continue to be entitled to receive interest on the Obligations Secured in the manner established in the Agreements. The rate of interest payable on any Judgment shall be calculated and payable in the same way as interest is calculated under the Agreements and at the same rate that interest is payable until the Judgment has been paid in full.

(b) 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 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.

(c) If we, enforce our rights under the Mortgage or Agreements, we, will not be considered to have taken possession, management or control of the Property.

(d) When the Mortgage or Agreements go into default as a result of an event that is outside your control, you are in default of the Mortgage and Agreements. If there is more than one of you, the default is yours even if the default applies only to one of you.

(e) You will immediately pay all our Costs and Servicing Fees of enforcing or protecting our security or any of our rights under the Mortgage or the Agreements. Our Costs and Servicing Fees include our Costs and Servicing Fees 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 Mortgage or the Agreements.

These Costs and Servicing Fees will form part of the Obligations Secured and will bear interest as provided for in the Mortgage and the Agreements. You will pay our Costs and Servicing Fees immediately.

For the purpose of this section, we, our, and us, includes the mortgage insurer if the Mortgage is insured.

18. Dealing with the Property

In the event of a sale, conveyance, mortgage, hypothecate, charge or other encumbrance, lease or transfer of the Property and/or in the event, a claim, a lien, execution, court order, restraint order, injunction, 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 monies hereby 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 Mortgage or against anyone who has guaranteed this Mortgage are not affected.

19. Amendments

We may from time to time enter into one or more written agreements with you to amend the Agreements or the Mortgage, by renewing for further periods of time, changing the interest rate, increasing the balance or otherwise altering the provisions of the Agreements or the Mortgage. 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 also immediately pay our Costs and Servicing Fees for a search of the title records at the appropriate Land Registration or Registry Office, where applicable. It will not be necessary to register any Agreements on title in order to retain priority of the Mortgage for the full amount of the Obligations Secured. Any reference in this set of Standard Mortgage Terms to the Mortgage mean this Mortgage as amended by any such agreement or agreements.

You agree to pay all money owing under any mortgage loan/term loan on the maturity date or, if we have offered to renew your mortgage loan/term loan, 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 loan/term loan, you agree that the mortgage loan/term loan 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.

If there are any encumbrances or other claims or interests registered against your Property in addition to this Mortgage, it will be necessary for those encumbrances to be discharged or formally postponed. You will be required to pay all Costs and Servicing Fees to prepare, execute and register such discharges or postponements before we offer to renew or amend the Agreements or the Mortgage. This is required in order to preserve the priority of this Mortgage.

20. Giving Notice

Any written notice under this Mortgage or the Agreements may be given to you and shall be considered to have been received by all parties where notice has been given in one of the following ways:

- Personal service at your last known address;
- Regular mail at your last known address;
- Publication in a newspaper published in the county, town, city or district where your Property is located;
- Leaving it with an adult on your Property;
- Posting it on your Property.

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) days of the date of mailing. We are not required to provide notice to you at an alternate address unless all of you have, in writing, designated the alternate address, for all parties to receive the notice.

Written notice shall be considered to have been received by us when it is received at our address indicated on the Mortgage and any other address as we may notify you in writing.

If there is more than one of you, written notice to any one of you shall be considered to be notice to all of you. Any one of you can provide instructions to us that will be binding on the other party.

21. Effect on other agreements, obligations and security

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

22. Condominium Provisions

In this section, The Condominium Act, as amended or re-enacted, is called “the Act”. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression **condominium property** has the same meaning as the word “property” in the Act.

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

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

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

Should we elect to take possession of the Property, you irrevocably authorize us to exercise your rights in all matters concerning the Act and the condominium. In such case, you also authorize us to exercise your rights to demand the corporation purchase the unit and common interest, where provided under the Act; elect to have the value of the unit and common interest or that of the condominium Property determined by arbitration and receive your share of the corporation's assets and the proceeds from the sale of the unit and common interest or of the condominium Property or any part of the common elements.

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

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

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

You will not sell or transfer any parking or storage 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 or storage unit to them.

In addition to any other rights under the Mortgage and the Agreements, you authorize us at any time to be able to enter upon the condominium complex and, if the Mortgage is in default, to enter the condominium unit. You will pay our Costs and Servicing Fees relating to such entry immediately.

23. Releasing the Property from the Mortgage

We may release, or partially release, the Property from the Mortgage whether we receive value for our release or not. If we release part of the Property from the Mortgage at any time, the rest of the Property will continue to secure the Obligations Secured. We are only accountable for money actually received by us. 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 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 claim, our usual Costs and Servicing Fees for registering the partial 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 partial discharge of our claim. You will pay our Costs and Servicing Fees immediately. In the event that we provide you with an unregistered partial Discharge of Mortgage/Mortgage, you will be responsible for registering the documentation and for all costs relating to such registration.

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

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 any penalty, fee or interest to which we have a right under this Mortgage or in the relevant legislation.

We can release you, any guarantor, or any other person from performing any obligation contained in the Mortgage or any other security document without releasing any part of the Property secured by the Mortgage or any other security document. Any such release shall not release any other party from their obligations under the Mortgage or Agreements.

24. Release of Mortgage

When our interest in your Property comes to an end and you request that we discharge our claim, we will either prepare, execute and register a full discharge of our claim and provide you with confirmation of discharge, or, at our sole option, we will prepare and provide you with an executed but unregistered Discharge of Mortgage/Mortgage. 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 claim, 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 claim. You will pay our Costs and Servicing Fees immediately. In the event that we provide you with an unregistered Discharge of Mortgage/Mortgage, you will be responsible for registering the documentation and for all Costs and Servicing Fees relating to such registration.

When our interest in your Property comes to an end and you request that we assign your registered Mortgage, and we are required by law to assign your registered Mortgage, we will prepare and execute an assignment of the registered Mortgage. You will give us a reasonable time in which to prepare, review and execute the assignment of the registered Mortgage and you will pay our usual Costs and Servicing Fees for preparing, reviewing, and executing the assignment of the registered Mortgage. 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 Mortgage. You will pay our Costs and Servicing Fees immediately. You will be responsible for registering the assignment of the registered Mortgage and for all costs 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 Mortgage. We have no obligation to assign or transfer the Agreements.

Any assignment or transfer of the registered Mortgage will be on a non-recourse basis.

25. Who is bound by the Mortgage

You agree to observe and be bound by all of the terms and obligations contained in the Mortgage. The Mortgage will also be binding on your heirs, personal representatives and any person to whom the Property is transferred, and shall benefit us and our successors and assigns. All persons who sign or who are otherwise bound by the Mortgage as mortgagors are jointly and severally bound to comply with all obligations under the Mortgage.

26. Guarantee

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

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

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

- Make new advances of the Obligations Secured;
- Grant any extensions of time for payment and extensions of the term of the Obligations Secured, including any amendments, replacements, additions or renewals of the Agreements covering the Obligations Secured;
- Increase the rate of interest payable under the Agreements, either during the initial term or in any subsequent renewal period;
- Release the whole or any part of the Property from the Mortgage or any other security;
- Otherwise deal with the mortgagor, any other person (including any guarantor), any security (including the Mortgage) or the Property, including releasing, realizing on or replacing any security we may hold;
- Waive any provision of the Mortgage or Agreements or change any of the terms of the Mortgage or Agreements at any time;

either before or after requiring payment from any other person. We may require payment from any guarantor without first trying to collect from the mortgagor or any other person (including any guarantor) or on any security (including the Mortgage). The obligations of the guarantor under this guarantee shall be as principal debtor and not as surety and are not affected by the release of any mortgagor or any other person (including any guarantor) of its obligations under the Obligations Secured or any compromise or termination of any Obligations Secured, whether in bankruptcy proceedings or otherwise. Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.

27. Headings

The headings in the body of the Mortgage and these standard charge terms form no part of the Mortgage. 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 Mortgage.

28. Home Warranty Plan/Program

If a home warranty plan/program 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.

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 prior to disbursement of funds. You will provide evidence satisfactory to us, in the form prescribed under the home warranty plan/program, and any other evidence we may require until we are satisfied, 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 that the Property is ready to be occupied. You will pay any related Costs and Servicing Fees to satisfy our requirements.

29. Our priority

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

30. Final Report

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, including 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 Mortgage, and the solicitor fails to do so within thirty (30) 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.

31. Conflict

If there is any conflict between the terms of the Mortgage and the terms of the Agreements, the Agreements will prevail.

32. Representations and Warranties

You further covenant and agree that all statements, information or documentation which you have given or made to us, or which you hereinafter give or make to us, in applying for the Obligations Secured, or in any Agreement, including the Mortgage, are true and accurate. If we discover that any statement, information or documentation which you have given or made to us, or which you hereinafter give or make to us, in applying for the Obligations Secured, or in any Agreement, including the Mortgage, is untrue and/or inaccurate, you shall be considered to be in default of your obligations under the Mortgage and the Agreements, and the entire balance of the Obligations Secured shall, at our option, immediately become due and payable, regardless of whether you knew that the statement, information or documentation 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 upon the truth or accuracy of any such statement, information or documentation.

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

33. Costs and Servicing Fees

Costs and Servicing Fees include costs, servicing fees for our time, and expenses for all aspects of the administration of the Mortgage and 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 Mortgage, the Agreements and your Property including inquiring into compliance, dealing with or enforcing any obligation contained in the Mortgage or Agreements and including, without limitation, preparation, processing and administration of legal actions and enforcements, requests by your 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 condominium matters; administering condominium fees, common expenses and condominium matters; and collecting money for and making payments with respect to condominium fees, common expenses and other condominium matters;
- (f) investigating the title to the Property;
- (g) collecting any payments not received from you when due;
- (h) paying, on your behalf, any charges, mortgages, liens, claims, or other encumbrances or any common expenses;
- (i) making any repairs which we consider necessary or completing any construction;
- (j) curing any default under a lease referred to in the Mortgage or Agreements;
- (k) conducting any inspections or appraisals and engaging any other external experts, appraisers, consultants, service providers or representatives, including legal representatives ;
- (l) conducting any environmental testing, site assessments, appraisals, occupancy checks, investigations or studies;
- (m) consulting on and approving any plans and proposals related to your Property;
- (n) removing, moving, disposing, storing or dealing with any chattels, fixtures or personal belongings on the Property;
- (o) enforcing or protecting our security or any of our rights under the Mortgage or any Agreements;
- (p) taking or keeping possession of the Property;
- (q) preparing, reviewing, executing, or registering the Mortgage, Discharge of Mortgage/Mortgage, partial Discharge of Mortgage/Mortgage, or any other discharge, withdrawal or postponement;
- (r) preparing, reviewing, and executing the assignment of the registered Mortgage and any matters in connection with the assignment of the registered Mortgage;

- (s) meeting your obligations or enforcing your rights under a home warranty plan/program on your behalf;
- (t) retaining a solicitor, or title insurer, if applicable, with respect to any title matter relating to the Property.

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.

In addition, costs includes, 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 Mortgage or any Agreements.

You will pay our Costs and Servicing Fees under the Mortgage and Agreements immediately. If you do not, we may declare that you are in default on this Mortgage, 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 shown on the Mortgage and the Agreements until they are repaid.

34. Additional Costs and Servicing Fees

In addition to the Costs and Servicing Fees outlined in the Mortgage 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 Mortgage or Property.

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 expenses, Costs and Servicing Fees, including legal fees in an amount that represents full indemnity, associated therewith.

35. Insurers

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

In addition, we may also disclose information about you, the Mortgage, the Agreements and the Obligations Secured to a mortgage 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 Mortgage obtaining information about you from credit bureaus and other lenders to evaluate you and the Mortgage.

DATED _____, _____

(mortgagor)

TO
THE BANK OF NOVA SCOTIA
(mortgagee)

Branch address _____

MORTGAGE

Solicitor for the mortgagee