

**ALBERTA GOVERNMENT SERVICES  
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**Land Titles Act (Alberta)  
Set of Standard Mortgage Terms**

Filed by: **Equitable Bank**  
Filing Date:  
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These mortgage terms shall be deemed to be included and form part of every mortgage where so indicated in the Mortgage Form (as defined below) pursuant to Sections 113 and 114 of the *Land Titles Act* (as defined below). The terms of this set of standard mortgage terms may be modified by additions, amendments or deletions in the schedule attached to the Mortgage Form.

This document sets out important terms which apply to the reverse mortgage and are actually part of the Mortgage. It is recommended you read this carefully, and you may want to discuss the terms of the Mortgage with a lawyer.

This document describes the financial institution (mortgagee), who is lending you the money, as "We". The definition of "we" also includes "us", "our" and "Equitable".

This document describes the person who is being loaned money and pledging the Mortgage on your Property as "You" or "you" and includes the borrower and co-borrower(s). The definition of "you" also includes "your".

The Mortgagee is lending you money and the Mortgagee is protecting its interests through the Mortgage on your Property, which gives the Mortgagee certain rights, if you do not do what you promise to do. The specific terms that apply to your Mortgage (for example, the interest rate) are set out in a document that you sign and is registered. This is called the Standard Mortgage Form.

Generally, when a word is capitalized, the word is defined in Article 1. You should read Article 1 carefully.

## **PART A - GENERAL PROVISIONS (Applicable to all Mortgages)**

### **ARTICLE 1 DEFINITIONS**

#### 1.01 Definitions.

In this set of Standard Mortgage Terms and in any Mortgage incorporating these Standard Mortgage Terms, the following words have the following meanings:

**"Amendment"** means any document or agreement Approved by both you and Mortgagee that changes any term of the Mortgage, including, without limitation, changes to the Approved Amount and any agreement to reset the Interest Rate.

**"Approved"** means agreed to in writing. "Approve, "Approves" and "Approval" have corresponding meanings.

**"Approved Amount"** means the amount originally available to you that is indicated in the Credit Documents or as we may change from time to time at our sole discretion.

**"Balance Due Date"** means the date the Debt is due and payable as indicated in the Mortgage Form or other date Approved by you and Mortgagee. This date is the same date as the Last Payment Date.

**"Business Day"** means a day other than a Saturday or a Sunday, on which the main commercial banks in Calgary, Alberta are open for commercial banking business during normal banking hours.

**"Bylaws"** means the bylaws that were registered pursuant to the *Condominium Property Act* or any predecessor legislation.

**"Collateral Loan Debt"** means all present and future amounts owing by you to the Mortgagee including Interest, pursuant to a line of credit agreement, loan agreement or any other document that you have agreed in writing will be secured by the Mortgage on the Property in respect of each Loan. Without limiting the previous sentence, Collateral Loan Debt includes any debt, past, present or future, direct or indirect, absolute or contingent, matured or not, remaining unpaid by you to the Mortgagee, in any currency, whether arising from dealings between you and the Mortgagee or from any other dealings or proceedings by which the Mortgagee may in any manner be or become your creditor, however incurred, whether incurred by you alone or with others and whether as principal or as surety, that you have agreed in writing will be secured by the Property.

**"Collateral Mortgage"** means a Mortgage that secures Collateral Loan Debt.

**"Commitment Letter"** means a document Approved by both you and Mortgagee in which Mortgagee commits to providing you with mortgage financing, including an advance, a loan or a line of credit, which sets out the terms of that mortgage financing, and which may include the disclosure of the cost of borrowing mandated by the *Bank Act* (Canada) and *Fair Trading Act* (Alberta).

**"Common Expenses"** means the expenses related to the performance of the objects and duties of the Condominium Corporation, and all expenses specified as common expenses in the *Condominium Property Act* or in the Bylaws.

**"Condominium Corporation"** means the condominium corporation that was created by the registration of the condominium plan (as defined in the *Condominium Property Act*) on which the Property is a part.

**"Condominium Property Act"** means the *Condominium Property Act* (Alberta) (as amended or replaced).

**"Confidential Personal Information"** means any and all information or data protected by Privacy Laws, including (without limitation) information or data that: (a) is personal information or information about an identifiable individual (as more particularly defined in the applicable Privacy Laws) that was collected, used, disclosed or accessible to such party; or (b) is information from which an individual or individual's identity can be ascertained either from the information itself or by combining the information with information from other sources available to the parties.

**"Convey"** means selling, conveying, disposing of, transferring or leasing, or entering into an agreement to sell, convey, dispose of, transfer or lease (whether by operation of law or otherwise); "Conveyed" has a corresponding meaning.

"Costs" means any fees, costs, charges and expenses relating to:

- (i) the Approval, preparation, execution and registration of the Mortgage, any document connected with the Mortgage and any Amendment, discharge or transfer of the Mortgage;
- (ii) any amounts Mortgagee is entitled to charge you or pay on your behalf under the Mortgage including the administration and servicing fees set out in the Credit Documents;
- (iii) any expenses that Mortgagee incurs in enforcing any of its remedies under the Mortgage;
- (iv) any charges of a municipality or other taxing authority for providing Mortgagee with information on Taxes, or imposed because Mortgagee (rather than you) is paying Taxes;
- (v) any inspection of the Property;
- (vi) any environmental testing, site assessment, investigation, study or inspection of the Property;
- (vii) all repairs made to the Property;
- (viii) having to take possession and secure, complete and equip any buildings, structures or Improvements on the Property, including completing construction of the Property;
- (ix) the renewal of any leasehold interest;
- (x) the cost of any Receiver;
- (xi) any expenses incurred in removing a builders' lien from title to the Property, obtaining a discharge of a builders' lien or defending a builders' lien action relating to the Property;
- (xii) each late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment which does not clear as scheduled;
- (xiii) any mortgage insurance or title insurance; and
- (xiv) all lawyers' fees and disbursements (including those of Mortgagee's in-house lawyers) in any way relating to items (i) through (xiii) on a full indemnity basis;

"Credit Documents" means documents Approved by you and Mortgagee that relate to the Collateral Loan Debt. Credit Documents include any Commitment Letter, loan agreement, Mortgage, Collateral Mortgage, promissory note, line-of-credit agreement, conversion agreement and any other credit document that the Mortgagee may require and any amendments of those Credit Documents.

"Current Principal Amount" means the amount that is outstanding from time to time, not including Interest.

"Debt" means the sum of the Collateral Loan Debt, Costs and all other amounts payable by you under the Mortgage or the Credit Documents.

"Default" means failing to meet any of your Obligations, including, but not limited to if you are unwilling or unable to make a required payment.

"Event of Default" means failing to meet any of your Obligations and the occurrence of any of the events set out in Section 7.02.

"Fixed Interest Rate" means the annual fixed rate of interest for a mortgage, compounded semi-annually not in advance, that is indicated in the Credit Documents or Approved by you and the Mortgagee.

"Improvement" means any present and future construction, installation, alteration, addition, repair or demolition to the Property.

"Interest" means the interest owing from time to time under the Mortgage and/or the Credit Documents, calculated daily at the applicable Interest Rate. Interest will be charged and calculated daily from the date that funds are advanced and/or Costs are incurred and will be added to the Debt until the Collateral Mortgage is repaid in full. Interest is payable both before and after demand and both before and after default and judgment.

"Interest Rate" means the interest rate or rates set out in the Credit Documents, as applicable.

"Interest Rate Reset" means the reset of the Interest Rate on the Interest Rate Reset Date.

"Interest Rate Reset Agreement" means an agreement, notice or written letter Approved by Equitable and at least one of you confirming the terms of an Interest Rate Reset.

"Interest Rate Reset Date" means the last day of the Interest Rate Term.

"Interest Rate Term" means the length of time for which the Interest Rate is valid.

"*Last Payment Date*" means the date the last payment is due as indicated in the Mortgage or any other date Approved by you and Mortgagee. This date is the same date as the Balance Due Date.

"*Land Titles Act*" means the *Land Titles Act* (Alberta), as amended from time to time.

"*Late Interest*" means the additional Interest charged by Mortgagee on both the principal and interest portion, including interest accrued on fees or other charges, of any late Payment. Late Interest will be charged at the Interest Rate.

"*Law*" means any law, statute, rule, requirement, demand, order, direction, code, guideline, ordinance, by-law, policy or regulation of any government, governmental authority or agency.

"*Lease*" means any lease, sublease or agreement to lease that gives you your interest in the Property as a tenant, lessee, subtenant or sublessee.

"*Leased Property*" means your leasehold interest in the Property under a Lease.

"*Loan*" means each loan made by the Mortgagee to you from time to time pursuant to a Credit Document, on such terms as notified to you from time to time, that you have agreed in writing will be secured by the Mortgage Form; provided, for the avoidance of doubt, that either (i) each additional loan that is made under a Credit Document after the initial advance (including any new or additional advances, increases to principal, or further borrowings or extensions of the term, including in the case of any fluctuating account or accounts, revolving loans, lines of credit, additional or further advances beyond an initial advance, re-advances, and multiple facilities (each an "**additional advance**" and, collectively, "**additional advances**")) will be treated as a new Loan, or (ii) the additional advances in the aggregate will be treated as a new Loan.

"*Mortgage*" means the Mortgage Form signed by you and any schedules attached to it, to mortgage and charge the Property to the Mortgagee and registered pursuant to the provisions of the *Land Titles Act*. "Mortgage" also includes all schedules and Amendments, these Standard Mortgage Terms and any notice advising you of a change in the Variable Interest Rate.

"*Mortgage Form*" means the document prescribed by Section 114 of the *Land Titles Act* which makes reference to these mortgage terms and is signed by the Mortgagee, and includes all schedules to such document.

"*Mortgagee*" means the person or persons named in the Mortgage Form as mortgagee, and its or their successors and assigns, and includes the expressions "we", "us" and "our".

"*Mortgagee Prime Rate*" means that annual interest rate that is established from time to time by the Mortgagee, at its discretion, as the interest rate then in effect for determining interest on Canadian dollar reverse mortgages made by the Mortgagee in Canada. It is also called the Equitable Bank Reverse Mortgage Prime Rate. The Equitable Bank Reverse Mortgage Prime Rate is available on the Mortgagee's website at [equitablebank.ca/mortgage-rates](http://equitablebank.ca/mortgage-rates). If it is necessary for the Mortgagee to prove the interest rate in effect it is charging at any time, you agree that the production by the Mortgagee of a written certificate setting out the interest rate at that time is conclusive proof for that purpose.

"*Obligation(s)*" means each and all of the obligations that you have agreed to perform and all of the promises you have made under the Mortgage and the Credit Documents.

"*Payment*" means the amount of each payment or the payments indicated in the Mortgage or other payment approved by you and Equitable.

"*Payment Date*" means the date on which you are to make a Payment as indicated in the Mortgage Form, or any other date Approved by you and Mortgagee.

"*Planned Advances*" means Recurring Advances and Single Advances.

"*Privacy Laws*" means the *Personal Information Protection and Electronic Documents Act* (Canada) and any regulations thereunder, as amended or supplemented from time to time, and any other similar applicable federal, provincial or territorial legislation now in force or that may in the future come into force in Canada governing the protection of personal information in the private sector applicable to the conduct of business by the Mortgagee, any mortgage loan insurer, any other person having or proposing to acquire from time to time any interest in all or any part of the Obligations, including any Loan under the related Credit Documents (including their respective advisors, agents, lawyers, accountants, consultants, appraisers, credit verification sources, credit rating agencies and servicers), any other person in connection with any collection or enforcement proceedings taken under or in respect of all or any part of the Obligations, including any Loan or the related Credit Documents and to the

activities contemplated herein, together with any common law duties of confidentiality owed by such persons to you.

"*Property*" means all or any part of (i) the lands described in the Mortgage Form and includes a "unit" or "units" as defined in the Condominium Property Act, (ii) any buildings or structures now on those lands or added to those lands at any time and (iii) anything now or later attached or fixed to those lands, buildings or structures.

"*Purchaser*" has the meaning set out in Section 8.01.

"*Receiver*" means a person appointed by Mortgagee or a court to collect income from and manage the Property; "Receiver" includes a receiver, or a receiver and a manager.

"*Recurring Advances*" means regularly scheduled advances in a pre-determined amount and frequency, and subject to any such requirements as Equitable may establish at its sole discretion without notice to you.

"*Single Advances*" means an advance of funds which is not a Recurring Advance and which is subject to such requirements as Equitable may establish from time to time at its sole discretion without notice to you.

"*Taxes*" means all present and future realty taxes (including interim and/or final taxes), rates and assessments of any nature or kind on the Property and includes interest and penalties.

"*Term*" means the length of time from the Interest Adjustment Date to the Balance Due Date or other length of time approved by you and Mortgagee.

"*Variable Interest Rate*" means the annual interest rate for a mortgage, compounded monthly not in advance, that is based on the Mortgagee Prime Rate plus or minus the adjustment factor indicated in your Credit Documents and which changes from time to time based on the Mortgagee Prime Rate, as indicated in the Credit Documents. For greater certainty, in this document any reference to "**variable**" also includes reference to "**adjustable**", and vice versa.

"*Work Order*" means any outstanding building permits, work orders, deficiency notices or any other notice of non-compliance with applicable laws.

"*You*" means each of the persons indicated as mortgagors in the Mortgage Form and anyone else who is bound by the Mortgage. In the definition of "you", "your" has a corresponding meaning.

## **ARTICLE 2 CHARGE AND PROMISES**

### **2.01 You give your Property as Security.**

In return for Mortgagee agreeing to loan money to you, you agree as follows:

- (i) if you are the owner of the Property, you mortgage and charge your entire interest in the Property to Mortgagee;
- (ii) if the Property includes Leased Property you mortgage and charge the Leased Property to Mortgagee as security as set out in Section 9.02;
- (iii) the Mortgage is given as a general and continuing Security to secure repayment of all existing and future advances, Loans or lines of credit from Mortgagee to you and to secure your performance of all of the Obligations; and
- (iv) no payment, no revolving or fluctuation of the Debt or liability, no change in the form of Debt or liability nor acceptance or substitution of any note, instrument or other document evidencing or regarding any of the Debt or liability will constitute a reduction or discharge in whole or in part of the security for this Mortgage and the Mortgage will not cease to operate and will not be extinguished except as provided herein.

And for the better securing to the Mortgagee the repayment in the manner set forth in this Mortgage of the Debt and interest and other charges and all moneys hereby secured, and for the due performance by the mortgagor of each and all of the covenants, provisions and conditions herein expressed or implied, the mortgagor hereby mortgages to the Mortgagee all of the mortgagor's estate and interest in the Property.

## 2.02 Your Promises to Mortgagee.

You promise and confirm that:

- (i) you will pay all of the Debt to Mortgagee and perform all of the other Obligations as provided in the Mortgage and the Credit Documents;
- (ii) you are the lawful owner of the Property (unless the Property is Leased Property) and no other person owns all or part of the Property;
- (iii) the Property will be occupied by you as your principal residence;
- (iv) you will occupy the Property not less than 6 month of every 12 month period;
- (v) you have the right to give the Mortgage to Mortgagee and mortgage and charge the Property in favour of Mortgagee;
- (vi) if you do not pay the Debt to Mortgagee or perform your other Obligations as provided in the Mortgage and the Credit Documents, Mortgagee may, subject to applicable Laws, take possession of the Property free from any interference by you or anyone else living on the Property and free from any interests, encumbrances, limitations or restrictions other than those that Mortgagee has Approved;
- (vii) there are no limitations or restrictions to your title to the Property except those you have disclosed to Mortgagee in writing and Mortgagee has Approved;
- (viii) you will, at your expense, sign any other documents and take any further action that Mortgagee requests in order to ensure that your entire interest in the Property has been charged to Mortgagee and that the Debt is adequately secured by the Property and the Mortgage;
- (ix) if the Mortgage is not a first mortgage on the Property, you agree not to increase the principal amount owing under any prior mortgage or to re-borrow any amount repaid under a prior mortgage without the Approval of Mortgagee. Mortgagee may withhold its Approval for any reason. You promise not to default under any prior mortgage. You consent to Mortgagee giving notice to the holder of the other mortgage of the existence of this Mortgage and of all of the terms of this Mortgage and the Credit Documents; and
- (x) if you are a co-owner of the Property, you agree to be bound by all the terms, conditions, promises, covenants, warranties, and other statements contained herein with respect to your undivided interest in the Property.

## 2.03 The Mortgage is Additional Security.

You agree that:

- (i) the Mortgage supplements and does not replace any other security we hold for any Debt or other liability of you;
- (ii) you agree that we may pursue our remedies, either at the same time, or one remedy at a time, as we choose; and
- (iii) the fact that we do obtain a judgment or other remedy under a particular security for the Debt secured by the Mortgage will not affect Mortgagee's rights to enforce any other security.

## 2.04 Consolidation.

Our right of consolidation applies to the Mortgage and to any other mortgages you give to us. This means that if you default under any of your mortgages to us, then we can, as a condition of your repaying any mortgage, require that you immediately repay all mortgages.

## 2.05 Periodic Confirmations.

On an annual basis, or any other frequency as the Mortgagee may determine, you will provide confirmations about your circumstances, including, but not limited to, providing the following information:

- (i) confirmation that items including, but not limited to, property taxes, insurance premiums and condominium fees and other expenses are up-to-date;
- (ii) verifications of the condition of the Property;
- (iii) confirmation of occupancy of the Property and your marital status; and
- (iv) any other information as the Mortgagee may require.

## 2.06 Change in Your Status.

You, your attorney, executor or administrator, as applicable, will notify the Mortgagee immediately on the occurrence of any of the following:

- (i) your death; and
- (ii) the date you move to a long term care facility or retirement residence.

### 2.07 Individual and Joint Liability.

Each borrower is individually and jointly liable with the other(s) for all amounts owing under the Mortgage and by any other authorized person or signatory. The Mortgagee may rely on instructions from any one of you, or anyone acting on your behalf.

### 2.08 Powers of Attorney.

The Mortgagee may, in its sole discretion, refuse to accept a validly executed Power of Attorney or allow the attorney to complete the transaction requested, or the Mortgagee may refuse to act on the attorney's instructions. Such circumstances include, but are not limited to, situations where:

- (i) your attorney's instructions do not appear, in our sole discretion, to be in your best interest or the Mortgagee has reasonable grounds to believe the acts or omissions of your attorney expose, or may expose, you, the Mortgagee or the Property to financial, regulatory or reputational risk;
- (ii) the Mortgagee believes the Power of Attorney has been revoked or invalidly granted;
- (iii) your attorney's instructions are in conflict with one or more of our policies or procedures; or
- (iv) the Mortgagee cannot verify the identity of your attorney.

If the Mortgagee accepts your Power of Attorney, and your attorney is the executor or the administrator of your estate, he or she must notify the Mortgagee in writing immediately of any of the events specified in Section 2.06.

## ARTICLE 3 GENERAL PROVISIONS

### 3.01 Changes to Your Debt.

At your request and if Mortgagee Approves, the Mortgage will secure any future loans, lines of credit and any other advances to you in which the balance owing by you, may increase or decrease from time to time and which may for periods of time have nothing owing.

These future loans, lines of credit and advances will be secured by the Property unless the Credit Documents indicate that they are not to be secured by the Property.

The Mortgage will continue to secure all of the Debt (and for the purposes of Section 104(2) of the *Land Titles Act* it is hereby declared by and agreed to between you and the Mortgagee, that this Mortgage may secure a current or running account) and you will continue to be liable for all of the Debt even if one or more of the following occurs:

- (i) Mortgagee advances additional money secured by the Mortgage;
- (ii) the amount of the Debt increases or decreases, or if the Debt is reduced to zero and then increases;
- (iii) the documents that evidence the Debt change, or are replaced; for example if some Credit Documents are replaced by others - even if the new Credit Documents given by you have additional persons or fewer persons promising to pay the amount owing;
- (iv) Mortgagee increases or reduces the monetary amount of any credit available to you;
- (v) the form of the Debt changes in any way or the Mortgage secures additional Debt;
- (vi) the Mortgage secures more than one type of Debt or more than one type of Collateral Loan Debt;
- (vii) the terms applicable to the Debt are changed, for example if the Interest Rate changes; or
- (viii) any borrower or co-borrower dies.

### 3.02 Application of Payments.

When the Mortgagee receives a Payment, it will first apply it to Costs, if any. Next the Mortgagee will apply it to Interest. Finally, the Mortgagee may apply any remaining part of the Payment to reduce the Current Principal Amount. The Mortgagee may also decide to apply a Payment to other amounts you may owe to third parties whose claims might constitute a higher priority interest to the Mortgage, for example Taxes, in any order the Mortgagee determines in its sole discretion.

If an Event of Default has occurred, then the Mortgagee may apply a Payment received during the period of any default in whatever order it may elect as between the Costs, Current Principal Amount and any other amounts payable by you under the Mortgage.

Once repaid, any amount advanced as part of the Approved Amount cannot be re-borrowed or re-advanced.

### 3.03 Place of Payment.

You agree to repay the Debt to Mortgagee at its head office in Toronto, Ontario or any other place Approved by Mortgagee.



### 3.04 Time of Payment.

Any payment that is due on a day that is not a Business Day must be made on the Business Day immediately preceding the due date. Mortgagee will consider payments received after 12:00 P.M. (Eastern Standard Time) to have been made on the next Business Day.

### 3.05 Failure to Pay or Perform Obligations.

If you fail to pay any part of the Debt when it is due or if you do not perform any of your Obligations when required, then, at Mortgagee's option, all of the Debt will immediately become payable.

If an Event of Default has occurred all payments made to bring the Debt into good standing shall be made by certified funds or bank draft.

### 3.06 Costs.

All Costs incurred by Mortgagee will be immediately payable by you, bear Interest at the highest Interest Rate then chargeable and form part of the Debt. See Article 1 for the definition of Costs.

### 3.07 Additional Debt.

Mortgagee may add amounts to your Debt, including but not limited to:

- (i) any Taxes and condominium expenses that are not paid as they fall due;
- (ii) any Interest due under the Mortgage;
- (iii) all legal fees and disbursements (and applicable taxes) for preparing and registering the Mortgage; and
- (iv) any Costs relating to the Approval, preparation, amendment or registration of the Mortgage or the Credit Documents (including fees for mortgage insurance and title insurance).

### 3.08 Advances under the Mortgage.

- (i) Mortgagee may decide, for any reason, that it will not advance all or any part of the Approved Amount even if the Mortgage has been registered and whether or not any part of the Approved Amount has previously been advanced to you. Even if Mortgagee has not advanced any money, the Mortgage will still secure Costs.
- (ii) If the requested date of an advance is not a Business Day, your advance will be advanced on the Business Day prior to the requested date.
- (iii) Once repaid, any amount advanced as part of the Approved Amount cannot be re-borrowed or re-advanced.

### 3.09 Holdbacks.

At any time and at our sole discretion, we may hold back any amount from a Planned Advance or the Approved Amount to satisfy items including, but not limited to, Taxes, condominium fees and other expenses. If we are satisfied with the results of our due diligence, we may release all or part of the amount held back.

We may increase, decrease, amend or cancel a holdback at any time at our sole discretion.

### 3.10 Repayment.

- (i) You will pay the Collateral Loan Debt to Mortgagee on demand.
- (ii) You will pay Interest to Mortgagee on the Collateral Loan Debt at the interest rate and on the terms set out in the Credit Documents.
- (iii) If any payment is late, you will pay Mortgagee additional Interest as set out in the Credit Documents.

### 3.11 Prepayment.

The Collateral Loan Debt may be prepaid only as set out in the Credit Documents.

### 3.12 What the Collateral Loan Debt Covers.

We do not consider the Mortgage to be discharged or released even if the balance goes down to zero and in that case, the Mortgage continues to secure any future amounts borrowed by you from time to time.

### 3.13 Other Terms.

Other terms applicable to the Mortgage and the Collateral Loan Debt are set out in the Credit Documents.

### 3.14 Your Right of Conversion if you have a Variable Interest Rate.

You, when never having been in default under the terms of this Mortgage, shall have the option at any time during the Interest Rate Term, of converting a Variable Interest Rate to a Fixed Interest Rate at the then current rates we are offering for a reverse mortgage. The selected Interest Rate Term must have a term equal to or greater than the number of months remaining in your current Interest Rate Term. The Interest Rate will be converted for the remaining Interest Rate Term on the original Mortgage upon receipt of a written request made by you and delivered to us at our head office located in the Province of Ontario. The Interest Rate for the converted mortgage shall be based on our prevailing posted Interest Rate in effect on the date the written request for conversion is received by us, plus a premium or minus a discount as established by us, in our sole discretion. The conversion to a Fixed Interest Rate will take effect on the date specified by us in writing. If you decide to exercise this right of conversion, you will agree to also execute, at our request, an amendment setting out the new terms. Unless otherwise specified, an administration fee will apply and will be added to the Debt.

If you are receiving Recurring Advances, you are not eligible to convert to a Fixed Interest Rate unless you stop receiving Recurring Advances. If you convert to a Fixed Interest Rate, any remaining funds allocated to Recurring Advances will be made available as Single Advances.

### 3.15 Your Right of Conversion if you have a Fixed Interest Rate.

You, when never having been in default under the terms of this Mortgage, shall have the option at any time during the Interest Rate Term, of converting a Fixed Interest Rate to another Fixed Interest Rate at the then current rates we are offering for a reverse mortgage. The selected Interest Rate Term must have a term equal to or greater than the number of months remaining in your current Interest Rate Term. The Interest Rate will be converted for the remaining Interest Rate Term upon receipt of a written request made by you and delivered to the Mortgagee at its head office located in the Province of Ontario. The Interest Rate for the converted mortgage shall be based on our prevailing posted Interest Rate in effect on the date the written request for conversion is received by the Mortgagee. The conversion to a Fixed Rate will take effect on the date specified by the Mortgagee in writing. If you decide to exercise this right of conversion, you will agree to also execute, at the Mortgagee's request, an amendment setting out the new terms. Unless otherwise specified, an administration fee and conversion differential fee will apply, as set out in the Credit Documents, and such amounts will be added to the Debt.

### 3.16 Prepayment for Closed Mortgages.

Your right, if any, to prepay all or part of the Debt before the Balance Due Date shall be described in your Credit Documents.

### 3.17 Portability.

If we agree in writing, which agreement may be withheld at our sole discretion, you may transfer your existing Mortgage to a new property or you may combine your existing Mortgage amount with additional funds. The Interest Rate on the replacement Mortgage will be a blend of the interest rate you were paying on the funds transferred from your existing mortgage and the rate applicable to the term of the replacement mortgage and/or additional amount, as determined by us.

## **ARTICLE 4 INTEREST RATE RESET PROVISIONS**

### 4.01 General.

You may reset your Interest Rate if Mortgagee Approves the reset. An Interest Rate Reset Agreement will conclusively establish any reset of the Interest Rate as well as the terms of that Interest Rate Reset. You acknowledge that the Mortgagee is under no obligation to offer a reset to you.

#### 4.02 Interest Rate Reset Services.

Mortgagee may allow you to reset the Interest rate and may send you a document confirming the Interest Rate Reset terms. You agree to sign this document and return it to Mortgagee. For your reset to be effective, Mortgagee must receive your signed Interest Rate Reset Agreement within thirty (30) days prior to the beginning of the new Interest Rate Reset Term.

You agree that if an Interest Rate Reset Agreement is sent to you but you do not, by the applicable date sign and return the Interest Rate Reset Agreement to the Mortgagee the Mortgagee may, at its option, automatically reset the Interest Rate on the terms contained in the Interest Rate Reset Agreement, and you will be bound by such terms. There may be a fee associated with this automatic extension, and if so, it will be disclosed to you in advance of such reset.

No reset given by the Mortgagee to you shall in any way affect or prejudice its rights against you or any other person. It shall not be necessary to register notice of any such reset or obtain any consents or acknowledgements in order to retain priority for this Mortgage so altered by any subsequent encumbrance or instrument registered subsequent to this Mortgage.

#### 4.03 Registration of Amendments.

You agree that any Amendment does not have to be registered in any land registry office. Any Amendment will be binding on you, on Mortgagee, on any transferee of the Property and on any person who has an interest in the Property. Any Amendment will have priority over any subsequent charge, mortgage, interest in or transfer of the Property to the same extent as if the Amendment had been registered in the appropriate land registry office before registration of any subsequent charge, mortgage, interest or transfer.

### **ARTICLE 5 OTHER PROVISIONS AFFECTING YOUR MORTGAGE**

#### 5.01 Sale or Transfer of Property/Subsequent Encumbrances.

Mortgagee will not permit any encumbrance to be registered against the lands that are the subject of the Mortgage, except with its consent and as provided below.

If you Convey the Property or any interest in the Property to anyone (in this Section a "**Purchaser**") and you have not obtained the prior written consent of the Mortgagee and informed the Mortgagee of any subsequent amendment to the Conveying document, and the Purchaser has not:

- (i) applied for and received Mortgagee's Approval to assume the Mortgage; and
- (ii) signed an assumption agreement Approved by Mortgagee,

then Mortgagee may demand from you repayment of the Debt by notice in writing and the Debt will become immediately payable in full by you. You expressly acknowledge that Mortgagee may, in its unqualified subjective discretion, withhold its Approval of a Conveyance.

The applicable prepayment provisions will apply to any repayment. No change in the ownership of the Property or in any agreement between Mortgagee and a Purchaser will in any way affect or prejudice Mortgagee's rights against you or any other person liable for payment of the Debt. Mortgagee may enter into agreements with a Purchaser without notice to you and without your Approval. You will not be released from your Obligations even if Mortgagee accepts money from a Purchaser or if a Purchaser agrees with Mortgagee without notice to you to assume or amend the Mortgage.

In addition, you acknowledge that you will inform us forthwith of any purchase, sale or any other conveyancing document executed by you which Conveys the Property or any interest in the Property to anyone other than you. You agree to provide the Mortgagee with a copy of the applicable documents, including a registered title change document and you agree that all costs associated with such amendment will be your responsibility.

No sale or other conveyancing of the Property shall in any way change your liability or alter our rights as against you or as against any other person liable for the Debt hereby secured.

#### 5.02 Assignment of Leases.

As additional security for your performance of the Obligations, you agree to assign to Mortgagee from time to time, immediately on its request, any lease of the whole or any part of the Property. Any assignment must be in a form acceptable to Mortgagee. You will deliver to Mortgagee executed copies of all leases of the Property at Mortgagee's request. You will comply with all of the landlord's obligations in any lease assigned by you to

Mortgagee. You agree that none of Mortgagees rights or remedies under the Mortgage will be delayed, hindered or prejudiced by these assignments.

#### 5.03 Assignment of Rents.

You agree with us as follows:

- (i) For the purposes of this Section, the term "leases" includes agreements to lease, tenancy agreements, licences and occupancy agreements.
- (ii) You hereby assign to Mortgagee all rents payable from time to time under all present and future leases of all or any part of the property; you also assign to Mortgagee the benefit of all other tenants' obligations under those leases.
- (iii) As soon as you enter into any lease of the property you will, if requested by Mortgagee, execute and deliver to Mortgagee an assignment in Mortgagee's usual form of all rents payable under that lease and the benefit of all other tenants' obligations under that lease. You will also execute and deliver to Mortgagee any other documents that Mortgagee determines are necessary to make the assignment effective.
- (iv) Nothing in the Mortgage, or in the assignments referred to in this Section, will make Mortgagee responsible for the collection of rents payable under any lease of the property or for the performance of any other obligations in any lease.
- (v) Mortgagee will not be considered a mortgagee in possession or landlord of the property because of any assignment referred to in this article.
- (vi) Mortgagee has to account only for rent that Mortgagee actually receives (less reasonable collection charges) and Mortgagee may apply those rents to repayment of the debt in any manner that Mortgagee, in its discretion, determines.

#### 5.04 Payments Mortgagee May Make.

Mortgagee may pay any rents or satisfy any present or future Taxes, mortgages, rates, charges, Common Expenses or other similar liabilities or interests in the Property. These amounts, when paid by Mortgagee, form part of the Debt.

#### 5.05 Taxes.

You will pay all Taxes on the Property promptly as they fall due. If Mortgagee requests evidence of payment of Taxes, you will immediately provide Mortgagee with evidence satisfactory to Mortgagee that you have paid all Taxes. If you do not provide Mortgagee with this evidence, Mortgagee may obtain it directly from the municipality or other taxing authority. Any charge Mortgagee incurs to obtain this evidence will be added to the Debt. You hereby authorize the municipality to release all tax information on the Property to Mortgagee.

#### 5.06 Bank Account Receipt of Advances.

By signing the Mortgage you:

- (i) Agree that where there is more than one of you on the Mortgage, that the Mortgagee will issue the advance(s) solely in the name of one of you.
- (ii) Agree that should the Mortgagee offer to make funds available to you by direct deposit, you may accept this service by executing any documents as the Mortgagee may require.
- (iii) Acknowledge that any advances you request from the Mortgagee may, at its discretion, be payable by direct deposit or cheque which will be sent to you by regular mail.
- (iv) Agree to pay to us our processing fees for any actions which the Mortgagee may take under this Article.
- (v) Agree that the account to which the Mortgagee will pay the funds will be an account which you control.

#### 5.07 Repair and Maintenance of the Property.

You agree as follows:

- (i) You will keep the Property in good condition and repair and you will not do anything that will diminish the value of the Property.
- (ii) You will not change the use of the Property with the Mortgagee's prior written consent.
- (iii) You will pay Mortgagee on demand the reasonable Costs of those inspections, investigations, assessments, studies and testing concerning the Property.
- (iv) You will promptly, at your own cost, comply with all Laws concerning the Property.

- (v) At your own cost you will make all Improvements or alterations to the Property that may be required at any time by any Law.
- (vi) You will notify Mortgagee forthwith of any substantial Improvements or damage to the Property.

#### 5.08 Mortgagee's Rights During Construction.

If any portion of the Mortgage is to finance an Improvement, you must so inform us in writing immediately and before any advances are made by Mortgagee. Before commencing any construction on the Property you will have all plans and specifications Approved by Mortgagee.

If at any time:

- (i) any construction on the Property remains unfinished and without any work being done on it for more than ten (10) consecutive days;
- (ii) you deviate from any plans that have been Approved by Mortgagee;
- (iii) you deviate from the generally accepted local standards of construction; or
- (iv) you allow a builders' lien to be registered against the Property for more than thirty (30) days,

then Mortgagee may, cancel any or all Planned Advances, create a holdback and may, without becoming a mortgagee in possession, enter the Property and do all work necessary to protect the Property from deterioration. This includes Mortgagee completing, or partially completing, any construction on the Property in accordance with plans and specifications that have been Approved by Mortgagee or otherwise as Mortgagee, in its discretion, determines. In completing construction, Mortgagee may use and have exclusive possession of all materials and equipment on the Property without any interference from you. Mortgagee may also pay the amount of any lien and add that amount to the Debt.

You are required to provide the Mortgagee with immediate notice should a construction lien be registered against the Property.

#### 5.09 Insurance.

You agree as follows:

- (i) As long as there is any Debt outstanding, you will, at your expense, take out and keep in force insurance on the Property.
- (ii) You will keep the Property (and any income derived therefrom) insured against loss or damage in an amount equal to not less than one hundred percent (100%) of the full replacement value of the Property pursuant to a mortgage endorsement in favour of Mortgagee issued by your insurer for the Property. The risks against which you must insure include fire, extended perils, tempest, tornado, cyclone, lightning, wind, storm, hail, explosion, riot, impact by aircraft or vehicle, smoke damage, other risks covered by a standard extended coverage insurance policy and any other risks and hazards that Mortgagee may from time to time require. You will ensure that Mortgagee is sent copies of all notices sent to you about this insurance.
- (iii) If the Property is a condominium unit, you will take reasonable steps to ensure that the Condominium Corporation takes out and keeps the insurance as required by the *Condominium Property Act*.
- (iv) As long as there is any Debt outstanding, if a sprinkler system, a steam boiler or any apparatus operating or operated by steam is installed in or operated on the Property, you will insure the buildings on the Property against loss or damage caused by any bursting, explosion or defect in the sprinkler system, boiler or apparatus to the full replacement value of the Property.
- (v) All insurance policies must provide that any loss will be payable to Mortgagee as its interest may appear and must contain the standard mortgage clause Approved by Mortgagee.
- (vi) Mortgagee may require any insurance on the Property to be cancelled and new insurance taken out with an insurance company Approved by Mortgagee (and Approved by the landlord under the Lease if the Property is a Leased Property and if required by the Lease). Mortgagee may, without consulting you, take out any insurance on the Property if Mortgagee has not received proof of coverage satisfactory to it. The premiums for this insurance will be added to the Debt.
- (vii) You agree that you will deliver certificates of insurance or, if required by Mortgagee, certified copies of insurance policies as soon as possible after placing the required insurance.
- (viii) All policies must contain an undertaking by the insurer to notify Mortgagee in writing not less than fifteen (15) days prior to any material change, cancellation, failure to renew or termination of any policy.
- (ix) If you fail to take out or to keep in force any insurance policy, or if any insurance policy is not Approved by Mortgagee, and if you do not rectify the situation within seven (7) days after written notice from Mortgagee, Mortgagee may, without consulting you, take out insurance at your expense.

- (x) If you have failed to meet any of your Obligations, Mortgagee may charge you the cost of insuring the Property under an individual or a blanket insurance policy issued to Mortgagee. Mortgagee is under no obligation to insure the Property or to insure the Property for more than the Debt. However, if Mortgagee does take out additional insurance, it will be at your expense.
- (xi) If Mortgagee pays any premiums for insuring the Property, the amount of all payments will be added to the Debt and will be payable immediately.
- (xii) When Mortgagee requests it, you will provide Mortgagee with satisfactory evidence of the insurance required under this Section and proof that the premiums for that insurance have been paid. You must also provide Mortgagee with satisfactory evidence of the renewal of all insurance policies at least fifteen (15) days before the termination of each policy.
- (xiii) Mortgagee, in our discretion, may require that all insurance proceeds be paid to Mortgagee, to you or to any other person appearing by the records of the Land Registry Office to be or to have been the owner of the Property. The proceeds may also be paid in one way or another, or they may be applied, in Mortgagee's sole discretion, in whole or in part to repay the Debt even if the Debt is not yet due.
- (xiv) Mortgagee may, in our discretion, require that the insurance proceeds be applied to rebuilding or repairing the Property.
- (xv) If the Property is a Leased Property, the insurance proceeds will be applied to rebuilding or repairing the Property, if required by the Lease.
- (xvi) If the Property is not a condominium unit, all policies of insurance must show any loss payable (i) to Mortgagee, or (ii) to a trustee Approved by Mortgagee pursuant to an insurance trust agreement Approved by Mortgagee. The terms of any insurance trust agreement may not, once Approved by Mortgagee, be altered without Mortgagee's further Approval.
- (xvii) The Mortgage also charges all insurance proceeds as security for the Debt. If the Property is a condominium unit, the Mortgage also charges your interest in the insurance trust and on any insurance proceeds relating to the Property held by the trustee.
- (xviii) If the Property is a condominium unit, you will take reasonable steps to ensure that the Condominium Corporation will at all times comply with the terms of all insurance policies and any insurance trust agreement. You will also take reasonable steps to ensure that the insurance taken out by the Condominium Corporation complies with the Obligations of this Section. Finally, you will take reasonable steps to ensure that the Condominium Corporation assigns and delivers to Mortgagee certificates of insurance or, if required by Mortgagee, certified copies of each insurance policy, as soon as possible after placing the required insurance.
- (xix) If there is any loss or damage, you must furnish at your own expense all necessary proofs and do all necessary acts to enable Mortgagee to obtain payment of the insurance proceeds.
- (xx) Production of the Mortgage will be sufficient authority for the insurer to pay any loss to Mortgagee.
- (xxi) During such time or times as there is construction of any buildings or other Improvements on the Property, you will maintain builder's all-risk insurance with a stated amount clause for the Improvements for full insurable value.
- (xxii) The insurance provisions of this Section apply to all buildings, structures and Improvements on the Property whenever built and during construction.

#### 5.10 Subdivision, Release and Replacement of Property.

You agree as follows:

- (i) The Mortgage charges every part, lot or condominium unit into which the Property is or may be divided for all of the Debt.
- (ii) No person will have any right to require the Debt to be apportioned with respect to any part or lot.
- (iii) At any time before or after the Mortgage is registered, Mortgagee may take other security, take evidence of indebtedness or obtain additional promises of payment.
- (iv) None of these actions will affect Mortgagee's rights under the Mortgage or limit the liability of any person who is liable under the Mortgage.
- (v) Mortgagee may, on any terms that Mortgagee deems proper in our sole discretion, release or discharge the following in any combination:
  - (a) the Property;
  - (b) any part of the Property;
  - (c) any other security Mortgagee has taken; and/or
  - (d) you, or any borrower.
- (vi) Mortgagee may at any time without notice to any person or without the consent of any person, make a settlement, extension or variation in the terms of any Obligation.
- (vii) No release, discharge, settlement, extension or variation in terms, nor any carelessness or neglect by Mortgagee in asserting its rights, the loss by operation of Law of any right Mortgagee has against you or any other person, or the loss or destruction of any security, will in any way release, diminish or prejudice its security against any undischarged Property. Similarly, no such

- action will release or prejudice any of the Obligations or release or diminish your liability so long as any Debt remains unpaid.
- (viii) No security will be released or discharged except by a written release or discharge executed by Mortgagee.

#### 5.11 Servicing Fees.

Mortgagee may charge a reasonable servicing fee to process each application for Approval contemplated by this Article. This servicing fee will be payable immediately upon demand and will form part of the Debt and be secured by the Mortgage.

#### 5.12 Sale or Securitization.

We may, at our option, exercisable in our sole discretion, sell, transfer, assign, encumber, create a trust in respect of, securitize, insure, or otherwise deal with all or any part of the Obligations, including any Loan and the related Debt and Credit Documents, or any interest therein, without restriction and notice to you, or any other person including your spouse. You hereby acknowledge and agree that you have consented to such dealings and that no further notices or consents are required.

If we do so, you agree that the Mortgage shall continue to secure all Obligations, including each Loan and all Debt, or any interest therein, that have been sold, transferred, assigned, encumbered, made subject to a trust, securitized, or otherwise dealt with, and all Obligations, including each Loan and all Debt, which arise after any such sale, transfer, assignment, encumbrance, trust, securitization, or any other dealing (provided, for the avoidance of doubt, that the Loan and Obligations shall continue to be subject to the terms hereof).

Once sold, transferred, assigned, encumbered, made subject to a trust, securitized, or otherwise dealt with, such Obligations, including each Loan and all Debt, or any interest therein may be repurchased, reacquired, or redeemed by the Mortgagee at any time, whether or not an Event of Default has occurred.

The Mortgagee may from time to time, in connection with the sale, assignment, syndication or securitization of a Loan, or otherwise, appoint or designate a custodian or agent for a Loan, which may be the registered mortgagee. You acknowledge that such custodian or agent will have no liability whatsoever to you in connection with a Loan.

The Mortgagee shall have the unrestricted right from time to time to appoint a third party to service or administer any Loan, and to deal with you in place of the Mortgagee, provided that until the Mortgagee gives notice of such appointment to you shall continue to deal with the Mortgagee in matters pertaining to the servicing or administration of the Loan.

You and each co-borrower and Guarantor and spouse executing the Mortgage hereby authorize and consent to us or any other person having an interest in the Mortgage and related Debt from time to time and their or our respective agents and advisors including any party retained to service the Mortgage, releasing, disclosing and assigning any personal or other information (including financial information) with respect to you the Mortgage and your Property, regardless of the scope of distribution and to any such other person as may be required to complete, administer, realize, assign, securitize or otherwise deal with your Mortgage from time to time.

#### 5.13 Repayment of Payments Made by Mortgagee.

Any payments made by Mortgagee under this Article will be added to the Debt.

#### 5.14 Assumption.

If you are not the original borrower of the Mortgage, you agree to be bound by all obligations of the original borrower under the Mortgage. Notwithstanding the foregoing, Mortgagee may, in its unqualified subjective and sole discretion, refuse to Approve an assumption.

#### 5.15 Inspection.

You agree that:

- (i) If we or any of our respective authorized representatives or agents, have cause to do so pursuant to the terms hereof, you agree that any of such parties may enter upon the Property and any buildings on the Property to inspect the Property and the condition of the buildings and other improvements on the Property.
- (ii) If we or any of our respective authorized representatives or of our respective agents, have reason to believe the Property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that any of such parties may, at any time, before or after Default, enter and inspect the Property and conduct any environmental testing, site

- assessment, investigation or study, which any of the parties mentioned herein, or their agents, deem necessary.
- (iii) You agree that the cost of this testing, assessment, investigation or study, with interest at the Interest Rate, will be immediately payable by you and shall be a Debt; and
  - (iv) Neither we nor any of our respective authorized representatives or agents shall become a mortgagee in possession, management or control by exercising these rights.

#### 5.16 Transfer of Mortgage.

Mortgagee may, in its unqualified subjective discretion, refuse to Approve a transfer of the Mortgage to another lender.

#### 5.17 Short Covenants.

If you own the Property, you covenant with the Mortgagee that you:

- (i) are a natural person;
- (ii) have a good title to the said lands;
- (iii) have the right to mortgage the said lands;
- (iv) have done no act to encumber the said lands;
- (v) will execute such further assurances of the said lands as may be requisite;
- (vi) hold title as joint tenants if more than one borrower is on title;

and that, on Default, the Mortgagee shall have quiet possession of the said lands free from all encumbrances.

#### 5.18 Payment Guarantee.

The Mortgagee guarantees that as long as you have met your Obligations, the amount you have to pay on the Due Date will not be more than the Fair Market Value ("FMV"), where FMV means the amount that would be paid on the open market, on the applicable date, to buy the Property assuming there are no legal claims against the Property (the "Payment Guarantee"). If you do not agree with our calculation of the FMV, an independent appraiser appointed by the Mortgagee will determine the amount. More than one appraiser/appraisal will be required if you do not agree on the FMV determined by the first appraisal. In such instances, the Mortgagee will appoint three independent appraisers to determine the FMV. The costs for one of the appraisals will be paid directly by you. The appraisers appointed by the Mortgagee will act as experts and not as arbitrators.

The following items are excluded from this Payment Guarantee:

- (i) Costs; and
- (ii) Interest accumulated after the Due Date.

The Fair Market Value that will apply will be the largest of the following amounts:

- (i) the FMV on the Due Date;
- (ii) the gross proceeds of the sale of the Property, which means the total sale price without any deductions for items such as real estate commissions; or
- (iii) the FMV on the date you fully repay the Debt.

#### 5.19 Appraisals.

You will allow the Mortgagee to access the Property to obtain an appraisal if it believes there has been a deterioration in the marketability of the Property.

### ARTICLE 6 PROVISIONS FOR SPECIFIC TYPES OF PROPERTIES

#### 6.01 Promises for Leased Property.

If the Property is a Leased Property, you promise and confirm to Mortgagee that you:

- (i) own your leasehold interest in the Property;
- (ii) have the right to mortgage or charge the Lease and sublet the Leased Property to Mortgagee;
- (iii) if required under the Lease, have obtained the landlord's consent to the Mortgage;
- (iv) nor any other person has mortgaged or otherwise encumbered the Lease or your rights under the Lease;
- (v) are party to the Lease and that it is a valid, existing lease and has not been amended except as you have advised Mortgagee in writing;
- (vi) have paid the rent and performed your obligations under the Lease up to the date you signed the Mortgage and there is no default under the Lease;



- (vii) will not amend, surrender or terminate the Lease without Mortgagee's prior Approval, and in the case of an amendment, without furnishing the Mortgagee in writing with full particulars thereof;
- (viii) will pay the rent under the Lease and perform your obligations under the Lease as long as the Debt is outstanding;
- (ix) will provide Mortgagee with any notice of default under the Lease that you receive;
- (x) will indemnify Mortgagee from all actions, claims and demands relating to defaults under the Lease; and
- (xi) will assign to us the last day of the term of the Lease, or any renewal term, which you hold in trust for Mortgagee.

#### 6.02 Additional Provisions for Leased Property.

If the Property is a Leased Property, the following provisions apply:

- (i) You mortgage and charge the Leased Property to Mortgagee as security only and not as a complete assignment of your interest.
- (ii) You sublease the Leased Property to Mortgagee to the extent required by Law for the mortgage and charge to be effective for the remainder of the term of the Lease, except for the last day of the term of the Lease (including the last day of any renewal).
- (iii) You hold all other rights under the Lease in trust for Mortgagee, including the last day of the term, and any right of renewal or right to purchase.
- (iv) You hereby irrevocably appoint Mortgagee as your agent. If there is default under the Mortgage, Mortgagee may, as your agent, assign the Lease and the last day of the term of the Lease as Mortgagee may determine in its discretion.
- (v) If Mortgagee sells the Leased Property pursuant to Article 6, Mortgagee may assign your interest in the Lease to a purchaser.
- (vi) Mortgagee may at any time remove you or any other person from being a trustee of the Lease under a trust and appoint a new trustee in your place.
- (vii) At Mortgagee's request but at your cost, you will assign to Mortgagee the last day of the Term of the Lease or any renewal or substituted Term.
- (viii) If Mortgagee sells the Leased Property under applicable Law you will hold the Leased Property and the last day of the Term in trust for any purchaser.
- (ix) If you neglect or refuse to renew the Lease, then Mortgagee may renew the Lease in its own name so that the Lease will continue to be security for the Mortgage.
- (x) If you have not performed your Obligations, Mortgagee may, on reasonable written notice to you assign the Lease.
- (xi) Any assignment may be on the terms set out in these Standard Mortgage Terms.
- (xii) No sale or other dealing by you with the Lease or the Leased Property and no extension of time given by Mortgagee to you, or anyone claiming under you, or any dealing by Mortgagee with the landlord or the Lease, will in any way affect or prejudice Mortgagee's rights against you or any other person liable to repay the Debt.
- (xiii) If you acquire any additional interest in the Leased Property, then by the Mortgage you charge that additional interest to Mortgagee without you or Mortgagee having to do anything further.

#### 6.03 Additional Promises if the Property is a Condominium Unit.

You promise to perform all of your obligations under the *Condominium Property Act* and under the Bylaws, the by-laws and the rules of the Condominium Corporation. Any breach of those obligations will constitute a Default under the Mortgage. In addition, the following provisions apply:

- (i) You will pay promptly when due your contribution to Common Expenses and any and all money due and payable in accordance with the provisions of the Condominium Act or the said declaration or the said by-law of the by-laws of the corporation from time to time on or before the dates for payment thereof. In the event that you fail to make such payment, Mortgagee may pay the same and treat such default as a Default of payment under the Mortgage.
- (ii) On request, you will immediately provide Mortgagee with satisfactory evidence that all Common Expenses or special assessments have been paid.
- (iii) Mortgagee may deduct from any advance of the Approved Amount the amount of Common Expenses that are payable and are unpaid at the date of that advance.
- (iv) If we request it, you will give us copies of all notices, financial statements, reserve fund studies and other documents from time to time given to you by the Condominium Corporation. In any event, you will promptly give to the Mortgage any notices of any defaults or breaches, whether alleged or otherwise, from the Condominium Corporation concerning you or the Property.
- (v) If Mortgagee gives you notice, you will pay to Mortgagee the amount necessary to pay Common Expenses. Mortgagee will remit all sums to the Condominium Corporation on your behalf.

- (vi) If Mortgagee becomes a mortgagee in possession, by reason of default or otherwise, you authorize Mortgagee, in your name and on your behalf, to exercise your rights under the Condominium Property Act, to vote as any meeting of the Condominium Corporation, and to consent to any matter relevant to the management, sale or other dealings with the Property or assets of the Condominium Corporation or the termination of the applicable of the Condominium Property Act to the Condominium Corporation.
- (vii) You irrevocably authorize Mortgagee to exercise your right to vote or to consent in all matters relating to the affairs of the Condominium Corporation, provided that:
  - (a) Mortgagee will only exercise your right to vote or consent if Mortgagee has given you and the Condominium Corporation the notice required by the *Condominium Property Act* that Mortgagee intends to exercise this right;
  - (b) Mortgagee is not under any obligation to vote or consent;
  - (c) in voting or consenting, Mortgagee is not obligated to protect your interests, but may vote or consent as Mortgagee, in its discretion, determines; and
  - (d) even if Equitable votes or consents, Equitable is not a mortgagee in possession.
- (viii) The Mortgagee may from time to time waive the right to vote or right of consent by giving notice of intention to do so to the Condominium Corporation and such waiver may be for an indeterminate period of time until withdrawn or for a limited period of time or for a specific meeting or matter, and while such waiver is in effect you may exercise the right to vote or to consent.
- (ix) You may not vote for any action that might reduce the value of your unit, the complex, or Mortgagee's interest therein. You must comply with this Section even if Mortgagee would not have been able to exercise your right to vote.
- (x) In the event that the government of the Property by the Condominium Corporation is terminated or in the event of a sale of the Property or a part of the common elements of the Condominium Corporation being authorized by a vote of the owners of the said units then, and in any such event, the monies hereby secured shall, at the option of the Mortgagee, become due and payable, and all the powers given herein shall become exercisable notwithstanding any consent given by Mortgagee to such termination or sale.

## ARTICLE 7 ENFORCEMENT

### 7.01 Due Dates.

Your Debt is due on the earliest of the following events (each a "**Due Date**"):

- (i) the date the Property, or your interest in the Property, is sold, transferred or otherwise conveyed, whether in whole or in part;
- (ii) 180 days after the death of the last of the borrowers;
- (iii) the first year anniversary of the date the last of the borrowers has moved into a long-term care facility or retirement residence; or
- (iv) the date on which an Event of Default occurs.

### 7.02 Event of Default.

The Mortgagee, in its sole discretion, may exercise its remedies under this Section if any one or more of the following occurs (each an "**Event of Default**"):

- (i) if you have made any material misrepresentation to the Mortgagee;
- (ii) if the Mortgagee suspects that you are using Funds or the Property for illegal purposes;
- (iii) if the Mortgagee reasonably suspects that you are connected to fraud, theft or any other offence;
- (iv) if the Mortgagee has reasonable grounds to believe your actions or omissions expose, or may expose, you, the Mortgagee, or the Property to financial, regulatory or reputational risk;
- (v) if you fail to pay the Debt on the Due Date; and
- (vi) if you do not comply with your Obligations.

### 7.03 Enforcing Mortgagee's Rights.

Upon occurrence of an Event of Default Mortgagee may, subject to applicable Laws, exercise any one or more of the remedies listed below in any order that Mortgagee chooses:

- (i) Immediate Payment.  
Mortgagee may, at its option without notice to you, require all Debt to be paid to Mortgagee immediately.
- (ii) Suspension or Termination of Planned Advances.  
The Mortgagee may, at its option without notice to you, suspend or terminate Planned Advances or refuse any new Planned Advances pursuant to the Credit Documents. If Planned Advances are suspended or terminated, your Obligations will remain in effect until you repay the Debt to Equitable.
- (iii) Legal Action.

