



**Land Title Act (BC)
Set of Standard Mortgage Terms**

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The following set of standard mortgage terms shall be deemed to be included and form part of every reverse mortgage where so indicated in the Mortgage Form (as defined below) as provided for in section 225 of the *Land Title 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 that apply to the Mortgage (as defined below) and are actually part of the Mortgage. It is recommended you read this document carefully and 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", "the Mortgagee" and "Equitable".

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

The Mortgagee (as defined below) is lending you money and the Mortgagee is protecting its interests through the Mortgage (as defined below) 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 the Mortgage (for example, the interest rate) are set out in a document that you sign before a lawyer or notary public. This is called the 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

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 original available amount that is indicated in the Mortgage.

"Balance Due Date" means the date the Principal Amount is due and payable as indicated in the Mortgage or other date Approved by you and the 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 Toronto, Ontario are open for commercial banking business during normal banking hours.

"Collateral Loan Debt" means all present and future amounts owing by you to the Mortgagee including Interest, 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; provided, for the avoidance of doubt, that any Collateral Loan Debt in respect of any loan(s) that is/are insured and/or financed by the Mortgagee under a NHA Program shall have priority as to payment, collection and in respect of Collateral Mortgage enforcement over any other loan, irrespective of the time or order of any loan, made by the Mortgagee to you from time to time secured or to be secured by a Collateral Mortgage that is not insured and/or financed under a NHA Program.

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

"Commitment Letter" means a document Approved by both you and the Mortgagee in which the 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 *Business Practices and Consumer Protection Act* (British Columbia).

"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 the Mortgagee is entitled to charge you or pay on your behalf under the Mortgage;
- (iii) any expenses that the Mortgagee incurs in enforcing any of its remedies under the Mortgage;
- (iv) any charges of a municipality or other taxing authority for providing the Mortgagee with information on Taxes, or imposed because the 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 builder's lien from title to the Property, obtaining a discharge of a builder's lien or defending a builder's 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 the 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 and any other Credit Document that we 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 Collateral Loan Debt, Costs and all other amounts payable by you under the Mortgage or the Credit Documents; provided, for the avoidance of doubt, that any Debt in respect of any loan(s) that is/are insured and/or financed by the Mortgagee under a NHA Program shall have priority as to payment, collection and in respect of Mortgage enforcement over any other loan, irrespective of the time or order of any loan, made by the Mortgagee to you from time to time secured or to be secured by a Mortgage that is not insured and/or financed under a NHA Program.

"*Equitable PATH Home Plan Prime Rate*" means that annual interest rate (calculated daily and compounded monthly not in advance) that is established from time to time by the Mortgagee, at our discretion, as the interest rate then in effect for determining interest on Canadian dollar reverse mortgages made by the Mortgagee in Canada. The Equitable PATH Home Plan Prime Rate is available on the Mortgagee's website at equitablebank.ca/mortgage-rates. If it is necessary for the Mortgagee to prove the interest rate in effect we are charging at any time, you agree that the production by us of a written certificate setting out the interest rate at that time is conclusive proof for that purpose.

"*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.

"*Financing Guarantor*" means Canada Mortgage and Housing Corporation as guarantor in connection with the financing by the Mortgagee of all or any part of the Obligations.

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

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

"*Insured Mortgage*" means a mortgage insured by the Canada Mortgage and Housing Corporation, Genworth Financial Inc., AIG United Guaranty Mortgage Insurance Company Canada, or any other mortgage insurer Approved by the Mortgagee.

"*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 Rate*" means the Fixed Interest Rate, the Variable Interest Rate or 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 the Mortgagee 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.

"*Land Title Act*" means the *Land Title Act* (British Columbia).

"*Last Payment Date*" means the date the last payment is due as indicated in Item 5(i) of the Mortgage Form or any other date Approved by you and the Mortgagee. This date is the same date as the Balance Due Date.

"*Late Interest*" means the additional Interest charged by the 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, 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, and in each case of (i) or (ii), such new Loan will be treated as a separate and distinct Loan from any Loan that is insured and/or financed under a NHA Program for all purposes including enforcement.

"*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 Title Act*. "Mortgage" also includes all Amendments, this set of standard mortgage terms and any notice advising you of a change in the Variable Interest Rate.

"*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".

"*Mortgage Form*" means the document prescribed by the Land Title (Transfer Forms) Regulation (British Columbia) as "Form B – Part I" which makes reference to this set of standard mortgage terms and is signed by the Mortgagor, and includes all schedules and addenda to such document.

"*NHA Program*" means a financing by the Mortgagee or private or public mortgage insurance program under the *National Housing Act* (Canada), R.S.C., 1985, c. N-11 and associated regulations, as such may be amended, re-enacted or replaced from time to time.

"*Obligations*" 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 the 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, the Financing Guarantor, 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 Item 2 of the Mortgage Form and includes a "strata lot" or "strata lots" as defined in the *Strata 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. If the Property is a strata lot then it includes your interest in the common property and any other interest you may have in the assets of the Strata Corporation.

"*Purchaser*" has the meaning set out in Section 5.01.

"*Receiver*" means a person appointed by the 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 the Mortgagee 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 the Mortgagee may establish from time to time at its sole discretion without notice to you.

"*Strata Corporation*" means the strata corporation that was created by the registration of the strata plan that governs the administration of the strata lot or lots of which the Property is a part.

"*Strata Expenses*" has the meaning set out in Section 6.03(i).

"*Strata Property Act*" means the *Strata Property Act* (British Columbia).

"*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.

"*Variable Interest Rate*" means the annual interest rate for a mortgage, calculated and charged daily and compounded monthly not in advance, that is based on the Equitable PATH Home Plan Prime Rate plus or minus the adjustment factor indicated in your Credit Documents and which changes from time to time based on the Equitable PATH Home Plan Prime Rate. 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 chargors or 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.

Subject to Section 2.05, in return for the Mortgagee agreeing to loan money to you, you agree as follows:

- (i) if you are the owner of the Property, you charge your entire interest in the Property to the Mortgagee;
- (ii) if the Property includes Leased Property you charge the Leased Property to the Mortgagee as Security as set out in Section 6.02;
- (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 the 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.

2.02 Your Promises to Mortgagee.

Subject to Section 2.05, you promise and confirm that:

- (i) you will pay all of the Debt to the 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 the Mortgagee and mortgage and charge the Property in favour of the Mortgagee;
- (vi) if you do not pay the Debt to the Mortgagee or perform your other Obligations as provided in the Mortgage and the Credit Documents, the Mortgagee may, at its discretion, 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 the Mortgagee has Approved;
- (vii) there are no limitations or restrictions to your title to the Property except those you have disclosed to the Mortgagee in writing and the Mortgagee has Approved;
- (viii) you will, at your expense, sign any other documents and take any further action that the Mortgagee requests in order to ensure that your entire interest in the Property has been charged to the Mortgagee and that the Debt is adequately secured by the Property and the Mortgage; and
- (ix) 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.

Subject to Section 2.05, 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 the 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. The foregoing provision is, however, subject to terms hereof, including that any references or rights, in favour of the Mortgagee or otherwise, with respect to any consolidation of any security, mortgages, loans, or property with respect to any Loan that is insured and/or financed under a NHA Program with any security, mortgages, loans, or property with respect to any Loan that is not insured and/or financed under a NHA Program, are disclaimed by the Mortgagee and not applicable, with the intent that the Mortgage securing only the Loan(s) that are insured and/or financed under a NHA Program be registered against the Property and the Property only secures the Obligations arising from Loan(s) that are insured and/or financed under a NHA Program and no other indebtedness.

For the purposes of the Mortgage and other mortgages previously or hereafter granted by you to us, you acknowledge and agree that the provisions of the *Property Law Act* (British Columbia) and any other statutory provisions abolishing or restricting the right of consolidation are expressly excluded.

2.05 Insurance and Financing by the Mortgagee.

You hereby acknowledge and agree that, as provided herein, the Mortgagee, at its option exercisable in its sole discretion, may insure or, in connection with the Mortgagee obtaining any financing under a NHA Program, deal with all or any part of the Obligations, including any Loan and the related Obligations, or any interest therein, without restriction and without notice to you or any other person, and that it has consented to such insurance being obtained and/or dealings and that no further notice is required.

Furthermore, with respect to any Loan that is insured and/or financed under a NHA Program, you hereby acknowledge and agree that:

- (i) any new or additional advances, increases to principal, or further borrowings, 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 made after the initial advance (each an “**additional advance**” and, collectively, “**additional advances**”), on such terms as notified to you from time to time, are only permitted on the condition that (a) each additional advance is a new Loan, or (b) all such additional advances are in the aggregate a new Loan, and in each case of (a) or (b), the new Loan will be treated as a separate and distinct Loan for all purposes including enforcement, made to you, whether or not same continues to be secured by the Mortgage securing the insured and/or financed Loan, and you covenant and agree to enter into such additional or new security documentation requested by the Mortgagee to evidence the foregoing, including and without limitation a new Commitment Letter and a new charge;
- (ii) any references or rights, in favour of the Mortgagee or otherwise, with respect to any consolidation of any Security, Mortgages, Loans, or Property with respect to any Loan that is insured and/or financed under a NHA Program, are disclaimed by the Mortgagee and not applicable, with the intent that the Mortgage securing only the Loan(s) that are insured and/or financed under a NHA Program be registered against the Property and the Property only secures the Loan(s) that are insured and/or financed under a NHA Program and no other indebtedness; and
 - (iii) any references or rights, in favour of the Mortgagee or otherwise, with respect to any cross-collateralization or cross-default of any Security, Mortgages, Loans, or Property, or the granting of Property as Security for more than one Loan, or more than one Loan being secured by a single Property, in cases where not all of such Loans secured by the Mortgage are insured and/or financed under a NHA Program, are disclaimed by the Mortgagee and not applicable with respect to any Loans that are not insured and/or financed under a NHA Program, with the intent that the Mortgage securing only the Loan(s) that are insured and/or financed under a NHA Program shall be registered against the Property and the Property shall only secure the Loan(s) that are insured and/or financed under a NHA Program and no other indebtedness,

provided, for the avoidance of doubt, that (a) any Obligations in respect of any Loan(s) (including without limitation, any costs and expenses with respect thereto) that is/ are insured and/or financed by the Mortgagee under a NHA Program shall have priority as to payment, collection and in respect of Mortgage enforcement over any other Loan made by the Mortgagee to you from time to time pursuant to a Credit Document secured or to be secured by the Mortgage that is not insured and/or financed under a NHA Program; (b) in no event shall the Mortgagee seek an order under any bankruptcy legislation or file or prove a claim in any bankruptcy proceeding or for the appointment of any trustee in bankruptcy in respect of you until after the date that the outstanding principal amount of all Loans that are insured and/or financed under a NHA Program are irrevocably discharged in full; and (c) to the extent that all insurance proceeds and realization proceeds arising from or relating to enforcement of the Mortgage are insufficient to irrevocably discharge in full all Obligations, the deficiency in respect of any Obligations other than Obligations in respect of Loans that are insured and/or financed under a NHA Program shall be borne by the Mortgagee and the Mortgagee shall not pursue any judgment in respect of an amount that is greater than such deficiency.

2.06 Periodic Confirmations.

On an annual basis, or any other frequency as we 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 strata 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 we may require.

2.07 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.

2.08 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. We may rely on instructions from any one of you, or anyone acting on your behalf.

2.09 Powers of Attorney.

We may, in our sole discretion, refuse to accept a validly executed Power of Attorney or allow the attorney to complete the transaction requested, or we 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 we have 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) we believe 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) we cannot verify the identity of your attorney.

If we accept your Power of Attorney, and your attorney is the executor or the administrator of your estate, he or she must notify us in writing immediately of any of the events specified in Section 2.07.

ARTICLE 3 GENERAL PROVISIONS

3.01 Changes to Your Debt.

Subject to Section 2.05:

- (i) at your request and if the 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;
- (ii) 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; and
- (iii) the Mortgage will continue to secure all of the Debt and you will continue to be liable for all of the Debt even if one or more of the following occurs:
 - (a) the Mortgagee advances additional money secured by the Mortgage;
 - (b) the amount of the Debt increases or decreases, or if the Debt is reduced to zero and then increases;
 - (c) 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;
 - (d) the Mortgagee increases or reduces the monetary amount of any credit available to you;
 - (e) the form of the Debt changes in any way or the Mortgage secures additional Debt;
 - (f) the Mortgage secures more than one type of Debt or more than one type of Collateral Loan Debt;
 - (g) the terms applicable to the Debt are changed, for example if the Interest Rate changes; or
 - (h) any borrower or co-borrower dies.

3.02 Application of Payments.

When the Mortgagee receives a Payment, the Mortgagee will first apply it to Costs, if any. Next the Mortgagee will apply it to Interest. Finally, the Mortgagee will 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 Mortgagee, for example Taxes, in any order the Mortgagee determines in its sole discretion. The foregoing is subject to Section 2.05.

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 the Mortgagee at its head office in Toronto, Ontario or any other place Approved by the 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. The Mortgagee will consider payments received after 2:00 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 the 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 the Mortgagee will be 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.

The Mortgagee may add the following amounts to your Debt:

- (i) any Taxes and strata expenses that are not paid as they fall due;
- (ii) all legal fees and disbursements (and applicable taxes) for preparing and registering the Mortgage; and
- (iii) 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) The 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 though the 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, strata 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.

Subject to Section 2.05:

- (i) You will pay the Collateral Loan Debt to the Mortgagee on demand.
- (ii) You will pay Interest to the 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 the Mortgagee additional Interest as set out in the Credit Documents.

3.11 Prepayment.

Subject to Section 2.05, 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, subject to Section 2.05.

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 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 Interest Rate 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 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. The conversion to a Fixed 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 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.

The terms of 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 the 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.

The 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 the Mortgagee. For your reset to be effective, the Mortgagee must receive your signed Interest Rate Reset Agreement within thirty (30) days prior to the beginning of the new Interest Rate 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 us, we may, at our 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 reset, and if so, it will be disclosed to you in advance of such reset.

No reset given by us to you shall in any way affect or prejudice our 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 over 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 or land titles office. Any Amendment will be binding on you, on the 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.

For purposes of Subsection 27(1)(b) of the *Land Title Act*, this Section 7.4 shall be notice of the Mortgage and contents hereof to every person dealing with the title to the Property.

ARTICLE 5 OTHER PROVISIONS AFFECTING YOUR MORTGAGE

5.01 Sale or Transfer of Property/Subsequent Encumbrances.

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

then the 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 the Mortgagee may, in its unqualified subjective discretion, withhold its Approval of a Conveyance.

The applicable prepayment provisions in Article 3 will apply to any repayment. No change in the ownership of the Property or in any agreement between the Mortgagee and a Purchaser will in any way affect or prejudice the Mortgagee's rights against you or any other person liable for payment of the Debt. The 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 the Mortgagee accepts money from a Purchaser or if a Purchaser agrees with the 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 to be executed by you which Conveys the Property or any interest in the Property to anyone other than you, and obtain our written consent prior to executing such document(s). 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 the Mortgagee from time to time, immediately on our request, any lease of the whole or any part of the Property. Any assignment must be in a form acceptable to the Mortgagee. You will deliver to the Mortgagee executed copies of all leases of the Property at the 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 the Mortgagee's 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 the 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 the 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 the Mortgagee, execute and deliver to the Mortgagee an assignment in the 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 the Mortgagee any other documents that the 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 the 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) The Mortgagee will not be considered a mortgagee in possession or landlord of the Property because of any assignment referred to in this Article.
- (vi) The Mortgagee has to account only for rent that the Mortgagee actually receives (less reasonable collection charges) and the Mortgagee may apply those rents to repayment of the Debt in any manner that the Mortgagee, in its discretion, determines.

5.04 Payments Mortgagee May Make.

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

5.05 Taxes.

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

5.06 Bank Account for Receipt of Advances.

By signing the Mortgage you:

- (vii) 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.
- (viii) 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.
- (ix) Acknowledge that any advances you request from the Mortgagee may, at the Mortgagee's discretion, be payable by direct deposit or cheque which will be sent to you by regular mail.
- (x) Agree to pay to us our processing fees for any actions which we take under this Article.
- (xi) 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 without the Mortgagee's prior written consent.
- (iii) You will pay the Mortgagee on demand the reasonable Costs of those inspections, investigations, assessments, studies and testing.
- (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 the 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 be used to finance an Improvement, you must so inform us in writing immediately and before any advances are made by the Mortgagee. Before commencing any construction on the Property you will have all plans and specifications Approved by the 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 the Mortgagee;
- (iii) you deviate from the generally accepted local standards of construction; or
- (iv) you allow a construction lien to be registered against the Property for more than thirty (30) days,

then the 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 the Mortgagee completing, or partially completing, any construction on the Property in accordance with plans and specifications that have been Approved by the Mortgagee or otherwise as the 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. The 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 the 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 the Mortgagee may from time to time require. You will ensure that the Mortgagee is sent copies of all notices sent to you about this insurance.
- (iii) If the Property is a strata lot, you will ensure that the Strata Corporation takes out and keeps the insurance referred to in Section 5.09(ii) in force.
- (iv) You will arrange for Strata unit owners insurance for each unit to be in place respecting betterments, improvements, liabilities and contingency coverage in the event prime coverage maintained by the *Strata* is insufficient and the Mortgagee's interest on all such insurance is to be shown as loss payee.
- (v) 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.
- (vi) All insurance policies must provide that any loss will be payable to the Mortgagee as its interest may appear and must contain the standard mortgage clause Approved by the Mortgagee.
- (vii) The Mortgagee may require any insurance on the Property to be cancelled and new insurance taken out with an insurance company Approved by the Mortgagee (and Approved by the landlord under the Lease if the Property is a Leased Property and if required by the Lease). The Mortgagee may, without consulting you, take out any insurance on the Property if the Mortgagee has not received proof of coverage satisfactory to it. The premiums for this insurance will be added to the Debt.
- (viii) You agree that you will deliver certificates of insurance or, if required by the Mortgagee, certified copies of insurance policies as soon as possible after placing the required insurance.
- (ix) All policies must contain an undertaking by the insurer to notify the Mortgagee in writing not less than fifteen (15) days prior to any material change, cancellation, failure to renew or termination of any policy.
- (x) If you fail to take out or to keep in force any insurance policy, or if any insurance policy is not Approved by the Mortgagee, and if you do not rectify the situation within seven (7) days after written notice from the Mortgagee, the Mortgagee may, without consulting you, take out insurance at your expense.
- (xi) If you have failed to meet any of your Obligations, the Mortgagee may charge you the cost of insuring the Property under an individual or a blanket insurance policy issued to the Mortgagee.

- The Mortgagee is under no obligation to insure the Property or to insure the Property for more than the Debt. However, if the Mortgagee does take out additional insurance, it will be at your expense.
- (xii) If the Mortgagee pays any premiums for insuring the Property, the amount of all payments will be added to the Debt and will be payable immediately.
 - (xiii) When the Mortgagee requests it, you will provide the 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 the Mortgagee with satisfactory evidence of the renewal of all insurance policies at least fifteen (15) days before the termination of each policy.
 - (xiv) The Mortgagee, in our discretion, may require that all insurance proceeds be paid to the Mortgagee, to you or to any other person appearing by the records of the land title 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 the Mortgagee's sole discretion, in whole or in part to repay the Debt even if the Debt is not yet due.
 - (xv) The Mortgagee may, in our discretion, require that the insurance proceeds be applied to rebuilding or repairing the Property.
 - (xvi) If the Property is a Leased Property, the insurance proceeds will be applied to rebuilding or repairing the Property, if required by the Lease.
 - (xvii) If the Property is not a strata lot, all policies of insurance must show any loss payable (i) to the Mortgagee, or (ii) to a trustee Approved by the Mortgagee pursuant to an insurance trust agreement Approved by the Mortgagee or to both (if the Property is a strata unit). The terms of any insurance trust agreement may not, once Approved by the Mortgagee, be altered without the Mortgagee's further Approval.
 - (xviii) The Mortgagee also charges all insurance proceeds as security for the Debt. If the Property is a strata lot, the Mortgagee also charges your interest in the insurance trust and on any insurance proceeds relating to the Property held by the trustee.
 - (xix) If the Property is a strata lot, you will ensure that the Strata Corporation will at all times comply with the terms of all insurance policies, the insurance provisions of the Declarant and any insurance trust agreement. You will also ensure that the insurance taken out by the Strata Corporation complies with the Obligations of this Section. Finally, you will ensure that the Strata Corporation assigns and delivers to the Mortgagee certificates of insurance or, if required by the Mortgagee, certified copies of each insurance policy, as soon as possible after placing the required insurance.
 - (xx) If there is any loss or damage, you must furnish at your own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance proceeds.
 - (xxi) Production of the Mortgagee will be sufficient authority for the insurer to pay any loss to the Mortgagee.
 - (xxii) 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.
 - (xxiii) The insurance provisions of this Section apply to all buildings, structures and Improvements on the Property whenever built and during construction.

In the event any provisions of the Mortgage are in conflict with those of the *Insurance Act* (British Columbia) or the *Fires Prevention (Metropolis) Act, 1774*, the provisions of the Mortgage will prevail and you expressly waive any rights, privileges or benefits to which you would otherwise be entitled under such legislation or any legislation enacted in replacement thereof.

5.10 Subdivision, Release and Replacement of Property.

You agree as follows:

- (i) The Mortgage charges every part, lot or strata lot 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, the Mortgagee may take other security, take evidence of indebtedness or obtain additional promises of payment.
- (iv) None of these actions will affect the Mortgagee's rights under the Mortgage or limit the liability of any person who is liable under the Mortgage.
- (v) The Mortgagee may, on any terms that the 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 the Mortgagee has taken; and/or
 - (d) you, or any borrower.
- (vi) The 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 the Mortgagee in asserting its rights, the loss by operation of Law of any right the 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 the Mortgagee.

5.11 Servicing Fees.

The 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 The Mortgagee's Right to Freely Deal with Loans and Mortgage.

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. Each of you hereby acknowledges and agrees 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 so 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 other dealing (provided, for the avoidance of doubt, that the Loan and Obligations shall continue to be subject to the terms hereof, including that any Obligations in respect of a Loan that is insured and/or financed by the Mortgagee under an NHA Program shall have priority as to payment, collection and in respect of Mortgage enforcement, irrespective of the time or the order of any Loans, over any other Loan made by the Mortgagee to you from time to time pursuant to a Credit Document secured or to be secured by the Mortgage that is not insured and/or financed under an NHA Program, and this action shall not have any impact on the interest rate or other terms of the Loans pursuant to the Credit Documents).

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, you shall continue to deal with the Mortgagee in matters pertaining to the servicing or administration of the Loan.

You and each 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 and your spouse, 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.

Subject to Section 2.05, 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, the 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 mortgage insurance company (if this is an Insured Mortgage), or any Financing Guarantor 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 mortgage insurance company (if this is an Insured Mortgage), or any Financing Guarantor 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 an Event of 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 mortgage insurance company (if this is an Insured Mortgage), nor any Financing Guarantor or 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.

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

5.17 Short Covenants.

The Mortgage is made pursuant to Part 3 of the *Land Transfer Form Act* (British Columbia) except as otherwise provided in the Mortgage. Clause 15 of Schedule 6 of the *Land Transfer Form Act* is expressly excluded from the Mortgage.

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;
- (vii) and that, on an Event of Default, the Mortgagee shall have quiet possession of the said lands free from all encumbrances.

5.18 Payment Guarantee.

We guarantee 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 us 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 us 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 the Mortgagee 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 the 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 the 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 the 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 the 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 the Mortgagee with any notice of default under the Lease that you receive;
- (x) will indemnify the Mortgagee from all actions, claims and demands relating to defaults under the Lease; and
- (xi) will assign to the Mortgagee the last day of the term of the Lease, or any renewal term, which you hold in trust for the Mortgagee.

6.02 Additional Provisions for Leased Property.

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

- (i) You charge the Leased Property to the Mortgagee as security only and not as a complete assignment of your interest.
- (ii) You sublease the Leased Property to the Mortgagee to the extent required by Law for the 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 the Mortgagee, including the last day of the term, and any right of renewal or right to purchase.
- (iv) You hereby irrevocably appoint the Mortgagee as your agent. If there is default under the Mortgage, the Mortgagee may, as your agent, assign the Lease and the last day of the term of the Lease as the Mortgagee may determine in its discretion.
- (v) If the Mortgagee sells the Leased Property pursuant to this Article 6, the Mortgagee may assign your interest in the Lease to a purchaser.
- (vi) The Mortgagee may at any time remove you or any other person from being a trustee of the Lease and appoint a new trustee in your place.
- (vii) At the Mortgagee's request but at your cost, you will assign to the Mortgagee the last day of the term of the Lease or any renewal or substituted term.
- (viii) If the Mortgagee sells the Leased Property under the power of sale 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 the 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, the 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 the Mortgagee to you, or anyone claiming under you, or any dealing by the 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 the Mortgagee without you or the Mortgagee having to do anything further.

6.03 Additional Promises if the Property is a Strata Lot.

You promise to perform all of your obligations under the *Strata Property Act* and under the by-laws, the rules and regulations of the Strata 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 all strata fees, special levies and other charges payable to the Strata Corporation by you (collectively, the “**Strata Expenses**”) and any and all money due and payable in accordance with the provisions of the *Strata Property Act* or the said declaration or the said by-law 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 the Mortgagee with satisfactory evidence that all Strata Expenses or special assessments have been paid.
- (iii) The Mortgagee may deduct from any advance the amount of Strata Expenses that are payable to the Strata Corporation and are unpaid at the date of that advance.
- (iv) If the Mortgagee requests it, you will give it copies of all notices, financial statements, reserve fund studies and other documents from time to time given to you by the Strata Corporation. In any event, you will promptly give to the Mortgagee any notices of any defaults or breaches, whether alleged or otherwise, from the Strata Corporation concerning you or the Property.
- (v) If the Mortgagee gives you notice, you will pay to the Mortgagee the amount necessary to pay the Strata Expenses. The Mortgagee will remit all sums to the Strata Corporation on your behalf.
- (vi) If the Mortgagee becomes a mortgagee in possession, by reason of default or otherwise, you authorize the Mortgagee, in your name and on your behalf, to exercise your rights under the *Strata Property Act* to vote at any meeting of the Strata Corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the Strata Corporation or the termination of the applicable of the *Strata Property Act* to the Strata Corporation.
- (vii) Subject to the *Strata Property Act*, you assign to the Mortgagee all your rights under the *Strata Property Act* and any by-laws, rules and regulations of the Strata Corporation, and you irrevocably authorize the Mortgagee to exercise your right to vote or to consent in all matters relating to the affairs of the Strata Corporation, provided that:
 - (a) the Mortgagee will only exercise your right to vote or consent if the Mortgagee has given you and the Strata Corporation the notice required by the *Strata Property Act* that the Mortgagee intends to exercise this right;
 - (b) the Mortgagee is not under any obligation to vote or consent;
 - (c) in voting or consenting, the Mortgagee is not obligated to protect your interests, but may vote or consent as the Mortgagee, in its discretion, determines; and
 - (d) if the Mortgagee votes or consents, the Mortgagee 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 Strata 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 the Mortgagee’s interest therein. You must comply with this Section even if the Mortgagee would not have been able to exercise your right to vote.
- (x) In the event that the government of the Property by the Strata Corporation is terminated or in the event of a sale of the Property or a part of the common property of the Strata Corporation being authorized by a vote of the owners of the said strata lots 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 we suspect that you are using Funds or the Property for illegal purposes;
- (iii) if we reasonably suspect that you are connected to fraud, theft or any other offence;
- (iv) if we have 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 the Mortgagee's Rights.

Upon the occurrence of any Event of Default, the Mortgagee may exercise any one or more of the remedies listed below in any order that the Mortgagee chooses, subject to the provisions of Section 2.05:

- (i) Immediate Payment.
The Mortgagee may, at its option without notice to you, require all Debt to be paid to the 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 the Mortgagee.
- (iii) Legal Action.
The Mortgagee may take whatever legal action is necessary to collect all or part of the Debt. This legal action may include suing you for the Debt.
- (iv) Personal Property.
The Mortgagee may enter the Property and distrain against (i.e. seize and sell) any personal property owned by you to repay all or part of the Debt.
- (v) Take Possession of the Property.
The Mortgagee may take and keep possession of the Property, collect rents from it and manage or lease the Property or any part of it. Before the Mortgagee takes possession of the Property, the Mortgagee can ask you to leave the Property with all your belongings and if you do not do so, the Mortgagee may make any necessary applications and the courts of British Columbia may order you to leave. If you refuse to do so, the courts of British Columbia may have you forcibly removed. If you have not removed your personal belongings from the Property before the Mortgagee takes possession, you authorize the Mortgagee to remove and dispose of your belongings in any manner that the Mortgagee, in its absolute discretion, deems appropriate, without notice to you. The Mortgagee will have no liability for moving, disposing or storing those belongings. You will be responsible for all Costs incurred by the Mortgagee in dealing with those belongings. These Costs will be added to the Debt.
- (vi) Lease the Property.
The Mortgagee may take possession of the Property and lease it on any terms that Mortgagee determines in its discretion without notice to you. The Mortgagee may apply the net proceeds of any lease to reduce the Debt. If the net proceeds do not pay all of the Debt, you must immediately pay the Mortgagee the difference.
- (vii) Foreclosure.
The Mortgagee may take court proceedings to foreclose your interest in the Property. If the Mortgagee obtains a final order of foreclosure, your interest in the Property will belong to the Mortgagee and you will have no further interest in the Property.
- (viii) Judicial Sale.
The Mortgagee may ask the court to order a sale of the Property, under the court's supervision. If the amount the Mortgagee receives from the sale of the Property is less than the Debt, you must immediately pay the Mortgagee the difference.
- (ix) Power of Sale.
If any default continues for at least fifteen (15) days, subject to applicable Laws, or any other minimum period that may be prescribed by Law, the Mortgagee may sell the Property or any part of it. Any sale may be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on any terms that the Mortgagee determines in its discretion. The Mortgagee will apply the net proceeds of any sale to reduce the Debt. If the net proceeds do not pay all of the Debt, you must immediately pay the Mortgagee the difference. The exercise by the Mortgagee of its power of sale does not preclude the Mortgagee from any further exercise of its power of sale in accordance with this Section.
- (iv) Cure any Defaults.
The Mortgagee may, but is not obligated to, cure any of your defaults under the Mortgage at your expense, and generally take any other steps of proceedings against you as are permitted by Law. You will immediately pay the Mortgagee any money we spend or are obligated to spend in curing any defaults. The Mortgagee may add any money it has spent curing your defaults to the Debt. In

order to cure any defaults, the Mortgagee may enter on the Property as often as necessary at any time. If the Mortgagee enters the Property, we will not be a mortgagee in possession.

7.04 Costs of Proceedings.

The Costs of any sale or foreclosure proceedings, whether or not the sale or foreclosure is completed, or any Costs that the Mortgagee incurs in taking or keeping possession of the Property or enforcing its remedies under the Mortgage, are immediately payable by you whether or not any actual proceeding has commenced.

7.05 Prepayment After Default.

If we declare the Debt, or balance of the Mortgage, payable upon the occurrence of an Event of Default and the balance declared due is paid prior to the Balance Due Date or the Maturity Date, you agree to compensate us as liquidated damages for costs reasonably incurred by us and not as a penalty (in addition to Costs), in lieu of providing us with three (3) months' notice, by paying to us an amount equal to three (3) months' interest at the then current Variable Interest Rate or the Fixed Interest Rate as the case may be.

7.06 Payment after Due Date.

Where there is a Default after the Due Date, you may pay the outstanding Debt of the Mortgage only upon payment of three (3) months' interest at the then current Variable Interest Rate or Fixed Interest Rate, as the case may be, calculated on the outstanding Debt in lieu of three (3) months' notice.

7.07 Appointment of Receiver.

If you do not comply with any of your Obligations, the Mortgagee may appoint a Receiver on any terms (including remuneration) that the Mortgagee deems reasonable. The Mortgagee may also remove any Receiver and appoint another Receiver. The following provisions apply:

- (i) The Receiver will be your agent, not the Mortgagee's.
- (ii) You alone will be responsible for any of the Receiver's acts or omissions.
- (iii) The Mortgagee will not be responsible for any misconduct or negligence of the Receiver.
- (iv) Any Receiver may or may not be the Mortgagee's officer or employee.
- (v) Appointing a Receiver will not constitute the Mortgagee as a mortgagee in possession.
- (vi) From the income collected, the Receiver may pay all Taxes, insurance premiums and other expenses required to keep the Property in good condition; pay its own fees as Receiver; pay all amounts required to keep any mortgages or other interests ranking in priority to the Mortgage in good standing; pay Interest; and pay all or any part of the Debt, whether due or not.
- (vii) The Mortgagee is not accountable for any money received by the Receiver except to the extent that the Mortgagee actually receives that money.

The Receiver may do any one or more of the following:

- (i) use every right or remedy that the Mortgagee has under the Mortgage to collect the income from the Property, take possession of all or part of the Property, manage the Property and keep the Property in good condition;
- (ii) manage any business conducted on the Property;
- (iii) lease all or any portion of the Property, and for this purpose enter into contracts in your name that will be binding on you;
- (iv) sell the Property;
- (v) arrange for the repair and maintenance of the Property; arrange to complete any construction on the Property; arrange for construction of leasehold improvements;
- (vi) register plans of subdivision and declarations and descriptions for the Property;
- (vii) take possession of and use any materials, supplies, plans, tools or equipment on the Property; and
- (viii) borrow money on the security of the Property in priority to the Mortgage.

The rights and powers in this Section are supplemental to any other rights and powers that the Mortgagee may have.

7.08 Court Appointed Receiver.

The Mortgagee may ask the Court to appoint a Receiver, or confirm the appointment of a Receiver, of the Property. The terms of the appointment of this Receiver will be as the Court determines.

7.09 Arbitration.

You agree that arbitration is a more efficient and cost effective way to resolve claims than court litigation.

Accordingly, because arbitration provides an efficient form of claim resolution you therefore agree that any claim, dispute or controversy that arises from or relates to (a) your Mortgage (b) the Credit Documents or (c) any other benefits or services related to the Mortgage and Credit Documents will be resolved by way of binding arbitration.

Arbitration will follow the National Arbitration Rules of the ADR Institute of Canada Inc., or its successors (the "Arbitrator"). The Mortgagee reserves the right to change or replace the Arbitrator, at its sole discretion. Arbitration will take place in the province or territory where you reside and any decision rendered will be final and binding. Either party has the right to appeal the Arbitrator's award to an appeal panel administered by the Arbitrator provided it gives the Arbitrator notice of its intention to appeal within thirty (30) days from the date of the written arbitration award. The appeal decision will be final and binding, there will be no further appeal and you acknowledge that it will be considered as a final award.

If you do commence arbitration proceedings you acknowledge that it will only relate to your claim and cannot be on behalf of anyone else or anyone else's claim and that the Arbitrator will have no jurisdiction or authority to consider any claim you commence if it appears that it is in any way on behalf of any other person or group or persons.

ARTICLE 8 MISCELLANEOUS PROVISIONS

8.01 Judgments.

If the Mortgagee obtains a judgment because of your default in any Obligation, that judgment will be obtained in accordance with Section 2.05, but in any event it shall not operate as a merger of any Obligation or affect the Mortgagee's right to Interest. Any judgment will provide that Interest is to be computed at the same rate and in the same manner as set out in the Mortgage until the judgment is fully paid.

8.02 Expropriation.

If the entire Property is expropriated, the Debt will immediately become payable, along with loss of interest, including any prepayment charges, if applicable, as described elsewhere in these standard mortgage terms.

If only a part of the Property is expropriated, the amount you are awarded for the partial expropriation will be paid to the Mortgagee and we will credit this amount to your Debt. If, in the Mortgagee's opinion, the remainder of the Property does not provide adequate security for the remaining Debt, then the Debt, or any part of the Debt as the Mortgagee determines, will immediately become due and payable, plus any loss of interest.

8.03 Administration Fees.

You agree to pay to us administration fees to cover our time and costs for administration of the Mortgage including without limitation, a fee or allowance for:

- (i) dealing with 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;
- (ii) preparing each arrears, reinstatement, discharge or other statement, whether provided to you, our agents or solicitors or any other interested person;
- (iii) processing each application to obtain our consent or our approval for any other matter required by the Mortgage whether or not approval or consent is provided or the matter is completed;
- (iv) processing each application for conversion, including any interest rate differential charges;
- (v) investigating, preparing and issuing statements, files, letters, demands or other correspondence in connection with enforcing your obligations under the Mortgage;
- (vi) processing each restructuring or other amendment of the Mortgage or amounts secured by the Mortgage, whether or not completed;
- (vii) investigating the status of any insurance and administering insurance cancellations and paying insurance premiums;
- (viii) processing any assumption or port of the Mortgage which has been Approved by the Mortgagee;
- (ix) investigating the status of realty tax payments and administering tax payments;
- (x) registering a financing statement or financing change statement or issuing or receiving any notice or information, security status or acknowledgement request and conducting any required searches;
- (xi) registering electronically or otherwise or executing and delivering any discharge of this Mortgage (notwithstanding that the discharge may have been prepared by you or other person on your behalf);
- (xii) the personal time and trouble of our employees or agents in collecting any payment or inquiring into compliance or

otherwise reviewing or dealing with or enforcing any other obligation contained in this Mortgage or instructing and assisting counsel or other agents with respect to the enforcement of this Mortgage and any litigation in relation thereto or in managing or selling the Property including, without limitation, with respect to taxes, Strata Expenses and matters, insurance, repair and construction, environmental matters, leases and other encumbrances; and

- (xiii) generally, any matter connected with the proper administration of the Mortgage.

Our administration fees shall be the amounts established and generally applied by us from time to time and may be disclosed in a Schedule to the Mortgage or ascertained upon inquiry to us. We may change the amounts of such fees from time to time by providing notice to you in advance of such changes.

Any administration fees owing by you to us which are not immediately paid shall be added to the Debt and shall bear interest at the rate set forth in the Mortgage.

8.04 Discharge.

When you have paid the Debt in full and performed all of your other Obligations, the Mortgagee will, if requested by you, sign a discharge or a transfer of the Mortgage. The Mortgagee will have a reasonable time to prepare and sign the discharge or transfer or to authorize the electronic registration of a discharge or transfer. The Costs of registration of any discharge will be your responsibility. You will pay the Mortgagee's then current administration fee for preparing a discharge or an assignment of the Mortgage. Registration and the costs of registration of any discharge or transfer will be your responsibility. If the Mortgagee registers the discharge or transfer, you will pay any government fee that the Mortgagee incurs for registration.

8.05 Conflict.

It is expressly understood and agreed that, in the event of a conflict or inconsistency between the application of any of the rights and remedies contained in the Mortgage and the application of any of the rights or remedies of any of the other Credit Documents, we will determine, in our sole discretion which shall prevail, it being understood that the purpose of the Mortgage and any of the other Credit Documents is to add to, and not detract from, the rights and remedies granted to us under the Credit Documents and in all cases the terms of Section 2.05 shall apply. We may, in our exercise of its rights and remedies may proceed to exercise any and all rights hereunder, under the Credit Documents, and as available at law and no such remedy for the enforcement of our rights shall be exclusive of, or dependent on, any other remedy, but any one or more of such remedies may from time to time be exercised independently or in combination.

8.06 Notices by the Mortgagee.

Unless otherwise stated in the Mortgage, if the Mortgage allows or requires the Mortgagee to make a demand on, give a notice or consent to or make a request of any person (including you), the Mortgagee may make the demand, give the notice, or consent or make the request, in any one or more of the following ways, at the Mortgagee's sole discretion:

- (i) by delivering it personally to the borrower;
- (ii) if the borrower is a corporation, by delivering it personally to a director, officer or employee of the corporation;
- (iii) by transmitting it by facsimile to the borrower;
- (iv) by transmitting it via e-mail to the borrower;
- (v) if the borrower is a corporation, by transmitting it via e-mail to a director, officer or employee of the corporation;
- (vi) by mailing it by prepaid registered mail addressed to the borrower at the borrower's last known address on the records of the Mortgagee; or
- (vii) by transmitting it by any other means as the Mortgagee Approves in writing in advance.

Unless otherwise stated in the Mortgage, notice will be regarded as received:

- (i) when it is personally delivered to the borrower or to a director, officer or employee of the corporation;
- (ii) on the day of the facsimile transmission or, if that day is not a Business Day, on the first Business Day after the facsimile transmission;
- (iii) on the first Business Day after the e-mail is delivered to the borrower or to a director, officer or employee of the corporation;
- (iv) five (5) days after the date of mailing, whether the borrower receives it or not; or
- (v) on any other date when the Mortgagee advises you of an alternative method of notice.

8.07 Notices by You.

Any notice that you give to the Mortgagee must be by one of the following methods:

- (i) registered mail, postage prepaid to the Mortgagee's address in Ontario;
- (ii) personal delivery to the manager of the department at the Mortgagee that administers the Mortgage;
- (iii) facsimile transmission to the Mortgagee's then designated facsimile number;
- (iv) e-mail to the Mortgagee's then designated e-mail account; or
- (v) any other method that the Mortgagee Approves in writing in advance.

Unless otherwise agreed to by you and the Mortgagee, notice will be deemed to be received:

- (i) five (5) days after mailing by registered mail;
- (ii) when personally delivered to the manager of the department of the Mortgagee's office that administers the Mortgage; or
- (iii) on any other date when we advise you of an alternative method of notice.

8.08 Number.

Words in the singular include the plural and words in the plural include the singular.

8.09 Who is Bound.

The Mortgage is binding on you, your legal and personal representatives, your heirs, your successors and your assigns. The Mortgage is also binding upon anyone to whom you transfer the Property. The Mortgage is binding on the Mortgagee, on its successors and on anyone to whom Mortgagee may transfer the Mortgage.

8.10 Consents and Disclosure.

In connection with the processing, approving, funding, servicing, and administering, or any insurance, sale, securitization, or financing of all or any part of the Obligations, including any Loan under the related Credit Documents, or any interest therein, any of the Mortgagee, any mortgage loan insurer, the Financing Guarantor, any other person having or proposing to acquire any interest in all or any part of the Obligations, including any Loan under the related Credit Documents, from time to time (including their respective advisors, agents, lawyers, accountants, auditors, consultants, appraisers, credit verification sources, credit rating agencies and servicers), or 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 ("**Information Access Persons**"), may, as it may determine in its sole discretion in accordance with Privacy Laws, collect, use and store information and materials (including Confidential Personal Information) provided by you or obtained by or on behalf of, the relevant Information Access Person, relating to the Obligations, including any Loan under the related Credit Documents, you, or the Property (both before and after any new loan, any re-financing of a loan, any re-advances and any further advances on any loan, and/or any default) without further notice to you, and any such Information Access Person may, as it may determine in its sole discretion in accordance with Privacy Laws, from time to time transfer, assign, release, disclose, exchange or share such information and materials (including Confidential Personal Information) to or with:

- (i) any other Information Access Persons; and
- (ii) any governmental authority having jurisdiction over it or any of its activities,

and you hereby irrevocably consents to the collection, use, storage, release, disclosure, exchange, sharing, transfer, and assignment of all such information and materials (including Confidential Personal Information) in accordance with Privacy Laws.

You consent to Information Access Persons and other third parties that provide benefits or services to the Mortgagee for the Mortgage obtaining information about you from credit bureaus and other lenders to evaluate you and the Mortgage.

You also consent to having received, read, understood and accepted the Mortgagee's Privacy Agreement.

Additionally, you hereby irrevocably consent to our releasing and disclosing to any other parties, their authorized agents and solicitors requesting the same, any and all information, whether confidential or not, in our possession regarding the Property or the within Debt including, without limitation, details of the Debt balance, the terms of the Mortgage, defaults hereunder (existing or prior) and like matters. You hereby confirm and agree that the release and disclosure of any such information by us constitutes the release and disclosure of such information with your full knowledge and consent of the within the meaning of the Privacy Laws.

You hereby release us from any and all liabilities, damages, suits, actions, claims, monies and costs arising from (i) the release and disclosure of any such information by us, and (ii) any breach of the provisions of any applicable laws, including Privacy Laws, provided that we have acted in accordance with this consent and direction received from you. This direction is coupled with an interest.

8.11 Partial Invalidity.

If any provision of the Mortgage is found to be invalid or unenforceable, the validity and enforceability of all other provisions in the Mortgage will not be affected.

8.12 Effect of Amendments.

Any agreement to make an Amendment to the Mortgage including, without limitation, change in the Interest Rate or reset of the Interest Rate Term, will apply not only to those who Approve the Amendment but also to any other person who was a party to the Mortgage but did not Approve the Amendment.

8.13 Liability.

If two or more persons are liable under the Mortgage, their liability is both joint and several (that is, they are each liable for the full performance of all Obligations).

8.14 Telephone Calls.

You agree that the Mortgagee may record any telephone calls to ensure quality service and to confirm your discussions with the Mortgagee and any of its employees.

8.15 Governing Law.

The Mortgage shall be governed by the Laws of British Columbia and the applicable federal Laws of Canada. You submit to the jurisdiction of the courts of British Columbia with respect to the Mortgage.

8.16 National Housing Act.

If the Mortgage is an Insured Mortgage, the Mortgage is made under the *National Housing Act* (Canada).

8.17 Chattels Left Behind.

Any and all chattels left on the Property by you following an Event of Default and the exercise by us of any of our rights or remedies hereunder shall be deemed abandoned. You acknowledge that we shall be free to move, store, dispose of or otherwise deal with such chattels in our sole discretion, and any cost we incur in relation to same shall be added to the Debt. We shall have a charge and lien on any stored chattels for all costs incurred in connection therewith including appraisal, moving, storage, disposal and the like.

8.18 Abandonment.

In the event that any buildings now or hereafter in the course of erection on the Property remain unfinished and without any work being done on them for a period of ten (10) consecutive days, we may enter in and upon the Property and do all work necessary to protect the same from deterioration and to complete the buildings so remaining unfinished in such manner as we may see fit. It is hereby agreed that any monies expended by us pursuant to this provision shall be immediately due and payable, shall be added to the principal sum of the Debt and shall be a charge upon the Property and shall bear interest at the Interest Rate and in default of payment, at our sole option, the power of sale and other remedies available under the Mortgage or any of the other Credit Documents, at law or in equity, may be exercised.

8.19 General.

You agree that, at any time, we may convert paper records of the Credit Documents delivered to us (each, a “**Paper Record**”) into electronic images (each, an “**Electronic Image**”) as part of our normal business practices. You agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

8.20 Homeowner Protection Act.

If any building erected or to be erected on the Property is or will be a new home, as defined under the *Homeowner Protection Act* (British Columbia), you will only engage the services of a residential builder as defined under the *Homeowner Protection Act*, who during the period of engagement is licensed and has obtained home warranty insurance as required under the *Homeowner Protection Act*.

8.21 Family Law Act.

If you are an individual and have a spouse as defined under the *Family Law Act* (British Columbia), you represent and warrant that at the time of granting the Mortgage:

- (i) none of the events, which under the *Family Law Act* entitles your spouse to an interest in family assets, has occurred; and
- (ii) you have disclosed to the Mortgagee all beneficial interests of your spouse in the Property.

In the event that any of the representations and warranties in this Section 8 are false, all monies secured by the Mortgage shall, at the option of the Mortgagee, become immediately due and payable.

You will advise the Mortgagee of any change or event affecting your spousal status or the right to occupy the Property.

8.22 Statute References.

A reference in the Mortgage to a statute includes the statute as it may be amended and any replacement or substitute statute.

8.23 Receipt.

You hereby acknowledge receipt of a true copy of the Mortgage and the foregoing Standard Charge Terms before signing the Mortgage.