

**LAND REGISTRATION REFORM ACT, 1984
SET OF STANDARD CHARGE TERMS**

Filed by CANADA MORTGAGE AND HOUSING CORPORATION

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The following set of Standard Charge Terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, 1984.

1. CHARGE

The chargor or chargors (herein call the "Chargor") named in any charge of which this set of Standard Charge Terms forms a part by reference to its filing number in such charge (herein called the "Charge") charges the lands described in the Charge (herein called the "Charged Premises") with the payment to the Chargee of the principal and interest and all other monies secured by the Charge upon the terms as set out in the Charge including this set of Standard Charge Terms and whenever reference is made in this set of Standard Charge Terms to the Charge it shall include this set of Standard Charge Terms.

2. DEFEASANCE

- (a) The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act, 1984, shall be and are hereby expressly excluded from the terms of the Charge.
- (b) The following proviso shall apply if and only if a specific proviso for defeasance is not included in a schedule to the Charge: Provided that this Charge shall be void upon the Chargor, his heirs, executors, administrators, successors or assigns or any of them paying or causing to be paid to the Chargee, its successors or assigns the principal sum set forth in the Charge and interest thereon as well after as before maturity and default and judgment at the rate set forth in the Charge at the days and times and in the manner set forth in the Charge and all other amounts payable by the Chargor hereunder and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions herein contained.

3. APPLICATION OF PAYMENTS

Provided that if the Charge is repayable by blended instalments of principal and interest the instalments payable under the Charge are to be applied firstly to interest calculated as provided in the Charge on the principal monies from time to time outstanding and the balance of the said instalments shall be applied on account of principal; except however in the case of default by the Chargor, the Chargee may then apply any payments received during the period of default in whatever order it may elect as between principal, taxes, interest, repairs, insurance premiums or other advances made on behalf of the Chargor.

4. COMPOUND INTEREST

It is agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate aforesaid, and in case the interest and compound interest are not paid on the next interest payment date after the date of default a rest shall be made, and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Premises.

5. TAXES

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the Charged Premises, it is MUTUALLY AGREED between the parties to the Charge that:

- (a) The Chargee may deduct from the final advance of the monies secured by the Charge an amount sufficient to pay the taxes which have become or will become due and payable at the Interest Adjustment Date referred to in the Charge and are unpaid at the date of such final advance.
- (b) After the Interest Adjustment Date the Chargor shall pay to the Chargee in monthly instalments on the dates on which instalments of principal and interest are payable hereunder, sums sufficient to enable the Chargee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof.
- (c) Where the period between the Interest Adjustment Date and the next following annual due date or first instalment date is less than one year the Chargor shall pay to the Chargee in equal monthly instalments, during such period and during the next succeeding 12 months period, an amount estimated by the Chargee to be sufficient to pay, on or before the expiration of the said 12 months period, all taxes which shall become due and payable during the said two periods and during the balance of the year in which the said 12 months period expires; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed such estimated amount.
- (d) Except as provided in the last preceding clause, the Chargor shall, in each and every month, pay to the Chargee one-twelfth of the amount (as estimated by the Chargee) of the taxes next becoming due and payable; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed such estimated amount.
- (e) The Chargee shall allow the Chargor interest at not less than the prevailing rate allowed by the chartered banks on personal savings deposits with chequing privileges on the minimum monthly balances standing in the mortgage account from time to time to the credit of the Chargor for payment of taxes, such interest to be credited to the mortgage account not less frequently than once each year; and the Chargor shall be charged interest at the mortgage rate, on the debit balance, if any, of taxes in the mortgage account outstanding after payment of taxes by the Chargee, until such debit balance is fully repaid.

The Chargee agrees to apply such deduction and payments on the taxes chargeable against the said lands so long as the Chargor is not in default under any covenant, proviso or agreement contained herein, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may apply such sum or sums in or towards payment of the principal and or interest in default. The Chargor further covenants and agrees to transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by him.

Notwithstanding the provisions of clause 5, the Chargee may, with the approval of Canada Mortgage and Housing Corporation, request the Chargor to pay the taxes as and when such taxes become due and to submit to the Chargee tax receipts evidencing the payment of the said taxes within 30 days after they become due, and in such case, the aforesaid monthly instalment, where applicable, will be adjusted accordingly.

6. PREPAYMENTS

- (a) PROVIDED that the Chargor when not in default hereunder shall have the privilege of paying an additional amount of principal, not in excess of 10% of the original amount of this Charge, on the first anniversary of the interest adjustment date, and a similar amount of principal on the second anniversary of the said date, upon payment, by way of bonus of three months interest on the amount of any such additional payment, it being agreed that such privilege shall not be cumulative.
- (b) PROVIDED that on the third anniversary of the interest adjustment date and on any monthly instalment date thereafter, the Chargor, when not in default hereunder, shall have the privilege of paying the whole amount owing hereunder, or any part thereof, upon payment by way of bonus of three months interest on the principal amount of any such additional payment.
- (c) PROVIDED, however, that if this mortgage covers a rental housing project, as defined in the National Housing Act, the foregoing additional payment privileges shall not apply, but the Chargor when not in default hereunder, shall have the privilege of paying, on the fifth anniversary of the interest adjustment date or on any monthly instalment date thereafter, the whole amount owing hereunder, upon payment by way of bonus, of an additional three months interest on the principal amount then outstanding.
- (d) PROVIDED that when any partial additional payments are made the amount thereof shall be equal to the sum of the principal portions of a number of consecutive monthly instalments which would otherwise become due hereunder next following the date upon which such additional payment is made, and the payment dates of all remaining instalments and of the balance owing hereunder shall be accelerated so that the Chargor shall pay the aforesaid monthly instalment in each and every month, commencing with the month immediately following the month in which the additional payment is made and continuing until all monies owing hereunder shall have been fully repaid.

7. DEEMED COVENANTS EXCLUDED

The covenants deemed to be included in a Charge by subsection 7(1) of the Land Registration Reform Act, 1984 shall be and are hereby expressly excluded from the terms of the Charge.

8. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor doth hereby, for himself, his heirs, executors, administrators and successors covenant, promise and agree to and with the Chargee, its successors and assigns, as follows:

(a) To Pay and Observe Covenants

That the Chargor, his heirs, executors, administrators and successors or some or one of them shall pay or cause to be paid to the Chargee, its successors or assigns without deduction or abatement the principal money secured by the Charge with interest as set out in the Charge at the times and in the manner therein limited for payment thereof, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge, and, without limitation, shall pay any taxes, rates, levies, charges or assessments upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or have been rendered liable to pay and shall also pay all other sums as the Chargee may be entitled to under the Charge.

(b) For Good Title

That the Chargor, at the time of execution and delivery of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same.

(c) Right to Charge

That the Chargor has good right, full power and lawful and absolute authority to charge the Charged Premises with their appurtenances unto the Chargee, its successors and assigns, in the manner set out in the Charge.

(d) Quiet Possession on Default

That from and after default in the payment of the principal money mentioned in the Charge, or the interest thereof, or any part thereof, or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge contrary to the true intent and meaning thereof, then in every such case, it shall be lawful for the Chargee, its successors and assigns, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the lands and premises described in the Charge or intended so to be, with their appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor, his heirs, executors, administrators, successors or assigns or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizances and of any other charges or encumbrances whatsoever.

(e) Further Assurances

That from and after default shall happen to be made of or in the payment of the principal amount, or the interest thereon, or any part of the principal or interest, as set forth in the Charge or of or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations in the Charge contrary to the true intent and meaning hereof, then and in every such case the Chargor, his heirs, executors, administrators and assigns and all and every person or persons whatsoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Charged Premises by, from, under or in trust for him, shall and will, from time to time, and at all times thereafter, at the proper costs and charges of the Chargee, its successors and assigns make, do, suffer and execute or cause or procure to be made, done, suffered and executed, all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances, and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the Charged Premises unto the Chargee, its successors and assigns, as by the Chargee, its successors and assigns, or its or their solicitor shall or may be lawfully and reasonably devised, advised, or required.

(f) Insurance

- (i) And that the Chargor (which in this section includes his heirs, executors, administrators, successors or assigns) will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee (which in this section includes its successors or assigns) against loss or damage by fire, and, as the Chargee may require, insure against loss or damage by tempest, tornado, cyclone, lightning and other risks or hazards, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter, for the full insurable value thereof in lawful money of Canada in a company duly authorized to carry on business as such and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the appertaining; and if the Chargor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be

obliged to insure the said buildings or any of them, and if the Chargee shall pay any premiums or sums of money for insurance for the premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the same rate applicable to principal as set out in the Charge from the time of such payments and shall be payable at the time appointed for the next ensuing paying of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of the Charge shall be sufficient authority for the said insurance company to pay any such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on the Charge debt or any part thereof whether due or not then due.

- (ii) If the Charged Premises are part of a condominium the insurance provisions set out in paragraph (i) above will not apply and the following will apply to the Charge:

And that the Chargor (which in this section includes his heirs, executors, administrators, successors or assigns) or the Condominium Corporation or both of them will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee (which in this section includes its successors or assigns) against loss or damage by fire and, as the Chargee may require, insure against loss or damage by tempest, tornado, cyclone, lightning and other risks or hazards, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter, for the full insurable value thereof in lawful money of Canada in a company approved by the Chargee; and the Chargor or the Condominium Corporation or both of them will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured aforesaid, or to deliver such policy or policies, and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Chargor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on him by the Condominium Act and by the Declaration and By-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

9. RELEASE

And the Chargor hath released, remised and forever quitted claim, and by these presents doth release, remise, and forever quit claim unto the Chargee, its successors and assigns, all right, title, interest, claim and demand whatsoever, of, unto and out of the said lands and premises hereby charged or intended so to be, and every part and parcel thereof, so as that neither the Chargor, his heirs, executors, administrators, successors or assigns, shall or may at any time hereafter have, claim, pretend to, challenge or demand the said Charged Premises or any part thereof, in any manner howsoever, subject always to the proviso for defeasance.

10. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee (which in this section includes its successors or assigns) on default by the Chargor (which in this section includes his heirs, executors, administrators, successors or assigns) of payment of the principal and interest or any part thereof as herein and by the Charge required or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge may enter into possession of the lands and premises hereby charged or intended so to be and take the rents, issues and profits and whether in or out of possession make such lease or leases as he or they shall think fit, and also on fifteen days' default as aforesaid and after giving at least thirty-five days' written notice to the persons and in the manner and form prescribed by Part III of the Mortgages Act, R.S.O. 1980, c.296 as it may be amended from time to time may sell the lands and premises charged by the Charge or intended so to be or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser or purchasers thereof, his or their heirs, successors or assigns, or as he or they shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its or their wilful neglect or default. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with an adult person on the Charged Premises, if occupied, or by placing it on some portion of the Charged Premises if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the Charged Premises are situate, and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. And it is hereby further agreed that the proceeds of sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured hereby or otherwise, and that the Chargee may sell all or any part of the Charged Premises on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Premises and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damaged by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only; and the above powers may be exercised by the successors and assigns of the Chargee and against the heirs, executors, administrators, successors and assigns of the Chargor. The Chargee may sell fixtures, machinery, crops and standing or fallen trees apart from the lands, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing in this section contained shall prejudice or diminish any other rights and remedies and powers of the Chargee hereunder or in the Charge contained or existing at law by virtue thereof.

And it is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the said Charged Premises in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all expenses incident to the sales, leases, conveyances, or attempted sales, or leases, secondly all costs, charges, damages and expense of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises, thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the principal money secured by the Charge, fifthly in payment of the subsequent encumbrancers according to their priorities and the residue shall be paid to the Chargor as he may direct and shall also, in such event, at the request, costs and charges of the Chargor transfer, release and assure unto the Chargor or to such person or persons as he shall direct and appoint, all such parts of the Charged Premises as shall remain unsold for the purposes aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the parties to these presents, that notwithstanding the power of sale and the other powers and provisions contained in the Charge the Chargee shall have and be

entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the lands hereby charged as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been herein contained.

11. DISTRESS

Provided that and it is further stipulated, provided and agreed by and between the parties to the Charge that the Chargee, its successors or assigns, may distrain for arrears of interest against the Charged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

12. PRINCIPAL DUE ON DEFAULT

Provided that, and it is hereby further expressly declared and agreed, that if any default shall occur in the payment of the interest money secured by the Charge, or any part thereof, or in payment of any instalment of principal as the same mature or of any instrument, promissory note, bill of exchange or other obligation now or at any time held by the Chargee in respect of or representing or securing the money hereby secured or any part thereof, or in the performance of any covenant, proviso or agreement herein contained or if any waste be committed or suffered on the Charged Premises then at the option of the Chargee, the principal money secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time herein mentioned for payment of such principal money had fully come and expired, subject to any relief afforded to the Chargor at law. The Chargee may, however, waive its right to call in the principal and shall not be therefore debarred from asserting and exercising its right to call in the principal upon the happening of any future default or breach.

13. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT

And provided and it is agreed that until default in the payment of principal or interest secured by the Charge or intended so to be, or any part of either of the same or in the performance of any of the provisions set forth in the Charge contrary to the true intent and meaning thereof, it shall be lawful for the Chargor, his heirs, executors, administrators, successors and assigns, peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to his and their own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, its successors or assigns, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for it, them or any or either of them.

14. CONSTRUCTION

The Chargor covenants and agrees with the Chargee to construct a building or buildings and other improvements on the said land in accordance with plans and specifications which have been or are hereafter approved by Canada Mortgage and Housing Corporation and by the Chargee and to carry on diligently to completion the construction of the said building, buildings and other improvements.

15. WASTE

The Chargor covenants and agrees with the Chargee that he will not permit waste to be committed or suffered on the Charged Premises and will maintain the buildings and other improvements on the said premises in good order and repair to the satisfaction of the Chargee.

16. ALTERATIONS

The Chargor covenants and agrees with the Chargee that he will not make or permit to be made any alterations or additions to the Charged Premises without the consent of the Chargee and will not use the said premises or permit them to be used for the purpose of any business, trade or manufacture of any description.

17. INSPECTION

The Chargee or agent of the Chargee or agent of Canada Mortgage and Housing Corporation, may, at any time, enter upon the said lands to inspect the lands and buildings thereon.

18. ADVANCES

It is the intention of the parties hereto that the building now erected, being erected or to be erected on the Charged Premises forms part of the security for the full amount of the monies secured by this mortgage and that all advances on this mortgage are to be made from time to time in the future in accordance with the progress of such buildings and/or upon its completion and occupation or sale; and the Chargor agrees that neither the execution nor registration of this mortgage nor the advance of part of the said monies shall bind the Chargee to advance the said monies or any unadvanced part thereof, and that the advance of the said monies or any part thereof from time to time shall be in the sole discretion of the Chargee.

19. FIXTURES

It is hereby mutually covenanted and agreed by and between the parties hereto that all erections and improvements fixed or otherwise now on or hereafter put upon the Charged Premises, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aeriels, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the realty and shall be a portion of the security for the indebtedness herein mentioned.

20. PARTIAL RELEASE

Provided that the Chargee may at all times release any part or parts of the Charged Premises or any other security or any surety for payment of all or any part of the monies hereby secured or may release the Chargor or any other person from any covenant or other liability to pay the said monies or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Chargee and without thereby releasing any other part of the Charged Premises, or any other securities or covenants herein contained, it being especially agreed that notwithstanding any such release the Charged Premises, securities and covenants remaining unreleased shall stand charged with the whole of the monies secured by the Charge.

21. CHARGE NOT BOUND TO ADVANCE

The Chargor agrees that neither execution nor registration of the Charge nor the advancement in part of the monies shall bind the Chargee to advance the monies or any unadvanced part thereof, but that the advance of the monies or any part thereof from time to time shall be in the sole discretion of the Chargee, but nevertheless the expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge, the same to be charged hereby upon the Charged Premises and shall be without demand thereof, payable forthwith with interest at the rate provided in the Charge, and in default the Chargee's power of sale and all other remedies under the Charge shall be exercisable.

22. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the principal and interest hereby secured shall, at the option of the Chargee, forthwith become due and payable.

23. NON-MERGER

Provided and it is agreed, that the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenant or affect the Chargee's right to interest at the rate and times herein provided; and further that said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

24. RIGHTS ON DEFAULT

And the Chargor covenants and agrees with the Chargee that in the event of default in the payment of any instalment of principal, interest or taxes hereby secured or any other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained after all or any part of the monies hereby secured have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the property hereby secured as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable to the Chargee, and shall be a charge upon the said lands and shall bear interest at the rate aforesaid until paid.

25. OBLIGATIONS SURVIVE SALE

Provided further that no sale or other dealing by the Chargor with the Charged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

26. DUE ON SALE

Provided that in event of

- (a) The Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the lands hereby charged to a purchaser, grantee or transferee not approved in writing by the Chargee; or
- (b) If such a purchaser, grantee or transferee should fail to (i) apply for and receive the Chargee's written approval as aforesaid, (ii) personally assume all the obligations of the Chargor under this Charge, and (iii) execute an Assumption Agreement in the form required by the Chargee,

then at the option of the Chargee all monies hereby secured with accrued interest thereon shall forthwith become due and payable.

27. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge now or hereafter existing, or to arise or to be claimed upon the said lands having priority over this Charge, including any taxes or other rates on the said lands or any of them, or any amounts payable to the Condominium Corporation, and may pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and his client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatever properly taken in connection with or to realize this security, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor hereunder whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other monies paid hereunder by the Chargee shall be added to the debt hereby secured and be a charge on the Charged Premises and shall bear interest at the rate aforesaid, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a default of payment within the meaning of those words in the paragraph dealing with power of sale and shall entitle the Chargee to exercise the power of sale and all other remedies hereby given. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or Government so paid off, and is hereby authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

28. EXTENSIONS

Provided that no extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, shall in any way affect or prejudice the right of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured.

29. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the monies secured by the Charge within which to prepare and execute a discharge of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Chargor.

30. SPOUSE'S CONSENT

And the spouse of the Chargor so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Charged Premises to the extent necessary to give effect to the rights of the Chargee hereunder, and agrees that the Chargee may, without further notice, deal with the Charged Premises and the debt hereby created as the Chargee may see fit.

31. FAMILY LAW ACT, 1986

The Chargor covenants and agrees that

- (a) he or the owner from time to time of the Charged Premises will advise and keep advised the Chargee as to whether he (i.e. the Chargor or the owner from time to time) is a spouse as defined by Section 1(1) of the Family Law Act, 1986 (the Act), and, if so, the name of his spouse, and of any change in his spousal status or in the status of the Charged Premises as a matrimonial home within the meaning of the Act, and
- (b) forthwith on request he will furnish the Chargee with such evidence in connection with any of the matters referred to in clause (a) above as the Chargee may from time to time require, including, without limitation, his and his spouse's name, address and birth date and his and his spouse's authorization to the Registrar under the Vital Statistics Act of Ontario to provide the Chargee from time to time on request all information in its possession relative to any marriage, divorce or death of the Chargor or his spouse,

and on default the principal money, interest and all other monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

32. SEVERABILITY OF ANY INVALID PROVISIONS

It is agreed that in the event that at any time any provision of these presents is illegal or invalid under or inconsistent with the provisions of any applicable statute or regulation thereunder or would by reason of the provisions of any such statute or regulation render the Chargee unable to collect the amount of any loss sustained by it as a result of making the above recited loan which it would otherwise be able to collect under such statute, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

33. CONDOMINIUMS

If the Charged Premises is a condominium unit, the following provisions shall apply:

- (a) The Charge is made in pursuance of the Condominium Act
- (b) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on him by the Condominium Act and by the Declaration and the By-laws, as amended from time to time, of the Condominium Corporation, by virtue of his ownership of the said lands. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge.
- (c) Without limiting the generality of the foregoing, the Chargor covenants and agrees that he will pay promptly when due any contributions to common expenses required of him as an Owner of the Charged Premises and in the event of his default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the same rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.
- (d) The Chargee is hereby irrevocably authorized and empowered to exercise the right of the Chargor as an Owner of the Charged Premises vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that,
 - (i) The Chargee may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.
 - (ii) The Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor.
 - (iii) The exercise of the right to vote or consent shall not constitute the Chargee a Chargee in possession.

34. RECEIVERSHIP

Notwithstanding anything herein contained, it is declared and agreed that any time and from time to time when there shall be default under the provisions of these presents, the Chargee may, at such time and from time to time and with or without entry into possession of the Charged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Charged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in his stead, and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

- (a) Every such receiver shall have unlimited access to the Charged Premises as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority to –
 - (i) collect the rents and profits from tenancies whether created before or after these presents,
 - (ii) rent any portion of the Charged Premises which may become vacant on such terms and conditions as he considers advisable and enter into and execute leases, accept surrenders and terminate lease,
 - (iii) complete the construction of any building or buildings or other erections or improvements on the Charged Premises left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description,
 - (iv) manage, operate, repair, alter or extend the Charged Premises or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the premises.

- (b) The Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.
- (c) The Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises.
- (d) Every such receiver shall be deemed the agent or attorney of the Chargor and, in any event, the agent of the Chargee and the Chargee shall not be responsible for his acts or omissions.
- (e) The appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a Chargee in possession of the Charged Premises.
- (f) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by him in respect of the Charged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:
 - (i) his remuneration aforesaid;
 - (ii) all costs and expenses of every nature and kind incurred by him in connection with the exercise of his powers and authority hereby conferred;
 - (iii) interest, principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to these presents, including taxes;

- (iv) to the Chargee all interest, principal and other monies due hereunder to be paid in such order as the Chargee in its discretion shall determine;
- (v) and thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Charged Premises and shall bear interest from the date of demand at the same rate as applies to the principal hereby secured.

- (g) Save as to claims for accounting under clauses (f) of this paragraph, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not which may arise or be caused to the Chargor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.
- (h) The Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.
- (i) The statutory declaration of an officer of the Chargee as to default under the provisions of these presents and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.
- (j) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

35. COMPLIANCE WITH LAW

The Chargor covenants and agrees to promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental authority and agency concerning the Charged Premises and will at its own expense make any and all improvements thereon or alterations thereto, structural or otherwise, which may be required at any time by any such present or future law, rule, requirement, order, direction, ordinance or regulation. The Chargee, whenever it deems necessary, may by its surveyor or agent enter upon and inspect the Charged Premises and make such improvements and alterations as the Chargee deems necessary to render the Charged Premises in compliance with such laws, rules, requirements, orders, directions, ordinances or regulations and the reasonable cost of such inspection, improvements and alterations with interest at the rate set forth in the Charge shall be payable forthwith and be a charge upon the Charged Premises.

36. CHARGE EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to this Charge, and to any and all other documents required in connection therewith, and any amendment or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring or the payment of any monies payable hereunder including, without limiting the generality of the foregoing, all solicitor's fees, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Chargee thereon and all costs and expenses valuing the Charged Premises in connection with the foregoing. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the rate provided for in the Charge and shall be a charge on the Charged Premises.

37. INTERPRETATION

And it is hereby agreed and declared that the expression "the Chargor" used in these presents shall include the heirs, executors, administrators, successors and assigns of the Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and (if the Charge affects the Condominium) the expression "the Condominium Corporation" shall mean the Condominium Corporation referred to in the description and the expression "Declaration" shall mean the declaration registered in connection with the Condominium Corporation, and words in the singular include the plural, and words in the plural include the singular, and words importing the masculine gender include the feminine and neuter genders where to context so requires, and that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor shall be equally binding upon his, her or their respective heirs, executors, administrators, successors and assigns and that all such covenants, liabilities and obligations shall be joint and several, and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally secured to and exercisable by its successors and assigns.

38. PARAGRAPH HEADINGS

The paragraph headings herein are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

39. DATE OF CHARGE

This Charge, unless otherwise specifically provided, shall be deemed to be dated as of the earliest date of signature by a Chargor.

40. NATIONAL HOUSING ACT

The Charge is made in pursuance of the National Housing Act

41. TRUE COPY

The Chargor acknowledges receipt of a true copy of the within Charge.