

MERITLINE STANDARD CHARGE TERMS
 LAND REGISTRATION REFORM ACT, 1984
 SET OF STANDARD CHARGE TERMS
 FILED BY ONTARIO CREDIT UNION LEAGUE LIMITED

FILING DATE: July 6, 1990

FILING No. 9017

This set of standard charge terms shall be deemed to be included in every charge in which this set is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, 1984, as amended.

1. DEFINITIONS

In this set of standard charge terms and the Charge:

“Additional Amounts” means the costs, expenses, charges and other amounts which I have agreed to pay to the Credit Union pursuant to Sections 11 and 12 of this set of standard charge terms;

“Charge” means a Charge/Mortgage of Land which refers to the filing number of this set of standard charge terms (including all schedules attached thereto) as from time to time amended, replaced or otherwise modified;

“Credit Union” means the Credit Union named as the chargee in the Charge, its successors and assigns;

“I”, “me” and **“my”** refer to each person who has signed the Charge as chargor, and their respective executors, administrators, legal representatives, successors and assigns;

“Indebtedness”, “Interest Rate” and **“MeritLine Obligations”** have the meanings specified in Schedule 1 of the Charge;

“Principal Amount” means the amount specified as the principal amount in the Charge; and

“Property” means the land described in the Charge, all buildings, structures and improvements now or hereafter built, installed or erected thereon and all property now or hereafter attached, affixed or appurtenant to any of the foregoing.

2. NATURE OF THE CHARGE

I hereby charge all of my present and future interest in the Property to the Credit Union as continuing collateral security for the payment of the Indebtedness. If the amount of my MeritLine Obligations exceeds the Principal Amount, the Credit Union may determine which of my MeritLine Obligations are secured by the Charge and which are not. The Credit Union may apply and re-apply any payment it receives against such part of the Indebtedness as it sees fits.

3. OWNERSHIP OF THE PROPERTY

I own and occupy the Property and there are no restrictions, limitations or other encumbrances affecting my ownership thereof or my ability to grant the Charge, except for those registered in the Land Registry Office against the title to the Property and consented to by the Credit Union in writing. Without the prior written consent of the Credit Union, I will not grant or permit the existence of any mortgages, charges, liens or other encumbrances against the Property or do or permit any thing to be done that would interfere with or lessen the rights of the Credit Union under the Charge. The Credit Union may at any time pay the amount of any mortgages, charges, liens or encumbrances against the Property which it has not consented to in writing and may charge to me the amount of all such payments.

4. SUBDIVISION OF THE PROPERTY

If the Property is subdivided before the Charge comes to an end, the Charge will cover each part into which the Property is subdivided and each such part will secure payment

of all Indebtedness. The Credit Union may from time to time release any parts of the Property from the Charge, with or without consideration, as it thinks fit and the granting of such releases will not affect any rights of the Credit Union in respect of the parts of the Property remaining subject to the Charge or any of my obligations to the Credit Union.

5. CONDOMINIUMS

If the Property is a condominium unit (the “Unit”) and is registered under the Condominium Act, the Property will include my interest in the common elements and in all other property relating to the Unit. In addition to my other obligations under the Charge, I will comply with the Condominium Act and the declaration, by-laws and rules of the condominium corporation relating to the Unit and will pay when due my share of the common expenses of the condominium corporation and all other amounts which I may be required to pay in respect of the Unit. If I do not pay my share of the common expenses or any other amounts which I am required to pay in respect of the Unit, the Credit Union may do so and may charge to me the amount of all such payments.

6. PAYMENT OF INDEBTEDNESS

I will pay the Indebtedness to the Credit Union on demand.

7. INSURANCE

I will insure the buildings, structures and other improvements forming part of the Property to their full insurable value against such risks and upon such terms and conditions as the Credit Union may require. If I fail to obtain or renew the required insurance the Credit Union may pay the insurance premiums in respect thereof and may charge to me the amount of all such payments. I will provide the Credit Union with receipts or other evidence satisfactory to the Credit Union that the required insurance has been renewed from time to time at least two weeks before the expiration date of my policy. I will immediately give written notice to the Credit Union of any damage to or destruction of the Property and will pay to the Credit Union any insurance proceeds which I receive immediately upon receipt. The Credit Union will be entitled to apply any insurance proceeds which it receives against such part of the Indebtedness as it sees fit or may pay the costs of any repairs or rebuilding of the Property, all without affecting any of my obligations to the Credit Union or any of its rights under the Charge.

8. TAXES AND OTHER PAYMENTS

I will pay all taxes and assessments and all amounts payable under any mortgages, charges, liens and other encumbrances against the Property, as and when due, and immediately following such payment will provide the Credit Union with receipts or other evidence satisfactory to the Credit Union showing payment thereof. I fail to pay any of the foregoing taxes, assessments or other amounts the Credit Union may do so and may charge to me the amount of all such payments.

9. KEEPING THE PROPERTY IN GOOD CONDITION

I will keep the Property in good condition and will not do or allow any thing to be done that in the opinion of the Credit Union would lower the value of the Property. I will permit the Credit Union to inspect the Property when and as often as it considers necessary. If I fail to keep the Property in good condition or something is done which in the opinion of the Credit Union lowers its value, the Credit Union may make any repairs it considers necessary. The Credit Union may charge to me its costs in inspecting the Property or in making any repairs thereto.

10. CONSENT TO IMPROVEMENTS

I will not commence or allow any one else to commence any construction, installation, alteration, repair, demolition or other improvement on the Property, other than improvements of a minor nature required to keep the Property in good condition, unless the Credit Union has been provided with copies of and approved all contracts, plans and specifications relating to the proposed improvements. I will ensure that any improvements made to the Property will be completed in accordance with all applicable building codes and other applicable laws and additionally, in the case of improvements requiring the approval of the Credit Union, in accordance with the contracts, plans and specifications which it has approved. The Credit Union may withhold funds from any

advances to me until it is satisfied that I have complied with all applicable holdback requirements.

11. ADDITIONAL AMOUNTS SECURED BY THE CHARGE

I will pay to the Credit Union on demand all amounts paid by the Credit Union and charged to me under the Charge, whether in connection with encumbrances against the Property, for insurance premiums, taxes, repairs or otherwise and all costs, expenses and charges paid by the Credit Union in connection therewith, including, without limitation, legal fees on a solicitor and his own client basis, appraisal and other professional fees, and interest thereon at the Interest Rate from the date that the payments were made, calculated in the manner provided in Schedule 1 of the Charge and the payment of all such amounts shall be secured by the Charge.

12. ENFORCEMENT OF THE CHARGE

If I fail to pay any amount which is payable by me under the Charge, the Credit Union, in addition to any other rights it may have at law, may lease or sell the Property in whole or in separate parts by public auction, private contract, for cash or credit, or by any combination thereof, as the Credit Union sees fit and at such rental or price as the Credit Union may reasonably obtain. I will pay to the Credit Union on demand all costs, expenses and charges paid by the Credit Union in enforcing, attempting to enforce or protecting any of its rights under the Charge or in the collection of the Indebtedness, including, without limitation, legal fees on a solicitor and his own client basis, appraisal fees and the commissions of real estate agents, together with interest on the amount of such costs, expenses and charges at the Interest Rate from the date that the payments were made, calculated in the manner provided in Schedule 1 of the Charge, and all such amounts shall be secured by the Charge. The Credit Union will be accountable to me only for the moneys which it actually receives from any sale or lease of the Property, as and when received, and if the moneys which it receives are not sufficient to satisfy the Indebtedness in full, I will pay the Credit Union the deficiency. I will not make any claims in respect of the Property against anyone who buys or leases it from the Credit Union or anyone who subsequently acquires any interest therein from or under any such person. If I have any claims in respect of the Property, I will make them only against the Credit Union.

13. DEALINGS BY THE CREDIT UNION

The Credit Union may grant extensions of time and other indulgences, take and give up securities, accept compositions and proposals, grant releases and discharges and otherwise deal with me and other persons and any securities as the Credit Union sees fit without affecting any of its rights or any of my obligations under the Charge or any other securities it may hold or in respect of any Indebtedness.

14. EFFECT OF JUDGMENTS

No judgment against me shall operate as a merger of any of my obligations to the Credit Union and the Credit Union will be entitled to receive interest on the Indebtedness after judgment calculated at the rate and in the manner specified in Schedule 1 of the Charge.

15. EFFECT ON OTHER AGREEMENTS AND SECURITY

The Charge will not operate as a merger of any of my obligations to the Credit Union and will not affect any rights of the Credit Union under any other securities it may hold or in respect of the Indebtedness.

16. TERMINATION OF THE CHARGE

The Charge will not cease to operate or be discharged if at any time I am not indebted or otherwise liable to the Credit Union or because of any change in the amount, nature or form of any of my obligations to the Credit Union or any renewal, extension, amendment or replacement of any bills, notes, agreements or any other instruments or documents representing or evidencing such obligations. My obligations and the rights of the Credit Union under the Charge will only end when I have repaid the Indebtedness in full, I have performed all of my obligations under the Charge and the Credit Union upon my request has signed and delivered to me a discharge of the Charge.

17. FURTHER ASSURANCES

I will sign any other agreements, instruments and documents and do all such other acts and things which the Credit Union may require of me to more effectively charge my interest in the Property.

18. HEADINGS

The headings used in this set of standard charge terms and the Charge have been inserted for convenience only and do not affect the meaning of any provisions of the Charge.

19. SUCCESSORS AND ASSIGNS

The Charge will be binding on my heirs, administrators, executors, legal representatives, successors and assigns and will enure to the benefit of the successors and assigns of the Credit Union.

20. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in Section 7(1) and the provisions relating to defeasance set out in Section 6(2) of the Land Registration Reform Act, 1984 are excluded from the Charge.

ACKNOWLEDGEMENT

This set of Standard Charge Terms is included in a Charge dated _____ made by me in favour of Your Neighbourhood Credit Union Limited and I hereby acknowledge having received a copy of this set of Standard Charge Terms before signing the Charge.

DATED at _____ this _____ day of _____, year _____

Chargor _____

Chargor _____

SCHEDULE 1

MERITLINE ADDITIONAL PROVISIONS

1. INDEBTEDNESS SECURED BY THE CHARGE

I charge all of my present and future interest in the Property as security for payment on demand to the Credit Union of the following amounts (collectively the "Indebtedness"):

- (a) all of my present and future debts, liabilities and obligations (collectively my "MeritLine Obligations") to the Credit Union under the MeritLine Home Equity Line of Credit Agreement dated _____ and all present and future agreements, instruments and documents executed by me in favour of the Credit Union in connection therewith, all as from time to time amended, replaced or otherwise modified, in an aggregate amount not at any time exceeding the Principal Amount;
- (b) the Additional Amounts payable by me under the charge as set out in Sections 11 and 12 of the MeritLine Standard Charge Terms filed under number 9017 and forming part of the Charge.
- (c) interest on the amounts payable under subparagraphs (a) and (b) above at the Interest Rate, calculated on the daily balance thereof and payable monthly, both before and after demand and judgment.

2. INTEREST RATE

I agree to pay interest on the Indebtedness as provided in Section 1(c) above at the rate of interest (the "Interest Rate") from time to time charged to me on my MeritLine Obligations up to a maximum rate of 25% per annum.

The current Interest Rate is a variable annual rate equal to the Your Neighbourhood Credit Union Prime Rate of interest as published from time to time by Your Neighbourhood Credit Union Limited, plus/minus _____ per cent per annum. The Your Neighbourhood Credit Union Prime Rate of interest at the date hereof is _____ per cent per annum.

3. REPRESENTATIONS AND WARRANTIES

I represent and warrant to the Credit Union that the Property has not been insulated with urea formaldehyde foam insulation, that the Property has not been used for the storage or disposition of any hazardous wastes and that no 'improvements' (as defined in the Construction Lien Act, 1983) have been made to the Property within the last 90 days nor are any contracts for such improvements in existence or contemplated.

4. GUARANTEE

GUARANTOR (S): _____

In consideration of the premises and the Chargee advancing monies to the Chargor and providing credit from time to time to the Chargor and the Guarantor pursuant to the MeritLine Home Equity Line of Credit Agreement (the "MeritLine") between the Chargor, the Guarantor and the Chargee, the Guarantor dated _____ does hereby absolutely and unconditionally guarantee to the Chargee and its successors and assigns the due and punctual payment by the Chargor of all principal monies, interest and other monies advanced to the Chargor or the Guarantor by the Chargee pursuant to the MeritLine on the security of this Charge, and the Guarantor for himself, his heirs, executors and administrators covenant with the Chargee that if the Chargor shall at any time make default in the punctual payment of any monies payable under the MeritLine or under this Charge, he will pay all such monies to the Chargee forthwith upon demand being made by the Chargee.

The Guarantor further agrees as principal debtor, and not as surety, with the Chargee to pay all amounts due on the Meritline when due and to observe, perform and fulfill the agreements, terms and conditions of this Charge.

DATED IN _____ this _____ day of _____, 20__

(Guarantor)

(Guarantor)