

Set of Standard Charge Terms
(Land Registration Reform Act 1984)

FREEHOLD

Filed by:

TORONTO FIRE DEPARTMENT EMPLOYEES CREDIT UNION LIMITED

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.

The Chargor's implied covenants under subsection 7(1) of the Land Registration Reform Act are expressly excluded herefrom and are replaced by the Chargor's obligations hereunder which shall be Chargor covenants and interpreted as if sections 7 and 8 of the Mortgages Act and as Schedule B of the Short Forms of Mortgages Act were still in force and applicable hereto:

1. **BASIS OF THE CHARGE**

Pursuant to the Chargor's request for loan in Canadian funds from the Toronto Fire Department Employees Credit Union ("Credit Union"), the Chargor has agreed to give the Charge on the Chargor's Property (described in the Charge and includes all present and future structures, fixtures and additions/alterations/improvements located thereon) as security for repayment (in Canadian funds at the Credit Union's Toronto office) of the principal amount of the loan plus interest thereon as provided in the Charge. However, the Credit Union is not bound to advance any part of the loan amount even though the Charge is prepared/signed/registered, and by signing the Charge, the Chargor charges the Property as security for the Credit Union's expense of investigating title and preparing/registering the Charge which expense is payable forthwith upon request with interest at the rate provided in the Charge, and in default of such payment, the Credit Union's default remedies shall apply.

2. **EFFECT OF THE CHARGE**

By signing the Charge, the Chargor charges to the Credit Union (and to whomever the Credit Union transfers the Charge) the Property as security for repayment of the principal amount of the loan plus interest thereon and for satisfaction of the other Chargor obligations required by the Charge.

The Charge is in addition to any other present or future security for any Chargor indebtedness to the Credit Union from time to time, and any default remedy under the Charge may be pursued concurrently or successively with any remedy under such other security. Any remedy exercise under the Charge or other security for money secured by the Charge shall not preclude any other Credit Union right/remedy exercise under the Charge or other security.

The Charge shall terminate when:

- (i) The principal amount of the loan plus interest and all other money secured under the Charge are paid in full;
- (ii) All the Chargor's obligations under the Charge are fully satisfied; and
- (iii) The Credit Union has signed and delivered a registrable discharge thereof to the Chargor or other person represented to the entitled thereto.

The Chargor and immediate family are entitled to remain in possession of the Property so long as the Chargor does not default in the payment/performance as and when required by the Charge, and subject to the Credit Union's exercise/enforcement of its default remedies.

The Chargor is not entitled to make any prepayment of principal unless otherwise permitted by and in accordance with the terms of the Charge. All prepayments which are a combination of principal and interest shall be applied firstly in payment of interest accrued to that payment date and any balance shall be applied to principal then unpaid.

If any regular payment amount is not paid on the due date (e.g. biweekly/monthly) under the Charge, the overdue amount will bear interest at the Charge rate from the due date and be payable on the next regular payment date (and until paid, such interest shall be compounded in accordance

with the regular payment dates) and such compound interest is secured by the Charge and is payable both before and after maturity/default/judgment.

3. CHARGOR TITLE

By signing the Charge, the Chargor warrants that at the time of such Charge signing, Charge registration and Charge advance:

- (i) The Chargor is the registered and beneficial owner of the Property with absolute authority to give the Charge;
- (ii) The Chargor has good and marketable title in fee simple to the Property free from any prior financial claim/encumbrance;
- (iii) The Chargor has done no act to encumber the Property save as disclosed by the Land Registry Office records;
- (iv) The Charge complies with the provisions of the Planning Act (e.g. the Chargor has no interest in any undivided abutting property); and
- (v) The Property complies with all applicable by-laws, regulations and requirements/restrictions, and no urea formaldehyde type of insulation has been used in any structure on the Property.

Until discharge of the Charge, the Chargor will (at any time and at the Chargor's expense) take all steps and do all acts required by the Chargee to protect/ensure/assure the Chargee's security in the Property, and the Chargor will not do anything which might adversely affect the Chargee's security.

4. CONSTRUCTION

By signing the Charge, the Chargor covenants that at the time of loan application, the Chargor disclosed to the Credit Union as to whether or not:

- (i) Any improvement/alteration/repair to the Property might precede registration of the Charge; or
- (ii) Any part of the loan secured by the Charge might be used to finance any improvement/alteration/repair to the Property or refinance a prior building mortgage on the Property;

which could result in a construction lien right priority over the Charge.

Until the Credit Union's advance of the entire loan amount, the Chargor is to keep the Credit Union fully informed as to any current improvement/alteration/repair to the Property.

The Chargor acknowledges that the Credit Union is relying on the Chargor's initial disclosure and subsequent information as to construction lien rights, in default of which, the Credit Union may accelerate repayment of all moneys secured by the Charge.

If any construction lien right arises prior to advance of the entire loan, the Credit Union may make advances based on evidence of construction progress and requisite payments/holdbacks pursuant to the Construction Lien Act. In addition, the Credit Union may hold back moneys, provide lien discharge security and pay lien claims directly as the Credit Union deems appropriate, and each such holdback/cost/payment amounts shall be deemed to be a loan advance. Interest shall accrue on the amounts so advanced from time to time at the Charge rate and be payable on the next mortgage payment date or, at the Credit Union's option, such interest may be deducted from subsequent advances.

All improvement/alteration/repair works to the Property shall be completed expeditiously in accordance with all requisite by-laws, permits and regulations/requirements/restrictions.

5. CHARGOR OBLIGATIONS

A. **Loan Repayment**

The Chargor will repay the principal amount of the loan with interest (and without deduction or abatement) and will otherwise comply with the other Chargor obligations, as and when required by the Charge.

B. Payment of Taxes and other Charges

The Chargor shall pay all realty taxes, utilities and other charges referable to the Property as and when due, and the Chargor will provide evidence of such payment upon request. If the Chargor fails to pay such taxes, utilities and other charges as and when due, the Credit Union may pay the same and thereupon the payment amount shall be repaid by Chargor forthwith upon request, and until paid, such amount shall be added to the principal sum secured by the Charge and bear interest at the Charge rate.

C. Insurance

The Chargor shall maintain Property insurance against loss, damage and liability for perils customarily covered by insurance for such property. All structures, fixtures and additions/alterations/improvements on the Property from time to time shall be insured to not less than the loan amount (provided that if such loan amount exceeds the full insurable value, then the full insurable value amount shall be satisfactory), and the insurance policy shall show the mortgage interest of the Credit Union (subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which is to be attached to the policy) with the effect that the Credit Union has an insurance claim prior to the Chargor, and the Credit Union may apply such insurance proceeds to repair any property damage or to reduce the outstanding loan in whole or in part, as the Credit Union may determine. Any insurance proceeds received by the Chargor in the first instance are to be remitted forthwith to the Credit Union.

Evidence of such insurance coverage is to be produced to the Credit Union prior to any loan advance, and evidence of any renewal or replacement policy is to be produced to the Credit Union prior to any insurance expiration date. The Credit Union may at any time require such insurance to be effected with a company of its choice, failing which, the Credit Union may effect such insurance, and if the Chargor fails to maintain such insurance coverage, the Credit Union may do so. Any premium amount paid by the Credit Union shall be repaid by the Chargor forthwith upon request, and until paid, such amount shall be added to the principal sum secured by the Charge and bear interest at the Charge rate.

D. Maintenance and Repair

The Chargor will maintain the Property in good condition and repair, and otherwise comply with all applicable by-laws, regulations, requirements and restrictions. In addition, the Chargor will not by act or omission permit anything which lowers the value of the Property. In this respect, the Credit Union may, on reasonable notice, enter on and inspect the Property and make repairs the Credit Union deems necessary, and the cost of such entry/inspection/repair is to be paid forthwith by the Chargor, and until paid, such cost shall be added to the principal sum secured by the Charge and bear interest at the Charge rate.

6. CREDIT UNION PAYMENTS

The Credit Union may from time to time pay any claim, charge, lien or encumbrance affecting the Property (regardless of whether or not such has priority over the Charge or is subordinate thereto) and pay all Credit Union expenses (including legal expenses on a solicitor and client basis) related to such payments and collection thereof from the Chargor. Such payment and expense amounts shall be repaid by the Chargor forthwith upon request, and until paid, such amounts shall be added to the principal sum secured by the Charge and bear interest at the Charge rate (and if the Chargor fails to forthwith pay such amounts, the Credit Union may accelerate repayment of all moneys secured by the Charge and exercise/enforce any one or more default remedy). In addition, the Credit Union shall be entitled to all rights and securities of the parties so paid by the Credit Union.

7. REPAYMENT ACCELERATION

The Credit Union may, by notice to the Chargor and each Guarantor under the Charge, accelerate repayment of the entire loan amount and all other moneys secured by the Charge (including interest thereon to the date of repayment) if:

- (i) The Chargor defaults in paying any payment or in complying with any Chargor obligation as and when required under the Charge;

- (ii) The Chargor fails to pay any charge or encumbrance affecting the Property as and when due;
- (iii) Any lien is registered and is not discharged within 15 days notice to the Chargor, or any lien notice is received by the Credit Union and is not withdrawn within 15 days notice to the Chargor;
- (iv) Any improvement/alteration/repair to the Property remains unfinished without work being done for 30 consecutive days; or
- (v) The Chargor fails to maintain/repair the Property in good condition or otherwise permits anything which lowers the value of the Property.

In the event of defective warranty under Chargor Title section 3 hereof, or if the Chargor becomes insolvent or ceases to be in possession or sells/conveys the Property, then in any such event all moneys secured by the Charge shall be automatically accelerated without notice. No Chargor cessation of possession/sale/conveyance or other dealing with the Property shall affect the Chargor's liability under the Charge or the Credit Union's rights/remedies against the Chargor or any other person liable therefor.

If the Chargor fails to pay such accelerated amount forthwith, then the Credit Union may exercise/enforce any other default remedy as permitted by the Charge and by law.

8. APPOINTMENT OF RECEIVER/MANAGER

If the Chargor defaults in payment or performance as and when required under the Charge, the Credit Union may, in addition to any other default remedy, appoint and replace a receiver/manager (which receiver/manger shall be deemed to be the Chargor's agent) to:

- (i) take possession of the Property in whole or in part;
- (ii) manage any business thereon, repair/maintain the Property, lease the Property in whole or in part, borrow money and give Property security therefor, and otherwise exercises any right/remedy of the Chargor pertaining to the Property;
- (iii) receive/collect income from the Property and utilize the same to pay claims, charges, liens or encumbrances related thereto (including the salary and expenses of the receiver/manager); and
- (iv) enforce any Credit Union right under the Charge.

In no event shall the Credit Union be responsible/accountable for other than money actually received by it.

9. ENFORCEMENT OF DEFAULT REMEDIES

In the event of Chargor default under the Charge, the Credit Union may exercise/enforce any one or more of the following remedies (in addition to any other remedy which it may be entitled to in law) and the Chargor will execute such further assurances as may be requisite therefor:

- (A) **Sue** – The Credit Union may take court action to collect all unpaid moneys secured by the Charge regardless of whether or not the Property has been sold/transferred by the Chargor.
- (B) **Foreclose Upon or Sell the Property** – The Credit Union may commence Court proceedings to foreclose the Property, and upon the Credit Union obtaining a final order of foreclosure, the Credit Union will by law become the owner of the Property. In the alternative the Credit Union may ask the Court to order the sale of the Property with court supervision of such sale, and the net sale proceeds will be utilized to pay all court/sale expenses and unpaid money secured by the Charge with any sale balance to be paid to the Chargor or to whomever may be entitled thereto (provided that if the sale proceeds are insufficient to pay the unpaid Charge balance, the Chargor will forthwith pay the deficiency).
- (C) **Power of Sale** – In the event of default of payment under the Charge for 15 days, the Credit Union may on 35 days notice to the Chargor enter on the Property and:
 - (i) take quiet possession of the property

- (ii) sell all or part of the Property by private sale or public auction at a price and on terms determined by the Credit Union to be reasonable;
- (iii) lease all or part of the Property for a period and on terms determined by Credit Union to be reasonable; and
- (iv) take any other remedy to which the Credit Union may be entitled.

Power of Sale notice is to be given to the Chargor and to such other persons entitle thereto in the manner as required by law in force at the time of giving such notice, and where there is no such notice requirements, notice may be given to the Chargor by one or more of the following means: personal service, registered mail to Chargor's last known address, publication in a newspaper published in the district of the Property, posting on the Property or leaving with an adult on the Property.

If Chargor default continues for 2 months, the Credit Union may enter on, sell or lease the Property without notice except as required by law.

The net proceeds of sale or lease are to be used to pay the Credit Union's expenses referable thereto and then pay the unpaid balance secured by the Charge with any remaining balance to be paid to the Chargor or to whomever may be entitled thereto. If such sale/lease proceeds are insufficient to pay the unpaid Charge balance, the Chargor will forthwith pay the deficiency.

The Credit Union has full power and authority to sell, convey or lease the Property and the Chargor has no claim against anyone who buys or leases the Property from the Credit Union or against any subsequent purchaser/lessee. Any Chargor claim with respect to such sale/lease can only be made against the Credit Union and such claim can only be a monetary claim.

- (D) **Distrain** – As permitted by law, the Credit Union may enter upon the Property and take possession of and sell the Chargor's goods and apply the sale proceeds to pay the expense therefor and apply the balance towards the unpaid money secured by the Charge. Nevertheless, such distraint does not put the Credit Union in possession of the Property nor make the Credit Union accountable for other than money received by it.

All expenses incurred by the Credit Union in exercising/enforcing the Credit Union's rights and remedies under the Charge (including Credit Union's expense for employee time and service, legal fees on a solicitor and client basis and all other related direct and indirect costs/expenses incurred by the Credit Union therefor) shall be paid by the Chargor forthwith upon request, and until paid such expenses shall be added to the principal amount secured by the Charge and bear interest at the Charge rate. These expenses may be deducted from the net proceeds of sale or lease of the Property and any deficiency is to be paid by the Chargor forthwith.

10. NON-MERGER OF JUDGMENT/RECOVERY

Any judgment/recovery obtained by the Credit Union for the Chargor's default in payment of money secured by the Charge will not result in a termination or merger of the Chargor's obligations under the Charge or preclude any other Credit Union right/remedy under the Charge or under any other security. The judgment amount shall, until paid, bear interest at the Charge rate.

11. ENFORCEMENT DELAY OR PAYMENT EXTENSION

The Credit Union may delay or extend the time for the Chargor's payment of moneys or compliance with the Chargor obligations under the Charge without prejudice to any of the Credit Union's rights or remedies to enforce such payment/compliance under the Charge or under any other security. Any extension or renewal of the Charge in whole or in part shall not (regardless of any interest rate change) affect the Charge's priority over any subsequent encumbrance and no extension document registration nor subordination agreement is necessary to maintain the Charge's priority therefor.

No waiver of Chargor default or non-exercise of Credit Union right/remedy therefore shall be deemed to be a waiver of any subsequent default or right/remedy exercisable therefor.

12. GUARANTOR

By signing the Charge, each Guarantor is jointly and severally liable as a principal debtor (as if such Guarantor was the Chargor) to pay all money as and when required under the Charge.

13. PARTIAL RELEASE

Since each part of the Property and each Chargor/Guarantor is charged with payment of all money secured by the Charge, the credit Union may from time to time release any part or party from the Charge (with or without payment and before or after maturity/default/judgment) without releasing any other part or other party from the Charge obligations, and no Chargor/Guarantor shall have any right to require the money secured by the Charge to be apportioned.

14. DISCHARGE

Upon the Credit Union's receipt of all moneys secured by the Charge and satisfaction of all the Chargor's obligations under the Charge, the Credit Union will, within a reasonable time thereafter and at the Chargor's expense, provide a registrable discharge for subsequent registration by the Chargor.

15. SPOUSAL STATUS

Forthwith upon any change in the spousal status of the Chargor or in designation of the Property as a matrimonial home, the Chargor will furnish the Credit Union with full particulars thereof (including the name and address of any non-owner spouse who has the right of possession under the Family Law Reform Act).

16. NOTICE

Any notice or request under the Charge (save as to power of sale notice as hereinbefore provided) may be made upon or by the Charge parties or their respective solicitors, and such notice/request shall be made in writing and be deemed to have been received on the day of delivery if delivered personally or on the third business day after mailing by prepaid registered mail addressed to proposed recipient at recipient's last known address (provided that during a postal strike such notice/request shall be delivered personally).

17. INTERPRETATION

In this document: the Credit Union is the **Chargee**; "/" separating words shall mean "and/or"; "Property" shall mean "Land" and "Charge", "Chargor" and "Chargee" will have the meanings as set out in the Land Registration Reform Act; and the "Chargor"; "Credit Union" and "Property" shall have the same meanings as "Mortgagor", "Mortgagee" and "Lands" under the Short Forms of Mortgages Act. The gender and number of the Chargor shall be construed in accordance with the gender and number required by the context of the Charge. All rights and obligations of the respective parties under the Charge in which this set of Charge terms is incorporated by reference, shall enure to the benefit of and be binding upon the respective parties (and their respective heirs, executors, administrators, successors and assigns), and their respective obligations shall be joint and several. The provisions of this document shall be effectively incorporated into the Charge as of the date of the Chargor's signing the Charge, and the provisions of this document shall be construed in accordance with the laws of the Province of Ontario and severable in accordance therewith. The headings in this document are inserted only for convenience and in no way limit the effect of this document.

Dated the 29th day of November, 1985.

TORONTO FIRE DEPARTMENT EMPLOYEES CREDIT
UNION LIMITED, by its Solicitors,

MACAULAY, CHUSID, LIPSON & FRIEDMAN

Per: _____
Peter R. O'Donoghue