



**Standard Charge/ Mortgage Terms
BRITISH COLUMBIA**

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1. DEFINITIONS/ TERMS YOU NEED TO KNOW

Capitalized words are used in the Mortgage with the particular meanings set out below:

Additional Provisions means the schedule of terms attached to the Registered Mortgage or incorporated into the Mortgage by reference or by any additional or amending agreement.

Advance Date means the date as set out in the Commitment Letter or Loan Agreement.

Amortization Period means the number of years it will take to repay the loan in full. This may go beyond the Term of the Loan. For example, mortgages often have 5-year terms but 25-year amortization periods.

Applicable Laws means all present and future laws, by-laws, ordinances, regulations and orders that may be in any manner applicable to the Property or its use, or to the Mortgage.

Balance Due Date is the date on which you must repay in full the outstanding balance of your Loan.

Borrower or Chargor or Mortgagor refers to each person that signs the Mortgage, thereby agreeing to repay the debt and perform all Obligations as outlined in the terms of the Mortgage. The Borrower or Chargor or Mortgagor is the owner of the real estate who mortgages and charges the Property as security for the repayment of the debt.

Business Day means any day, other than a Saturday, Sunday or statutory or civic holiday in the province in which the Property is located. It also excludes any day that the principal chartered banks located in Toronto or in the capital city of the province in which the Property is located, are not open for business during normal banking hours.

Commitment Letter or Loan Agreement means our letter to you which expresses our commitment to you, and the terms upon which we have agreed to lend you funds. It includes the cost of borrowing disclosure required by Applicable Laws.

Compound Interest means interest on the combined amount of overdue interest and the outstanding balance of the Loan, which is calculated and charged at the current Interest Rate in effect at the time.

Condominium Corporation means the corporation that was created by the registration of a declaration under the *Condominium Act* or similar legislation in the province where the Property is located and which governs the land on which the Property is a part. Condominium Corporation also means **Strata Corporation**.

Costs means all of our fees, costs, charges and expenses associated with:

- a. approving, preparing and registering the Mortgage and any document connected with it,
- b. obtaining title or mortgage insurance,
- c. amounts that we are entitled to charge you or pay on your behalf under the Mortgage,
- d. inspecting the Property,
- e. obtaining appraisals for the Property,
- f. repairing the Property,
- g. enforcing our rights under the Mortgage,
- h. paying off, removing or releasing any claims against the Property,
- i. obtaining Property Tax bills, receipts and other communication related to Property Taxes that you fail to send us,

- j. protecting our security, in the event that you default under a lease of the Property, and
- k. administering and processing any requests, consents and other matters arising with respect to the Mortgage.

Early Payout means the payment in full of the Loan before the:

- a. Maturity Date for Fixed Interest Rate or Variable Interest Rate loans,
- b. Balance Due Date for Lines of Credit, or
- c. Mortgage Repayment Due Date for Redrawable Mortgages.

Early Payout Penalty refers to an amount that may be charged when you pay Fixed Interest Rate debt or Variable Interest Rate debt in advance of the Maturity Date.

Early Payout Provisions are the features added to the Mortgage giving the Borrower the privilege of paying all of the Loan in advance of the:

- a. Maturity Date for Fixed Interest Rate or Variable Interest Rate loans,
- b. Balance Due Date for Lines of Credit, or
- c. Mortgage Repayment Due Date for Redrawable Mortgages.

There may be penalties, premiums and/or fees associated with
doing so.

Early Repayment Premium refers to an amount that may be charged when you pay your Redrawable Mortgage in advance of your Mortgage Repayment Due Date.

First Regular Payment Date occurs after the Advance Date and/or Interest Adjustment Date. It is the date upon which the first Regularly Scheduled Payment is due.

Fixed Interest Rate means the annual fixed rate of interest as set out in the Mortgage. This interest rate will not fluctuate or change for the entire Term of the Mortgage.

Guarantor or **Covenantor** refers to each person, corporation and other entity who signs the Mortgage as a Guarantor or Covenantor. In the event the Borrower fails to pay the mortgage debt or perform the Borrower's Obligations, the Guarantor or Covenantor promises to pay or perform the Obligations of the Mortgage on the Borrower's behalf.

Interest Adjustment Date is the date identified as such in the Registered Mortgage. It is the date of your first payment of interest and precedes the date of the First Regular Payment Date.

Interest Only Expiry Date is the date on which your Interest Only Period ends, after which time you will be required to start making Regularly Scheduled Payments of principal and interest.

Interest Only Period refers to the period of time over which you are obligated to make minimum Regularly Scheduled Payments of interest only, and no principal payments are required.

Interest Rate means the Fixed Interest Rate or the Variable Interest Rate, or such other rate as may be set out in the Registered Mortgage or the Commitment Letter or Loan Agreement.

Line of Credit refers to loans that have a revolving credit feature. This allows you to reborrow all, or a portion, of the Principal that you have paid back, as outlined in the terms of your Mortgage. Without limiting the previous sentence, Line of Credit debt includes any debt, past, present or future, direct or

indirect, absolute or contingent, matured or not, remaining unpaid by you to us, whether arising from dealings between you and us or from any other dealings or proceedings by which we may in any manner be or become your lender, however incurred, whether incurred by you alone or with others and whether as principal or as surety in relation to the Line of Credit.

Loan means a loan we make to you secured by this Mortgage.

Maturity Date means the last day of the Term of the Mortgage and is the date on which you must repay in full the outstanding balance of your Loan, unless you are offered a Renewal Agreement.

Maximum (Amortized) Loan Limit refers to the maximum amount of money you can borrow on your Line of Credit or Redrawable Mortgage after an Interest Only Expiry Date. This limit will decrease over time by equal amounts on each Regularly Scheduled Payment date so that the Maximum Loan Limit will be zero by the Balance Due Date for Lines of Credit, or the Mortgage Repayment Due Date for Redrawable Mortgages, as applicable.

Maximum Loan Limit refers to the maximum amount of money you can borrow at any point in time under your Loan Agreement. This limit may change over time.

Mortgage includes:

- a. The Registered Mortgage with any Additional Provisions,
- b. This set of Standard Charge/ Mortgage Terms,
- c. The Commitment Letter or Loan Agreement,
- d. Any amendments to the Registered Mortgage or the Commitment Letter or Loan Agreement, and
- e. Any agreement by which a Guarantor, Covenantor or other person is bound by all or any part of the Registered Mortgage, Commitment Letter or Loan Agreement.

Mortgage Insurance is different from mortgage life insurance, home, property, fire and casualty insurance and provides protection to us as lender in the event of default on the Mortgage by the Borrower.

Mortgage Repayment Due Date is the date on which you must repay in full, the outstanding balance on your Loan.

Obligations means all of those things set out in the Mortgage that you have agreed to do, or you must refrain from doing, to keep the Mortgage in good standing.

Outstanding Loan Amount means the outstanding balance of your Loan or the amount of money you owe us at any point in time under the Mortgage and includes, if applicable, unpaid principal, interest on unpaid principal, defaulted payments, interest on defaulted payments, Costs, and interest on those Costs.

Payment Provisions means the terms of the Mortgage that are financial in nature and are set out in the Registered Mortgage, or as applicable, the Additional Provisions, Commitment Letter or Loan Agreement.

Personal Information means financial and financially related information about you, including information to identify you or qualify you for products and services, or information we need for regulatory purposes. This includes all information provided by you or obtained by us in connection with your mortgage application, and any ongoing information about you that we may collect, to evaluate you and the Mortgage.

Prepayment Provisions are the features added to the Mortgage giving the Borrower the privilege of paying part of the Loan in advance of the Maturity Date. There may be penalties, fees and/ or premiums associated with doing so.

Prime Rate (which we may also refer to as "Prime") is the MCAP Prime Rate, which is an annual rate of interest that fluctuates from time to time. It is established at our principal office in Toronto, Ontario. It is the reference rate of interest that determines the interest rates we will charge our borrowers in Canada on any given day, in Canadian dollars, for our Variable Interest Rate loans, Lines of Credit and Redrawable Mortgages.

Principal or **Principal Amount** means the amount of money identified as the principal amount on the Registered Mortgage and that is secured by the Mortgage.

Property is the land that is described in the Registered Mortgage and includes:

- a. the real property,
- b. all improvements, substitutions, additions or alterations made to the real Property now, or added later,
- c. all buildings and structures on the Property now, or added later,
- d. any improvements, substitutions, additions or alterations made to any building or structure attached to the real Property now, or added later, and
- e. if the Property is a unit in a condominium property or lot on a strata plan, your interests in the unit, the common elements, and any other interest that you may have in the assets of the Condominium Corporation.

Any reference to Property means all or any part of the Property.

Property Taxes means all property levies, taxes, and assessments charges with respect to the Property, including any interest, penalties and costs.

Redrawable Mortgages refer to loans that have a revolving credit feature. This allows you to reborrow all, or a portion, of the Principal that you have paid back, as outlined in the terms of your Mortgage.

Registered Mortgage means the form of charge or mortgage which you sign and is the part of the mortgage that is or will be registered against the title to the Property or, where the Property is under the electronic registration system, will be signed and registered electronically against title to the Property.

Regularly Scheduled Payment means the amount of each payment indicated in the Registered Mortgage or Loan Agreement that will be paid on a consistent frequency (ie. weekly, bi-weekly, semi-monthly or monthly).

Reinvestment Fee is a fee that may be charged for processing a payment pursuant to an Early Payout Provision.

Renewal Agreement means any agreement we make for the renewal or extension of the Term or conversion of the interest rate of the Loan.

Returned Payment Fee means the fee that we may charge you, if your financial institution refuses any pre-authorized withdrawal, (due to insufficient funds, stopped payments, or any other reason).

Roll-Over Agreement means any agreement we make for the renewal or extension of the terms of your Redrawable Mortgage.

Standard Charge/ Mortgage Terms means the set of Standard Charge Terms, Standard Mortgage Terms or Additional Covenants that are incorporated into the Mortgage by reference to their filing number or by attachment to the Registered Mortgage.

Term means the period of time from the Interest Adjustment Date to the:

- a. Maturity Date for Fixed Interest Rate or Variable Interest Rate loans,
- b. Balance Due Date for Lines of Credit, or
- c. Mortgage Repayment Due Date or Roll-Over Date for Redrawable Mortgages, as applicable.

Variable Interest Rate means the annual rate of interest set out in the Mortgage as the MCAP Prime Rate and any applicable premium or discount to the MCAP Prime Rate. The Variable Interest Rate changes whenever there is a change in the MCAP Prime Rate.

We, us and **our** means MCAP Service Corporation and any person, corporation or entity to whom we transfer, sell or assign the Mortgage.

You and **your** means each person, corporation and other entity who signs the Mortgage as a Borrower and, in certain circumstances, Guarantor.

2. WHAT THE MORTGAGE DOES

2.1 The Property Becomes our Security

By signing the Mortgage, you mortgage and charge your entire interest in the Property to us. In return, we lend you the Principal Amount of the Loan, or some part thereof.

The mortgage and charge of your interest in the Property gives us security for your obligation to:

- a. repay the Loan, and
- b. perform the Obligations

Our interest in the Property ends when you have:

- a. repaid the Loan, and
- b. met all of the Obligations.

When you have repaid the Loan, performed all your Obligations, requested same, and paid our

Costs, we will:

- a. discharge the Mortgage, or
- b. assign or transfer the Mortgage.

You agree the Mortgage is given to secure repayment of all existing and future advances, Loans and Lines of Credit from us to you, to secure any existing and future guarantees that you provide to us, and to secure the performance of all your Obligations.

The provisions of the section called "*Lines of Credit and Redrawable Mortgages*", "*Lines of Credit*" or other applicable names for such section in the Additional Provisions apply if at any time the Mortgage secures Line of Credit debt. If the Mortgage secures Line of Credit debt

and Fixed Interest Rate debt and/ or Variable Interest Rate debt, the provisions of the section called "*Lines of Credit and Redrawable Mortgages*", "*Lines of Credit*" or other applicable names for such section of the Additional Provisions apply only to the Line of Credit debt.

The Mortgage will continue to secure all of the debt owing, and you will continue to be liable for all of the debt owing, even if, at any time, the form of debt changes in any way, for example Variable Interest Rate debt or Fixed Interest Rate debt becomes Line of Credit debt, or the Mortgage secures additional debt.

2.2 Your Certifications

If you own the Property, you certify that you are the lawful owner of the Property, in fee simple, and that you have the right to give the Mortgage.

If you lease the Property from someone else, you assign and sublease your entire interest in the Property to us (including any option or right to purchase the Property, and any option or right to renew the lease) for the entire term of the lease (except for the last day), and you certify that:

- a. you lease the Property under a valid lease,
- b. you have given us a copy of the lease,
- c. you have good leasehold title to the Property,
- d. you have paid all rents and other payments required under the lease,
- e. you are in good standing with respect to all non-payment requirements under the lease,
- f. you either have the consent of your landlord to the Mortgage, or you have the right to assign your interest in the lease to us, without your landlord's consent, and
- g. there are no limitations on your interest in the Property or the lease, except for any restrictions that are set out in the lease, or registered in the land registry office.

Whether you own or lease the Property, you certify that:

- a. there are no limitations, outstanding liens, claims or charges against the title to the Property, except those that we have agreed to, in writing,
- b. if we have approved the Mortgage on the basis that the Property is an owner-occupied residential premise, no part of the Property is to be rented or occupied by a tenant, and
- c. you are in compliance with all building and zoning by-laws that pertain to the Property.

3. WHO IS BOUND BY THE MORTGAGE

If you are the **Borrower**, you agree:

- a. to be bound by the terms of the Mortgage,
- b. that the Mortgage binds your heirs, personal and legal representatives, and anyone to whom you or anyone else transfers the Property, and
- c. that you and the Guarantors are collectively and individually bound to comply with all of the terms of the Mortgage.

If you are a **Guarantor**, you agree:

- a. to fulfill all the Borrower's payment and other Obligations,
- b. that you are jointly and individually bound to perform and comply with the Obligations with the Borrower,

- c. that if you are one of several Guarantors, you are jointly and individually bound to perform and comply with the Obligations with the Borrower and each other Guarantor,
- d. we may require payment from you before we attempt to obtain payment from the Borrower and at any time before, during or after we enforce any of our rights under the Mortgage,
- e. the terms of the Mortgage bind you, your heirs, personal and legal representatives, and anyone to whom you or anyone else transfers the Guarantee,
- f. your Obligations under the Mortgage will not be affected by the bankruptcy of either the Borrower or any other Guarantor,
- g. we may, at any time, do any of the following, without notice to you, or consent from you:
 - i. extend the time for payment,
 - ii. renew or roll-over the Mortgage at the end of the Term,
 - iii. amend any agreement,
 - iv. give an extension,
 - v. deal with additional security,
 - vi. give a release or discharge,
 - vii. change the interest rate,
 - viii. change the terms of the Mortgage, and/ or
 - ix. deal with any other matter affecting the Mortgage and the Obligations, and
- h. the limitation period applicable for enforcing our rights under the Mortgage against you is 6 years.

MCAP and its successors and assignees are bound by the terms of the Mortgage.

4. ADVANCE OF FUNDS

4.1 Our Election not to Advance

We may, for any reason and either before or after the Advance Date, elect not to advance all or some portion of the Principal Amount, even if:

- a. the Mortgage has been registered on the title to the Property, and/ or
- b. a portion of the Principal Amount has already been advanced.

The Mortgage will secure the Costs, whether we have advanced funds, or not.

4.2 Deductions from Advances

We may deduct the following from any funds advanced:

- a. Property Taxes that are due or that in our opinion are necessary to pay taxes that will be coming due,
- b. interest that is due, and
- c. all Costs associated with approving, preparing and registering the Mortgage.

5. INTEREST

You agree to pay us:

- a. interest at the Interest Rate as set out in the Mortgage,
- b. Compound Interest if you fail to pay us interest when it is due,
- c. at the frequency set out in the Mortgage, and

- d. until the later of the end of the Term and the time at which the Outstanding Loan Amount has been paid in full.

6. PAYMENT TERMS

6.1 Payment Currency

All amounts payable under the Mortgage are to be made in Canadian dollars.

6.2 Payments on Amounts Advanced Prior to the Interest Adjustment Date

Any funds we advance to you before the Interest Adjustment Date will accrue interest. This interest will be charged at the annual Interest Rate from the Advance Date and will be calculated using simple daily interest. We may use any one of the following methods to recover the interest:

- a. we may deduct the interest from your bank account on the Interest Adjustment Date,
- b. we may ask you to pay us the interest on the Interest Adjustment Date,
- c. we may deduct the interest from the funds advanced on the Advance Date, or
- d. we may deduct the interest from your bank account on the First Regular Payment Date.

6.3 Regularly Scheduled Payments

After the Interest Adjustment Date, you will begin to make Regularly Scheduled Payments, starting on the First Regular Payment Date, and continuing on each subsequent Regularly Scheduled Payment Date thereafter, until the end of the Term. On the last day of the Term, you will pay the Outstanding Loan Amount, unless we offer you a Renewal Agreement.

6.4 Skip-A-Payment

Skip-a-payment is a feature that may be offered with your Mortgage, whereby you may be allowed to NOT make a Regularly Scheduled Payment on its payment due date. See the "*Skip-A-Payment*" section of the Additional Provisions for details on whether this feature applies to your Mortgage.

If your Mortgage allows the skip-a-payment feature, you can skip up to four of your Regularly Scheduled Payments during the period in which any amount remains outstanding under the Loan. The interest due is added to the outstanding balance of the Loan, and compound interest applies. To be eligible for the skip-a-payment option, you must request each skip-a-payment in sufficient time before the date of the Regularly Scheduled Payment. Certain restrictions and criteria may apply. For full details call our Customer Service Centre to see if you are eligible for this option. We will charge a fee for each payment that you request to be skipped.

6.5 Method and Location of Payments

You agree:

- a. to open and maintain a bank account at a Canadian financial institution,
- b. to give us and maintain the authorization for us to automatically withdraw all payments from that account when they are due,
- c. to keep sufficient funds in the account to cover each payment, and

- d. to pay a Returned Payment Fee for each pre-authorized withdrawal your financial institution refuses to pay.

At our option we can add the Returned Payment Fee to your next Regularly Scheduled Payment, or to the outstanding balance of your Loan.

6.6 Application of Payments

If you have met and are meeting all of your Obligations under the Mortgage, we will apply the amount paid on each Regularly Scheduled Payment date in the following order of priority:

- a. mortgage life and/ or critical illness insurance premiums and associated taxes (if applicable), and premiums or payments for any other optional products or services you have chosen,
- b. Property Taxes (if we pay them on your behalf),
- c. interest that is due and payable,
- d. to reduce the portion of the outstanding principal balance owing, and
- e. lastly, any other Costs outstanding.

If you have not met or are not meeting all of your Obligations under the Mortgage, we may apply your Regularly Scheduled Payments and any other funds we receive from you, as we choose, in our sole discretion.

7. PREPAYMENT AND EARLY PAYOUT PROVISIONS

Refer to the "*Prepayment Provisions*" and "*Early Payout Provisions*" sections of the Additional Provisions for details.

8. YOUR OBLIGATIONS

8.1 IN ALL CIRCUMSTANCES:

8.1.1 Financial Terms

You agree to:

- a. make all payments in accordance with the applicable Payment Provisions,
- b. pay all of our Costs, and
- c. repay the Loan, in accordance with the terms of the Mortgage.

8.1.2 Other Mortgages

You agree not to have another mortgage or financing on the Property without our express written consent.

If there is other financing on the Property, you agree:

- a. such other mortgage, lien, encumbrance or court order registered on or affecting the Property shall only be permitted to the extent that such other mortgagee, creditor or registering party in relation to such other mortgage, lien, encumbrance or court order enters into a subordination and postponement agreement satisfactory to us, as determined in our sole discretion,
- b. not to increase the amount owing, or reborrow any amount repaid, under any prior mortgage or mortgages without our approval, which approval we may withhold in our sole discretion,
- c. not to default under any mortgage,

- d. that we may notify the holder of any other mortgage on the Property of the existence and terms of this Mortgage, and
- e. that we may on the request of the holder of any other mortgage, lien or judgment on the Property, provide to them a statement of the Outstanding Loan Amount.

8.1.3 Occupy the Property

Subject to alternative arrangements that we may have agreed to in writing, you agree to occupy the Property throughout the Term.

8.1.4 Repair and Maintain the Property

You agree:

- a. to keep the Property in good condition and in a good state of repair,
- b. to carry out all necessary repairs and not do anything, or let anyone else do anything, that would lower the value of the Property,
- c. to comply with all Applicable Laws, with respect to the Property,
- d. to allow us to enter the Property at all reasonable times to inspect and repair the Property, if in our opinion you are not complying with any of these repair and maintenance obligations,
- e. that, by entering the Property to inspect and/or repair it, we will not be considered to be taking possession of the Property,
- f. that you are responsible for all Costs incurred by us in inspecting and repairing the Property, and
- g. to pay our inspection and repair Costs immediately.

8.1.5 Carry Property Insurance

You agree to maintain property insurance coverage with a licensed insurance company for the full replacement value of the Property, until your Loan is repaid.

The insurance is required to cover all buildings on the Property, whether before, during or after construction, and all fixtures attached to the buildings against: fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance/ riot, smoke and falling objects. If a steam boiler, pressure vessel, oil/ gas burner, coal blower, sprinkler system, or any other comparable equipment is operated on the Property, then you must also have insurance coverage for loss or damage caused to the equipment, or by explosion of the equipment. We may also require that other risks be covered, depending on the nature or location of the Property.

If we request, you agree to provide us with a certificate of insurance, and evidence of its renewal at least 15 days before the policy expires. The insurance policy must contain mortgage clauses approved by The Insurance Bureau of Canada and stipulate that:

- a. loss proceeds are payable to us first, and
- b. we have the first right to receive and to have a first lien on the loss proceeds. You agree to assign your insurance policy to us.

If you fail to carry insurance on the Property in accordance with the requirements of the Mortgage, we may charge you an amount for our insurance for the protection of our interest in the Property. The charge for our insurance will be:

- a. in the amount we alone determine,
- b. immediately payable, and
- c. added to the outstanding balance of the Loan, if not paid.

We may, but are not obligated to, have insurance to cover the Property or to have insurance for any amount greater than for the protection of our interest in the Property.

If any loss or damage occurs to the Property, you agree, at your expense, to immediately:

- a. provide a copy of the registered Mortgage to the insurer, and
- b. do everything else necessary to allow us to receive the insurance proceeds.

Insurance proceeds may, at our sole option, and either in whole or in part, be used to:

- a. repair or rebuild the Property, and
- b. repay any part of the outstanding balance of your Loan, whether due or not.

8.1.6 Pay Property Taxes

Your Property Taxes Account:

We agree to:

- a. estimate the annual Property Taxes,
- b. collect a prorated amount of this estimate with each Regularly Scheduled Payment, so that we are in a position to pay the Property Taxes, in advance of the due date for the first installment of Property Taxes for each year during the Term, and
- c. pay Property Taxes on your behalf so as to avoid late payment charges.

You agree to:

- a. send us all tax bills and other communications related to Property Taxes as soon as you receive them,
- b. pay to us all costs associated with obtaining tax bills and other communications related to Property Taxes that you fail to send us,
- c. pay to us any amounts we have paid for Property Taxes that are greater than the amounts we have collected with your Regularly Scheduled Payments, and
- d. pay interest, at your current Interest Rate in effect at the time, on any amounts we have paid for Property Taxes that are greater than the amounts we have collected with your Regularly Scheduled Payments.

We have no obligation to:

- a. hold any amounts we collect from you to pay Property Taxes in trust for you,
- b. pay you interest on the amounts we collect from you to pay Property Taxes,
- c. pay Property Taxes more than once a year, or
- d. pay Property Taxes if you are in default in payment or performance of any of your Obligations under the Mortgage. In that event, we may apply any money we have received for Property Taxes to any part of the Outstanding Loan Amount.

Direct Payment of your Property Taxes:

We may choose not to require you to pay Property Taxes as part of each Regularly Scheduled Payment, in which case you will be responsible for paying all Property Taxes directly.

If you pay Property Taxes directly, you agree to:

- a. send us all Property Tax bill receipts by the end of each calendar year, and
- b. repay to us all costs associated with obtaining Property Tax bill receipts that you fail to send us.

If, for any reason, you do not pay the Property Taxes when required, we may require you to pay them as part of your Regularly Scheduled Payments.

8.1.7 Due on Sale

You agree not to sell or otherwise transfer title or ownership of all or any part of the Property without our prior written consent. For information on consent, see section 9.5 of these Standard Charge/ Mortgage Terms. Should we accept any payment(s) from any person we have not first approved for assumption of the Mortgage, this does not mean we have granted consent.

8.1.8 Hazardous Substances

You agree:

- a. no part of the Property now or later will contain hazardous or illegal substances, except as permitted by law for household storage and handling,
- b. if any hazardous substances are on the Property except as permitted, regardless of source or cause, you will immediately carry out all work required to remove them and provide confirmation of the required removal in form satisfactory to us,
- c. we may require you to conduct such environmental investigation and testing of the Property as we consider necessary, at your expense,
- d. if the Mortgage has Mortgage Insurance, the mortgage insurer and/or Canada Mortgage and Housing Corporation (“**CMHC**”) in any capacity, or their respective agents may enter and conduct any investigation they consider necessary to ascertain whether hazardous or illegal substances are on the Property, and the work required to remove them, and
- e. if we or the mortgage insurer and/or CMHC exercises our or their rights under this section, we, the mortgage insurer or CMHC, or our respective agents will not be considered to have taken possession of the Property and all expenses incurred are for your account.

8.1.9 Administration and Processing Fees

You agree to pay us, as incurred, our then current administration and processing fees in connection with servicing any aspect of the Mortgage whether requested by you or initiated by any other person, including without limitation for:

- a. the preparation of any loan statement for assumption, information, arrears, discharge or other purpose,
- b. the processing of each application for a change, approval or consent required by the Mortgage, whether or not granted or completed,

- c. an amending, conversion, renewal or other agreement,
- d. a transfer of the mortgage to another party or property,
- e. any payment that is dishonoured, any stop payment, any hold payment request or other payment matter,
- f. administering payment of taxes and/or other fees and payments with respect to the Property,
- g. any services of an administrative or clerical nature requested by you, such as account histories or explanations, copies of documents from your file or duplicate document and courier charges,
- h. investigating and administering any property insurance matters and processing any insurance claims,
- i. registering a financing statement or financing change statement dealing with any personal property security information required or acknowledgment and conducting required searches, and
- j. generally, any matter connected with the administration of the Mortgage and the Property, including inquiring into compliance, and dealing with or enforcing any Obligations.

We may add our fees to the Outstanding Loan Amount and we will charge you interest on these fees at the Interest Rate from the date the fees are incurred.

We have the right to change, delete or add to the fees we generally charge borrowers from time to time. You can view our schedule of fees at www.mcap.com or contact our Customer Service Centre to find out the fees in effect at any particular time.

8.1.10 Observe Applicable Laws

You agree no part of the Property is or will be used for any illegal purpose or conduct.

If any activity which violates the Criminal Code (of Canada) or violates any other law or regulation of any competent authority is conducted on the Property, we may demand the entire Outstanding Loan Amount immediately. This includes any applicable amount which would have been charged to you if you had requested an Early Payout at such date.

8.2 IN PARTICULAR CIRCUMSTANCES:

8.2.1 If all or Part of the Property is Expropriated

If the entire Property is expropriated under Applicable Law, the outstanding balance of the Loan, any loss of interest, and the applicable Early Payout charges will become payable immediately.

If part of the Property is expropriated under Applicable Law, the amount that you are awarded for the partial expropriation is payable to us. We will apply the amount awarded to the outstanding balance of the Loan and any applicable charges for Prepayments or Early Payouts. If, in our opinion, the remainder of the Property does not provide us with adequate security, then the outstanding balance of the Loan, or any part thereof as we may determine,

any loss of interest, and the applicable charges for Prepayments or Early Payouts, will become payable immediately.

8.2.2 If you Lease the Property to Someone Else

You agree to obtain our written approval prior to renting, leasing or entering into a tenancy agreement for all or any part of the Property.

We may, in our sole discretion, withhold our approval to your request to rent, lease, or enter into a tenancy agreement for all or any part of the Property.

You agree:

- a. The Mortgage assigns to us all rents and other amounts payable from time to time under any leases or other agreements for use or occupation of all or any part of the Property.
- b. To assign to us any rental agreements or leases of the Property, along with all rents payable under any present and future leases on all or part of the Property. You also assign to us the benefit of all tenant obligations under the leases. All assignments must be acceptable to us. You will also provide us with any other documents that we determine are necessary to make the assignment effective. None of our rights under the Mortgage will be delayed or adversely affected by these assignments.
- c. To comply with all the landlord's obligations in any rental agreements or leases.
- d. Nothing in the Mortgage, or in the assignment referred to in this section will make us responsible for the collection of rents payable under any lease of the Property, or for the performance of any obligations in any lease.
- e. We only have to account for the rents we actually receive (less reasonable collection charges) and we may apply those rents to repayment of the Outstanding Loan Amount in any manner that we in our sole discretion choose.
- f. Nothing we do under this section will be considered as us taking possession of the Property.

8.2.3 If you Lease the Property from Someone Else

You agree to:

- a. pay rents and other payments required by the lease when due,
- b. do everything you are required to do under the lease,
- c. give us a copy of any notice or demand you receive about the lease, immediately upon receipt,
- d. at your expense, do anything that we think is necessary to ensure that all your of your interest in the Property and in the lease is covered by the Mortgage, and that the outstanding balance of the Loan is adequately secured,
- e. renew the lease or exercise any other options so that the lease will continue as long as the Mortgage is outstanding, and provide us with evidence, if we request,
- f. hold the last day of the term of the lease (or the last day of any renewal term) in trust for us, and we may remove you or any other person as trustee of this trust and appoint a new trustee,
- g. at our request, and at your expense, transfer the lease (or the renewal) to us on the last day of the term, and
- h. repay to us all amounts that we are required to pay to someone else to protect our security, in the event that you default under the lease.

You agree not to:

- a. surrender the lease or cause it to be terminated,
- b. make any change to the lease without our written approval, and
- c. allow any renewal or other options in the lease lapse.

If you purchase the Property:

- a. the Mortgage will automatically become a mortgage on your ownership interest in the Property, as if you had owned the Property at the time that we advanced the Principal Amount, and
- b. you agree to execute a mortgage and any other documents, as we may request.

If you fail to keep any of your obligations under the lease, we can treat that as if you had defaulted under the Mortgage and we can exercise our rights. [See section 10.2 of these Standard Charge/ Mortgage Terms.]

If we enforce our rights under the Mortgage, then you will hold the last day of the term of the lease (and any renewal) in trust for any person to whom we sell your interest in the Property.

You irrevocably appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term (and any renewal), and transfer your interest in the Property. This is a right coupled with an interest.

8.2.4 If the Loan is to Finance Construction on the Property

If the Loan is to finance the construction or improvement of a building on the Property, you agree to make the construction or improvement only according to plans and specifications that we have approved. Improvements include any construction or installation on the Property or any alteration, addition or repair to any building or structure on the Property.

The construction or improvement must be completed as quickly as is reasonably possible and must meet all government requirements and building standards that apply to the Property. If we ask, you will provide us with proof that you have met all government requirements and building standards that apply to the Property. You must pay for all Costs associated with providing this proof.

You are responsible for all costs related to the construction or improvement and will provide us with proof that you have paid all money that is owed in connection with the work.

We may make advances to you based on progress in completing the improvement, or upon its completion. We may also make advances to you based on the occupancy or sale of the building. You agree to pay us any related fees in effect at the time for any advances we make that are based on progress. You must pay us these fees immediately. If you do not pay them, we may declare that you are in default under the Mortgage, or we may add the fees to the Outstanding Loan Amount, or we may do both.

We may hold back money from any advance until we are satisfied that all of your obligations under construction or builders' lien legislation regarding payment for contractors and suppliers applicable in the province or territory where the Property is located are met. You authorize us to give information about the Mortgage to anyone who files a construction or builders' lien on the Property.

We may obtain an order removing any construction lien, and if we think it is necessary, we may provide financial guarantees or other security to obtain such an order. You must immediately pay all of our expenses for this, including any charges for providing financial guarantees. If you do not pay these expenses, we may declare that you are in default under the Mortgage, or we may add the amount payable to the Outstanding Loan Amount, or we may do both.

8.2.5 If you Want to Alter the Property

If you want to demolish any part of any building or structure and/or make any substantial alterations, additions or improvements to the Property, you must first obtain our written approval to your proposed plans. If we approve your plans, the provisions regarding a loan to finance construction set out in the preceding section apply.

8.2.6 If your Property is a New Home

If the Property includes a newly or recently constructed or substantially renovated house, you agree:

- a. to meet all of the requirements to obtain and maintain the warranty in the new home warranty program applicable in the province your property is located,
- b. to provide to us copies of the New Home Warranty Certificate and Certificate of Possession or other applicable certificates or policies,
- c. to reimburse us for any costs that we incur in complying with the warranty program or policy requirements or enforcing your rights on your behalf if you fail to do so, and
- d. that all benefit of the warranty are held for us as additional security for the Outstanding Loan Amount.

8.2.7 If the Property is a Condominium

If the Property is a condominium unit or a strata lot you must also comply with this section in addition to all other provisions of the Mortgage. In this section, condominium also means strata, condominium unit also means strata lot, and Condominium Corporation also means strata corporation.

In this section, "Act" means the condominium or strata legislation governing a condominium or strata property in the province or territory in which the Property is located. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression condominium property has the same meaning as the word property in the Act.

You agree to:

- a. comply with the Act and the declarations, by-laws, rules and regulations of the Condominium Corporation, and to provide to us, on request, with proof of compliance therewith.
- b. ensure that the Condominium Corporation complies fully with:
 - i. the terms of all of its insurance policies,
 - ii. all obligations imposed upon it by the Act, and
 - iii. its by-laws, insurance provisions, and declarations.
- c. pay the common expenses for the Property to the Condominium Corporation when they are due, and provide us, on request, with proof of payment in the form of a

- statement from the Condominium Corporation, which statement is conclusive evidence of how much is owed for common expenses and when it must be paid.
- d. forward to us any notices or assessments from the Condominium Corporation.
 - e. carry any property insurance that we may require over and above that which is required, as set out in section 8.1.5 of these Standard Charge/ Mortgage Terms, including coverage for any interests that the Condominium Corporation fails to insure in accordance with its obligations.
 - f. assign your insurance policies and, as far as it is legal to do so, your interest in any insurance policies held by the Condominium Corporation.
 - g. provide us with proof of your property insurance and property insurance for the Condominium Corporation.
 - h. inform us at least 30 days before any renewal or replacement of the property insurance needs to be put in place.
 - i. do everything that is necessary to collect any property insurance proceeds.

If you fail to pay the common expenses that you are obligated to pay, we may do so on your behalf. If we do, you must reimburse us immediately for these payments. If you do not, we may declare that you are in default on the Mortgage, or add these amounts to the Outstanding Loan Amount, or do both.

You authorize us, in your name and on your behalf, at all times, to exercise your rights under the Act, to vote at any meeting of the Condominium Corporation, and to consent to anything having to do with the management, sale or other dealings with the property or assets of the Condominium Corporation. This authorization includes voting on or any consent to the termination of the Condominium Corporation.

In exercising these rights, we can choose to not vote or consent at any particular time or on any particular issue.

If we do vote or consent for you, this will not be considered to be taking possession of the Property. We are not responsible to protect your interests. We are also not responsible for the way we vote or consent, or if we fail to do so.

We can, if we wish, give notice to you and the Condominium Corporation at any time that we do not intend to exercise our right to vote or consent and, until we revoke this notice, you may vote or consent. Any notice we may give may be for an indeterminate or limited period of time, or for a specific meeting or matter.

However, if the Property is in Nova Scotia, we may exercise these rights to vote, consent or dissent only during such times as we are mortgagee in possession of the Property.

If we wish, the Outstanding Loan Amount will become payable immediately if:

- a. the governing of the Property as a condominium under the Act is terminated or a vote of unit owners authorize such termination. This means the Property is or no longer will be part of a condominium.
- b. a vote of the unit owners authorizes the sale of all or any material part of the property of the Condominium Corporation, including a material part of its common elements.

- c. the Condominium Corporation fails to comply with the Act, or the declarations, by-laws, rules and regulations of the Condominium Corporation.
- d. the Condominium Corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against, for full replacement cost.
- e. the Condominium Corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair.
- f. the Condominium Corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have, or fails to do all that is necessary to collect insurance proceeds.

8.2.8 If this is a High Ratio Mortgage

If the Mortgage is a high ratio mortgage as defined in the *Law of Property Act (Alberta)*, RSA C. L-7, Regulation 89/ 2004, and the Property is in Alberta, then the following applies:

This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law of Property Act (Alberta)* apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.

9. RENEWAL/ ROLL-OVER AND AMENDMENTS TO THE MORTGAGE

9.1 Binding Nature of Amendments

Amendments to the Mortgage bind you and us and all other persons who:

- a. agree to the changes,
- b. receive a transfer or an assignment of your interest in the Property,
- c. have an interest in the Property, and
- d. signed the Mortgage (including Guarantors), which persons may or may not:
 - i. have received notice of the changes,
 - ii. been advised of the changes, or
 - iii. agreed to the changes in writing.

9.2 Priority and Registration of Amendments

Amendments to the Mortgage may or may not be registered on title to the Property in the land registry office.

Amendments to the Mortgage, whether registered in the land registry office or not, will rank in priority over any subsequent interest then or thereafter registered on the title to the Property.

9.3 Renewal/ Roll-Over

The outstanding balance of the Loan is due and payable at the end of the Term; however, we may offer to renew it prior to the end of the Term. Refer to the "*Renewal/ Roll-Over*" section of the Additional Provisions for details.

9.4 Convertibility

Convertibility is a feature that may be offered with your Mortgage, allowing you to convert to another product (which may have a different Term and/or Interest Rate) with no penalty.

Refer to the "*Convertibility*" section of the Additional Provisions for details on whether this feature applies to your Mortgage.

9.5 Assumability

Assumability is a feature that may be offered with your Mortgage, whereby your Mortgage can be taken over (assumed) by the Buyer of your Property when you sell your Property.

If you agree to have your Mortgage assumed by a new borrower (ie. if you have sold or transferred title of the Property to someone else), you must obtain our prior written approval.

You agree to give us sufficient information to enable us to decide whether we should give our written approval for the assumption of the Mortgage. After we have received this information, we will make our decision as soon as possible. We will not unreasonably withhold our approval.

If a new borrower qualifies for the assumption of the Mortgage and is approved by us, the new borrower will be charged an assumption fee. This fee must be paid immediately, otherwise we may declare the Loan in default.

We will release you (and your Guarantors, if applicable) from the Obligations under the assumed Mortgage, provided:

- a. The new borrower(s) qualify and we have given our written approval to you to transfer title to the Property,
- b. The transfer is to a person or persons other than yourself so that you will not retain any ownership interest in the Property after the transfer takes place, and
- c. You provide us with proof of registration of a transfer or deed of land to any approved person or persons, and if we request it, the signatures of one or more Guarantors.

We may enter into an assumption agreement with a new borrower without notice to you and without your consent.

If you are not the original Borrower, and you have been approved to assume the Mortgage, you agree to all Obligations of the original Borrower under the Mortgage as if you had signed the original Mortgage.

Refer to the "*Assumability*" section of the Additional Provisions to determine whether this feature applies to your Mortgage.

9.6 Portability

Portability allows you to take your Mortgage with you to another home when you move. Certain conditions and fees apply.

If you have met all your obligations under the Mortgage and you have agreed to sell the Property and purchase another property within 90 days of the sale of your original Property, we may provide financing for the purchase of the new property (ie. we may grant you a Replacement Mortgage). If you choose to exercise this privilege, the following conditions apply:

- a. You must apply in writing or by telephone.
- b. The term of the new Replacement Mortgage must be equal to or greater than the remaining Term of the original Mortgage.
- c. The sale of your original Property must be in good faith and be an arms-length sale.
- d. On the date of the sale of your original Property, the entire outstanding balance of your Loan must be paid in full. In addition:
 - i. If the principal amount of the Replacement Mortgage is LESS THAN the Principal Amount owing on the original Mortgage, the Fee for Early Payouts will only be charged on the difference between the two principal amounts, and a Reinvestment Fee will also be due, if applicable. Your Interest Rate will remain the same.
 - ii. If the principal amount of the Replacement Mortgage is EQUAL TO the Principal Amount owing on the original Mortgage, the Early Payout and Reinvestment Fees will not be charged, and your Interest Rate remains the same. (If, however, you opt for a new term, you can either blend your interest rate to a longer term, OR pay the Early Payout and Reinvestment Fees if applicable, to obtain the new term).
 - iii. If the principal amount of the Replacement Mortgage is GREATER THAN the Principal Amount owing on the original Mortgage, the contract interest rate will be set at the time of application.
- e. You must meet our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the Replacement Mortgage. This includes Mortgage Insurance requirements, if applicable.
- f. You are responsible for paying all applicable service fees for processing the request, all legal and appraisal fees and any other expenses incurred in connection with the Replacement Mortgage.

Refer to the "*Portability*" section of the Additional Provisions to determine whether this feature applies to your Mortgage.

10. OUR RIGHTS AND REMEDIES

10.1 Default and Acceleration of the Outstanding Loan Amount

The Outstanding Loan Amount will become payable immediately, at our option, if:

- a. you default in making any Regularly Scheduled Payment, or any other payment you are obliged to make to us under the Mortgage,
- b. you fail to comply with any other Obligations under the Mortgage,
- c. any lien, mortgage, encumbrance or court order is registered against or affects the Property without our express written consent or we receive written notice of any lien that is created as a result of unpaid Property Taxes, utilities, unpaid condominium or strata fees, judgments, construction or builders' liens or other similar encumbrances,
- d. the Property is abandoned or is not visibly and consistently occupied, and/or
- e. a petition in bankruptcy is filed against you, you make a general assignment for the benefit of your creditors, a receiver or a similar person is placed or is threatened to be placed in control of your affairs or your property, or in our opinion, you become insolvent.

If the Outstanding Loan Amount so declared immediately payable is paid prior to the end of the Term, you agree to compensate us by payment of the greater of the Early Payout charges applicable to your Loan or 3 months interest at the current Interest Rate in effect at the time, on the Outstanding Loan Amount.

Where default continues or is made after the end of the Term, the outstanding amount owing may only be paid upon payment of 3 months interest on the Outstanding Loan Amount or 3 months written notice in place thereof.

You further agree that we may recover such Early Payout charges, from the proceeds of any sale of the Property or other proceedings for enforcement of the Mortgage.

10.2 Enforcing Our Rights

If you do not comply with the Obligations, we have the right to exercise one or more of the following rights and remedies at the same time or in any order we choose:

- a. **Immediate Payment:** We may, at our option, demand the entire outstanding balance of the Loan be paid to us immediately.
- b. **Legal Action:** We may take whatever legal action is necessary to collect all or part of the Outstanding Loan Amount and make you perform any of the Obligations. This legal action may include suing you for the Outstanding Loan Amount.
- c. **Take Possession of the Property:** We may take and keep possession of the Property, collect rents from it and manage or lease the Property or any part of it. Prior to us taking possession of the Property, we can ask you to leave the Property with all your belongings and if you do not do so the court will order you to leave. If you refuse to do so the court will have you forcibly removed. If you have not removed your personal belongings from the Property before we take possession, you authorize us to remove and dispose of your belongings in any reasonable manner that we, in our absolute discretion, deem appropriate, without notice to you. We will have no liability for moving, disposing or storing those belongings. You will be responsible for all costs incurred by us in dealing with those belongings. These costs will be added to the Outstanding Loan Amount.
- d. **Collect Rents:** We may without taking possession of the Property immediately collect and receive the rents and other amounts payable under any leases or other agreements for use or occupation of all or any part of the Property.

- e. **Lease the Property:** We may lease the Property or any part of it on any terms that we choose, without notice to you and with or without taking possession. We may apply the net proceeds of any lease to reduce the Outstanding Loan Amount. If the net proceeds do not pay the Outstanding Loan Amount, you must immediately pay us the difference.
- f. **Foreclose:** We may take court proceedings to foreclose your interest in the Property. If we obtain a final order of foreclosure, your interest in the Property will belong to us and you will have no further interest in the Property.
- g. **Judicial Sale:** We may ask the court to order a sale of the Property, under the court's supervision. If the amount we receive from the sale of the Property is less than the Outstanding Loan Amount, you must immediately pay us the difference.
- h. **Power of Sale:** We may, where permitted by law and on the minimum period of written notice to you required by law, sell the Property or any part of the Property. We may sell the Property for cash or on credit, or partly for cash and partly on credit. We may sell the Property by private sale or public auction and for whatever terms we can obtain. If we think it is reasonable to do so, we may cancel or amend any contract of sale, or postpone any sale, without being responsible for any resulting loss. We may apply the money from any sale, after paying all costs and expenses, to reduce any part of the Outstanding Loan Amount, subject to Section 11.10 of these Standard Charge/Mortgage Terms. We will only be responsible for the money remaining after we pay all Costs and when we actually receive it. If the money remaining, after paying all Costs does not pay the Outstanding Loan Amount in full, you must pay us the difference.
- i. **Cure any Defaults:** We may, at your expense, choose to cure any of your defaults under the Mortgage. You will immediately reimburse us for any of these expenses connected with these activities. These expenses are Costs added to the Outstanding Loan Amount.
- j. **Other Actions:** We may also choose to take any other steps or proceedings against you as permitted by the laws of the province in which the Property is located and the laws of Canada.

10.3 Delay in Enforcing Our Rights

If we delay enforcing any of our rights, the delay will not affect any of our other rights under the Mortgage. If we give you or any other person an extension of time, it does not affect any other rights under the Mortgage. If we do either of these things we may still:

- a. Require you to make payments on time and meet your Obligations under the Mortgage,
- b. Require payment of the outstanding balance of the Loan if you are in default, and
- c. Require any other person who has Obligations under the Mortgage to meet those Obligations.

10.4 Choosing Not to Enforce Our Rights

In some cases we may not enforce our rights on a particular default you have made. However, by doing so, we are not forgiving any other existing defaults or other defaults you have made.

10.5 Doctrine of Consolidation

Our right of consolidation applies to the Mortgage and to any other mortgages you hold with us, subject to Section 11.10 of these Standard Charge/Mortgage Terms. If you are in default,

this means that you will not have the right to pay off the Mortgage or the other mortgages, unless you pay us the consolidated debt (ie. the money owed by you under the Mortgage and the other mortgages you hold with us).

10.6 Our Costs for Enforcing Our Rights

You promise to pay us all reasonable expenses and Costs that we may incur to enforce the Mortgage or exercise any of our rights under the Mortgage. Expenses and Costs will include our costs of taking and keeping possession of the Property, any costs of repairs or improvements to the Property, legal fees and any other Costs and expenses incurred in connection with protecting our interests. These expenses and Costs will be added to the Outstanding Loan Amount, will be payable immediately, will bear interest at the current Interest Rate in effect at the time, until fully repaid, and will be secured by the Mortgage in the same priority.

10.7 Receivership

If you do not comply with your Obligations, we may appoint a receiver to collect any income from the Property or take any other action (which we are allowed) with respect to the Property. We will appoint a receiver by written notice to you. The receiver will be your agent, not ours, and you alone will be responsible for all of the receiver's acts or omissions. We will not be accountable for any money received by the receiver, except to the extent that we actually receive the money. The receiver may exercise any rights that we have under the Mortgage, including:

- a. collecting income from the Property,
- b. taking possession of all or part of the Property,
- c. managing the Property,
- d. keeping the Property in good condition,
- e. finishing any buildings under construction on the Property, and/ or f. leasing the Property and selling the Property.

From the income collected from the Property, or the proceeds of the sale of the Property, the Receiver will pay:

- a. all rents, taxes, insurance premiums and other expenses required to keep the Property in good condition,
- b. all amounts required to keep any outstanding liens, claims or charges against the Property, which rank in priority to the Mortgage in good standing,
- c. its own compensation and expenses as receiver,
- d. all costs associated with the leasing or sale of the Property, and
- e. any part of (or all of) the outstanding balance of the Loan, whether it is due or not, together with any applicable Reinvestment Fee, Early Payout Penalty, Early Repayment Premium or other prepayment charges.

We 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 chooses.

Our right to appoint or have appointed a receiver is in addition to, or may be exercised together with, any of our other rights and remedies.

10.8 Courts and Judgements

If we choose to commence foreclosure proceedings or to take other court action as a result of your default, you agree that we may select the judicial district or centre to undertake such proceedings or other court action.

If we obtain a court order or judgement against you to enforce our rights, the judgement will not prevent us from exercising our other remedies or rights to enforce the Obligations, including our right to receive interest and Costs due. Interest will be compounded at the current Interest Rate in effect at the time, in the same manner as set out in the Mortgage until the judgement is paid.

If we take any court action or proceeding or otherwise become involved in any court action or proceeding by reason of the Mortgage, you agree to pay all costs we incur in connection with such action or proceeding including costs as applicable on a solicitor and client or substantial indemnity basis. This includes defending or otherwise dealing with any action or proceeding regarding the Property in which we are made a party or are otherwise interested including any construction lien or similar matter, any seizure or prosecution by police or other authority, any foreclosure, sale, redemption, assessment or other action or proceeding by any other encumbrancer or any certificate of pending litigation or other title matter.

11. MISCELLANEOUS PROVISIONS

11.1 Conflicts with other Documents

- a. If there is any conflict between the terms of the Registered Mortgage and the terms of the Commitment Letter or Loan Agreement, the Commitment Letter or Loan Agreement will prevail.
- b. If there is any conflict between the terms of the Mortgage and an amending agreement, the amending agreement will prevail.
- c. If there is any conflict between the terms of the Mortgage and a Renewal Agreement, the Renewal Agreement will prevail.
- d. Notwithstanding the foregoing, if there is any conflict between Section 11.10 of these Standard Charge/Mortgage Terms and the other terms of the Mortgage or the terms of the Commitment Letter or Loan Agreement, Section 11.10 of these Standard Charge/Mortgage Terms will prevail.

11.2 Partial Invalidity

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

11.3 Collecting, Using and Disclosing Your Personal Information

You may obtain full information about our privacy policies (which may be amended from time to time) by calling us and asking for a copy of our Privacy Code or by visiting our web site at www.mcap.com.

You agree that we and any mortgage loan insurer, CMHC in any capacity, any other person having or proposing to acquire an interest in all or any part of the Loans, including any Loan

under the related Commitment Letter or Loan Agreement, from time to time (including their respective advisors, agents, lawyers, accountants, 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 Loans, including any Loan under the related Commitment Letter or Loan Agreement (“Information Access Persons”) are authorized and entitled to collect, use and disclose your Personal Information during the course of our relationship. (“Personal Information” means financial and financially related information about you, including information to identify you or qualify you for products and services, or information we or any other Information Access Person needs for regulatory purposes.) This includes all information provided by you or obtained by us in connection with your mortgage application, and any ongoing information about you that we or any other Information Access Person may collect, to evaluate you and the Mortgage.

We and any other Information Access Person may collect Personal Information about you, from a variety of sources, including yourself, your mortgage broker, service arrangements you make with or through us, credit bureaus and other lenders. You consent to us and any other Information Access Person using your Personal Information to:

- a. identify you and protect you and us and any other Information Access Person from fraud and error.
- b. help us understand your needs and allow us to recommend relevant products and services to you that you may find beneficial. This includes products and services related to your Mortgage and home ownership experience, and may be communicated to you by direct mail, telephone or other means.
- c. provide ongoing service to you.
- d. comply with legal and regulatory requirements.

You may obtain access to the information we hold about you at any point in time, to review its contents and accuracy, and to have it amended if required.

You agree we and any other Information Access Person may enter into the Mortgage on behalf of another entity, and that we and any other Information Access Person may transfer, sell or assign the Mortgage (and all of our rights under the Mortgage) to another entity. If we or any other Information Access Person does so, we or any other Information Access Person, as applicable, may disclose Personal Information about you and the Mortgage to any entity to whom we or any other Information Access Person, as applicable, transfers, sells or assigns the Mortgage.

We and any other Information Access Person may disclose your Personal Information to any service provider or third-party with which we or any other Information Access Person, as applicable, conducts our or its business. A service provider and such third-party includes any person or entity that:

- a. is involved in the insuring, servicing, maintenance, collecting or processing of the Mortgage,
- b. provides services or benefits to you under the Mortgage,
- c. gathers and maintains credit and related information for credit reporting purposes, and/or
- d. has acted as broker or other referring agent for you, us or both, in the origination and making of the Mortgage.

11.4 Telephone Calls

You agree that we may record any telephone calls to ensure quality service and to confirm your discussions with us and any of our employees or agents.

11.5 References to Laws

Any reference in the Mortgage to legislation applies to the Act or similar legislation of the province where the Property is located and includes amendments, replacements and substitutions to that legislation in force from time to time.

11.6 Governing Law

The laws of the province in which the Property is located and the applicable federal laws of Canada govern the Mortgage. You submit to the jurisdiction of the courts of the province in which the Property is located with respect to the Mortgage.

11.7 Spousal Status/Matrimonial Property

You certify to us that all information that you give us about your marital status and the Property when applying for the Loan, and the statements made in the Registered Mortgage are true and accurate under the laws regarding spousal property rights in the province or territory in which the Property is located.

By signing the Mortgage, your spouse:

- a. consents to the Mortgage,
- b. releases all interest in the Property, such that we can enforce our rights under the Mortgage, and
- c. agrees that we can, without notice, deal with the Property and the Loan.

11.8 National Housing Act

If the Mortgage has Mortgage Insurance by Canada Mortgage and Housing Corporation, it has been made according to the *National Housing Act (Canada)*.

11.9 Notices

Notices may be exchanged between us, and are deemed to have been received by the other, if such notices are delivered as described below:

When any notice is given by us in connection with this Mortgage, the notice may be given by:

- a. leaving it with an adult person on the Property, if occupied.
- b. placing it on some portion of the Property, if unoccupied.
- c. mailing it by prepaid registered mail addressed to you at your last known address.
- d. publishing it once in a newspaper having a general circulation the city, town, municipality or area in which the Property is located.
- e. any other means we may mutually agree upon in advance (for example, electronically transmitted via e-mail, fax, etc).

Such notice will be sufficient, even if it is not addressed to any person by name or designation. Subject to the laws from time to time applicable to notice, such notice will be as effectual as if it had been personally served upon all persons required to be served by it.

If there is more than one Borrower or a Borrower and Guarantor, any notice we send to one of you will be sufficient even though it was not given to all of you, and if one of you gives a notice to us, we may deal with that as if given by all of you.

11.10 Right to Deal Freely With Any Loan Secured by the Mortgage

Each of the Borrower and any Guarantor hereby acknowledges and agrees that, as provided herein, we, at our option exercisable in our sole discretion, may deal with all or any part of the Loans, including any Loan or any part thereof and the related Obligations, or any interest therein, including in connection with us obtaining any financing under a CMHC mortgagee financing program under the *National Housing Act* (Canada) and associated regulations (a "**NHA Financing Program**") or us obtaining Mortgage Insurance under a CMHC Mortgage Insurance program under the *National Housing Act* (Canada) and associated regulations or us obtaining Mortgage Insurance from any other mortgage loan insurer under the *Protection of Residential Mortgage or Hypothecary Insurance Act* (Canada) and associated regulations (an "**Insurance Program**"), without restriction and without notice to the Borrower, any Guarantor, 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 or any part of any Loan that is insured under an Insurance Program and/or financed under a NHA Financing Program, each of the Borrower and any Guarantor hereby acknowledges and agrees that:

- (a) any new or additional advances, increases to principal, or further borrowings or extensions of the term, including in the case of any fluctuating account or accounts, revolving loans, lines of credit, additional or further advances beyond an initial advance, re-advances, and multiple facilities made after the initial advance (each an "**additional advance**" and, collectively, "**additional advances**"), on such terms as notified to the Borrower from time to time, are only permitted on the condition that (i) each additional advance is a new Loan, or (ii) all such additional advances are in the aggregate a new Loan, and in each case of (i) or (ii), the new Loan will be treated as a separate and distinct Loan for all purposes including enforcement, made to the Borrower, whether or not same continue to be secured by the Mortgage securing the insured and/or financed Loan, (and, in particular, for the avoidance of doubt, each Borrower and any Guarantor acknowledges and agrees that the Line of Credit is a Loan or a part of the Loan under the Mortgage that is not insured under an Insurance Program and/or financed under a NHA Financing Program), and each of the Borrower and any Guarantor covenants and agrees to enter into such additional or new security documentation requested by us to evidence the foregoing, including and without limitation a new Commitment Letter or Loan Agreement and a new Mortgage;
- (b) as against any mortgage loan insurer under an Insurance Program (including CMHC), we will refrain from exercising the security of the Mortgage for the benefit of any Loans except for any Loan that is insured under an Insurance Program and/or financed under a NHA Financing Program (without us in any way waiving, disclaiming, discharging or releasing the security of the Mortgage as against any other persons, including the Borrower or any Guarantor and any person having or taking an interest in the Property); and
- (c) as against any mortgage loan insurer under an Insurance Program (including CMHC), we will refrain from exercising any available rights of consolidation, cross-

collateralization or cross default that may exist in favour of us with regard to any Loans,

provided, for the avoidance of doubt, that (i) any Obligations in respect of any Loan(s) or any part of a Loan (including, for the avoidance of doubt, without limitation, any costs and expenses with respect thereto) that is/are insured under an Insurance Program and/or financed under a NHA Financing Program, shall have priority as to payment, collection and in respect of Mortgage enforcement over any other Loan or any part of a Loan that is not insured under an Insurance Program and/or financed under a NHA Financing Program, including any Line of Credit or part thereof; (ii) in no event shall we 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 the Borrower or the Guarantor until after the date that the outstanding principal amount of all Loans that are insured under an Insurance Program and/or financed under a NHA Financing Program, are irrevocably discharged in full; and (iii) 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 under an Insurance Program and/or financed under a NHA Financing Program shall be borne by us, subject to our rights to pursue such deficiency under Applicable Laws and, in this respect, we shall not pursue any judgment in respect of an amount that is greater than such deficiency (but including costs and expenses of Mortgage enforcement).

11.11 Equivalent Interest Rates

If the Interest Rate specified for the Loan is calculated monthly not in advance, you can determine the equivalent interest rate calculated semi-annually not in advance by referring to the table below.

TABLE OF VARIABLE RATES:

(%) Variable Interest Rate Calculated Monthly Not in Advance:	(%) Equivalent Annual Interest Rate Calculated Semi-Annually Not in Advance:		(%) Variable Interest Rate Calculated Monthly Not in Advance:	(%) Equivalent Annual Interest Rate Calculated Semi-Annually Not in Advance:
1.00	1.0021		11.00	11.2552
1.25	1.2533		11.25	11.5170
1.50	1.5047		11.50	11.7791
1.75	1.7564		11.75	12.0414
2.00	2.0084		12.00	12.3040
2.25	2.2606		12.25	12.5669
2.50	2.5131		12.50	12.8301
2.75	2.7658		12.75	13.0935
3.00	3.0188		13.00	13.3572
3.25	3.2721		13.25	13.6212
3.50	3.5256		13.50	13.8854
3.75	3.7794		13.75	14.1499
4.00	4.0335		14.00	14.4147
4.25	4.2878		14.25	14.6798
4.50	4.5424		14.50	14.9451
4.75	4.7973		14.75	15.2108
5.00	5.0524		15.00	15.4766
5.25	5.3078		15.25	15.7428
5.50	5.5634		15.50	16.0092
5.75	5.8193		15.75	16.2759
6.00	6.0755		16.00	16.5429
6.25	6.3319		16.25	16.8102
6.50	6.5887		16.50	17.0777
6.75	6.8456		16.75	17.3455
7.00	7.1029		17.00	17.6136

TABLE OF VARIABLE RATES, Con't:

(%) Variable Interest Rate Calculated Monthly Not in Advance:	(%) Equivalent Annual Interest Rate Calculated Semi-Annually Not in Advance:		(%) Variable Interest Rate Calculated Monthly Not in Advance:	(%) Equivalent Annual Interest Rate Calculated Semi-Annually Not in Advance:
7.25	7.3604	.	17.25	17.8819
7.50	7.6182	.	17.50	18.1506
7.75	7.8762	.	17.75	18.4195
8.00	8.1345	.	18.00	18.6887
8.25	8.3931	.	18.25	18.9581
8.50	8.6519	.	18.50	19.2278
8.75	8.9111	.	18.75	19.4979
9.00	9.1704	.	19.00	19.7682
9.25	9.4301	.	19.25	20.0387
9.50	9.6900	.	19.50	20.3096
9.75	9.9502	.	19.75	20.5807
10.00	10.2107	.	20.00	20.8521
10.25	10.4714	.	20.25	21.1238
10.50	10.7324	.	20.50	21.3957
10.75	10.9937	.	20.75	21.6680
21.00	21.9405	.	23.25	24.4057
21.25	22.2133	.	23.50	24.6810
21.50	22.4863	.	23.75	24.9566
21.75	22.7597	.	24.00	25.2325
22.00	23.0333	.	24.25	25.5086
22.25	23.3072	.	24.50	25.7851
22.50	23.5814	.	24.75	26.0618
22.75	23.8559	.	25.00	26.3388
23.00	24.1307	.	-	-

END OF SET