

SET OF STANDARD CHARGE TERMS

LAND REGISTRATION REFORM ACT

Filed by: LIBRO CREDIT UNION LIMITED

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The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Land Registration Reform Act.

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1. DEFINITIONS

(a) General Definitions

The following terms shall have the following meanings irrespective of whether the Charge is an ERS Charge or a Form 2 Charge:

- (i) “Charge” - means a Form 2 Charge or ERS Charge in which this set of standard charge terms is deemed to be included pursuant to the Land Registration Reform Act and includes any schedules attached to it, any additional provisions contained in it, any renewals or extensions thereof, amendments thereto, and includes this set of standard charge terms;
- (ii) “Chargee” means Libro Credit Union Limited;
- (iii) “Charge Rate” - has the meaning given to it in section 4 of these standard charge terms, as applicable;
- (iv) “Charged Premises” - means the lands and premises described in the Charge, including all improvements thereto and all fixtures forming a part thereof;
- (v) “CMHC” means Canada Mortgage and Housing Corporation, and its successors.
- (vi) “Commitment” – means any written agreement entered into between the Chargor and the Chargee (with or without other parties) which includes, but is not limited to a loan agreement, line of credit agreement, or other similar agreements pursuant to which the Chargee agrees to extend a Loan or Loans to the Chargor, and for which this Charge provides security. It is acknowledged that the Commitment may be amended, extended, replaced, or supplemented by the parties thereto from time to time in writing and shall be incorporated herein, as applicable;
- (vii) “Condominium Act” - means the *Condominium Act*, 1998, S.O. 1998, c. 19, as amended or replaced from time to time;
- (viii) “Condominium Corporation” – means, pursuant to the Condominium Act, the condominium corporation created by the registration of a Declaration in which a portion of the lands described in the Declaration are the Charged Premises;
- (ix) “Declaration” - means the declaration which, together with a description, was registered pursuant to the Condominium Act thereby creating the Condominium Corporation, as same may be amended from time to time;
- (x) “Default” – means failure by the Chargor to make payments of any kind required to be made by the Chargor under the Charge and/or Commitment, or failure by the Chargor to perform or observe any of the terms, conditions, and provisions required of the Chargor under the Charge and/or Commitment;
- (xi) “ERS Charge” - means a Charge in an electronic format registered electronically pursuant to the provisions of the Land Registration Reform Act and the regulations made pursuant thereto;
- (xii) “Event of Default” – means any occurrence of Default by the Chargor;
- (xiii) “Form 2 Charge” - means a Charge/Mortgage of Land registered using a paper based system of registration pursuant to the provisions of the Land Registration Reform Act and the regulations made pursuant thereto;
- (xiv) “Insured Loan” means an insured mortgage Loan made pursuant to the *National Housing Act*, R.S.C., 1985, C. N.11, as may be amended or replaced from time to time.
- (xv) “Land Registration Reform Act” - means the *Land Registration Reform Act*, R.S.O. 1990, c.L.4, as amended or replaced from time to time;
- (xvi) “Lease” - has the meaning given to it in section 13 of these standard charge terms;
- (xvii) “Libro Credit Union Prime Rate” means the variable rate of interest per year declared by the Chargee from time to time to be its prime rate for Canadian dollar loans made by the Chargee in Canada;
- (xviii) “Loan” or “Loans” - means each loan or credit facility extended or granted to the Chargor by the Chargee, from time to time, pursuant to a Commitment, with each Loan being a separate and distinct Loan, including any supplement, amendment, renewal, replacement, refinance, re-advance, increase, additional or further advancing of a Loan made from time to time, including obligations, debts and liabilities which are past, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, and at any time owing or remaining unpaid, pursuant to a Commitment, and which this Charge is intended to secure. In the interests of clarity, in the case of fluctuating or revolving loans or lines of credit, including any re-advance, increase, additional or further advancing of a Loan made from time to time, either (i) each further or additional advance is considered to be a separate and distinct Loan, or (ii) all of the further or additional advances in the aggregate are considered to be a separate and distinct Loan from the Insured Loan, pursuant to such Commitment, from time to time.

- (xix) “Loan Insurer” means, in respect of any Insured Loan, the insurer under the mortgage loan default insurance policy, which may be CMHC or another loan insurer.
- (xx) “NHA Program” means a mortgagee financing or private or public mortgage insurance program under the *National Housing Act* (Canada), R.S.C., 1985, c. N-11 and associated regulations, as such may be amended, re-enacted or replaced from time to time.
- (xxi) “Program Administrator” means CMHC, acting in the capacity as administrator and trustee of, and guarantor of timely payment of securities issued under, any NHA Program.
- (xxii) “Renting” - means the renting, leasing, entering into of a tenancy agreement with, or allowing occupancy by a Tenant of the whole or any part of the Charged Premises;
- (xxiii) “Reversion” - has the meaning given to it in paragraph 13(b) of these standard charge terms;
- (xxiv) “Taxes” or “taxes” - means all municipal taxes, school taxes and local improvement rates chargeable against the Charged Premises;
- (xxv) “Tenant” - has the meaning set out in Section 2 of the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17, as amended or replaced from time to time; and
- (xxvi) “Term” or “term” - means the period of time from the Interest Adjustment Date to the maturity date of the Charge as set out in the Commitment.

(b) Form 2 Charge Definitions

If the Charge is a Form 2 Charge, the following terms shall have the following meanings:

- (i) “Balance Due Date” - means the date indicated in Box 9(i);
- (ii) “Box” - means a box contained in the Form 2 Charge in which the names of parties to and the terms of the Form 2 Charge may be indicated;
- (iii) “Chargee” - means the party referenced in Box 14 being Libro Credit Union Limited;
- (iv) “Chargor” - means each and every party referenced in Box 11;
- (v) “Covenantor” - has the meaning given to it in section 38 of these standard charge terms. Covenantor shall mean any guarantor to the Charge;
- (vi) “First Payment Date” - means the date indicated in Box 9(f) or as agreed to in writing between the Chargor and Chargee;
- (vii) “Fixed Rate Mortgage” - has the meaning given to it in section 4(a) of these standard charge terms;
- (viii) “Interest Adjustment Date” - means the date indicated in Box 9(d) or as agreed to in writing between the Chargor and Chargee;
- (ix) “Interest Rate” – means the interest rate expressed in words and/or numbers in Box 9(b) or as set out in the Commitment;
- (x) “Last Payment Date” - means the date indicated in Box 9(g) or as agreed to in writing between the Chargor and Chargee;
- (xi) “Payment Amount” - means the dollar amount of money indicated in Box 9(h) or as agreed to in writing between the Chargor and Chargee;
- (xii) “Principal” or “Principal Amount” - means the dollar amount of money indicated in Box 4;

(c) ERS Charge Definitions

If the Charge is an ERS Charge, the following terms shall have the following meanings:

- (i) “Balance Due Date” - means the date indicated in the Computer Field entitled “Balance Due Date” or as agreed to in writing between the Chargor and Chargee;
- (ii) “Chargee” - means the party indicated in the Computer Field entitled “Chargee(s)” being Libro Credit Union Limited;
- (iii) “Chargor” - means each and every party indicated in the Computer Field entitled “Chargor(s)”;
- (iv) “Covenantor” - has the meaning given to it in section 38 of these standard charge terms. Covenantor shall mean any guarantor to the Charge;
- (v) “Computer Field” - means a computer data entry field in an ERS Charge into which the names of the parties to and the terms of an ERS Charge may be indicated;
- (vi) “First Payment Date” - means the date indicated in the Computer Field entitled “First Payment Date” or as agreed to in writing between the Chargor and Chargee;
- (vii) “Fixed Rate Mortgage” - has the meaning given to it in section 4(a) of these standard charge terms;

- (viii) “Interest Adjustment Date” - means the date indicated in the Computer Field entitled “Interest Adjustment Date” or as agreed to in writing between the Chargor and Chargee;
- (ix) “Interest Rate” – means the interest rate expressed in words and/or numbers indicated in the Computer Field entitled “Interest Rate” or as set out in the Commitment;
- (x) “Last Payment Date” - means the date indicated in the Computer Field entitled “Last Payment Date” or as agreed to in writing between the Chargor and Chargee;
- (xi) “Payment Amount” - means the dollar amount of money indicated in the Computer Field entitled “Payments” or as agreed to in writing between the Chargor and Chargee;
- (xii) “Principal” or “Principal Amount” - means the dollar amount of money indicated in the Computer Field entitled “Principal”;

2. FREEHOLD CHARGE

If the Chargor named in the Charge has a fee simple interest in the Charged Premises the following paragraph applies to the Charge:

The Chargor named in the Charge of which this set of standard charge terms forms a part by reference to its filing number in such Charge charges the Charged Premises with the payment to the Chargee of the Principal and interest and other monies secured by the Charge upon the terms as set out in the Commitment.

3. COLLATERAL SECURITY

The Chargor has, at the request of the Chargee, agreed to give this Charge as a continuing collateral security for the payment and satisfaction to the Chargee for all Loans made by the Chargee to the Chargor, from time to time, pursuant to a Commitment, including, but not limited to, all obligations, debts and liabilities, past, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid by the Chargor to the Chargee heretofore or hereafter incurred or arising and whether incurred by or arising from a Commitment between the Chargee and the Chargor or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor or however otherwise incurred or arising anywhere within or outside Canada and whether the Chargor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again but it being agreed that this Charge at any one time will secure only that portion of the Principal Amount of the Loan(s) outstanding at such time which does not exceed the sum either set forth in Box 4 of a Form 2 Charge or set out in the Computer Field entitled Principal in an ERS Charge, together with any interest or compound interest accrued on the Principal Amount at such time at the Charge Rate, plus such costs and expenses to which the Chargee is entitled pursuant to the Charge, and in all cases this Charge shall be subject to the terms hereof including, in particular, Section 64.

4. CHARGE RATE

Notwithstanding the fixed rate of interest set forth in the Charge, if the Chargor and the Chargee have agreed in writing that a lower rate of interest is applicable to the Principal Amount, then such lower rate of interest shall apply.

(a) Fixed Rate Mortgage

If the Charge is a Fixed Rate Mortgage, the rate of interest chargeable upon the Principal Amount and all other amounts payable under the Charge shall be: (i) if the Charge is an ERS Charge, the percentage per annum indicated in the Computer Field entitled “Interest Rate”; or (ii) if the Charge is a Form 2 Charge, the percentage per annum indicated in Box 9(b); or (iii) such rate as agreed to in writing between the Chargor and Chargee (such rate of interest being hereinafter referred to as the “Charge Rate”) calculated and compounded half-yearly, not in advance as well as before and after maturity of the Charge, and both before and after Default and judgment until paid.

(b) Variable Rate Mortgage

If the Charge is a Variable Rate Mortgage, the rate of interest chargeable upon the Principal Amount and all other amounts payable under the Charge shall be the rate specified in the Charge as follows:

- (i) if the Charge is an ERS Charge, the Libro Credit Union Prime Rate per annum, as the same will vary from time to time, as indicated in the Computer Field entitled “Interest Rate” plus or minus the number of percentage points per annum, if any, indicated in the Computer Field entitled “Interest Rate”; or
- (ii) if the Charge is a Form 2 Charge, the Libro Credit Union Prime Rate per annum, as the same will vary from time to time, as indicated in Box 9(b) plus or minus the number of percentage points, per annum, if any, indicated in Box 9(b); or
- (iii) the percentage per annum agreed to in writing between the Chargor and the Chargee;

such rate of interest being hereinafter referred to as the “Charge Rate”, calculated daily, compounded and payable monthly not in advance, as well as before and after maturity of the Charge, and both before and after Default and judgment until paid.

If the Charge is a Variable Rate Mortgage, the Charge Rate will vary automatically, without notice to the Chargor, each time there is a change in the Libro Credit Union Prime Rate. The Charge Rate will always be the Libro Credit Union Prime Rate plus or minus the number of percentage points per annum, if any, indicated in the Computer Field entitled “Interest Rate” of an ERS Charge, in Box 9(b) of a Form 2 Charge or as agreed to in writing between the Chargor and Chargee, as applicable, calculated daily, compounded and payable monthly, not in advance.

The Charge Rate calculated monthly not in advance is equivalent to the rate of interest calculated daily, compounded and payable monthly, not in advance shown in the equivalent rate table found in Section 10 of these standard charge terms. The Chargor may determine the equivalent rate by locating the Charge Rate in the column entitled "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)". The half-yearly equivalent for the Charge Rate can be determined in the same way.

In the event that it may be necessary at any time for the Chargee to prove the Libro Credit Union Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Libro Credit Union Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Libro Credit Union Prime Rate as set forth in the certificate.

5. DEFEASANCE

- (a) The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act, as may be amended from time to time, shall be and are hereby expressly excluded from the terms of the Charge;
- (b) Provided the Charge shall be void upon the Chargor paying on demand to the Chargee all of the Loans including, without limitation, the Principal Amount with interest thereon at the Charge Rate, calculated and payable monthly or half-yearly, as the case may be, as well as before and after maturity, Default and judgment, with interest on overdue interest at the Charge Rate as on the Principal Amount and all other amounts payable by the Chargor under the Charge and Commitment and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions contained in the Commitment.

6. TAXES

It is mutually agreed between the parties to the Charge that at the sole discretion of the Chargee:

- (a) The Chargee may deduct from any advance of monies to the Chargor an amount sufficient to pay the property taxes related to the Charged Premises which have become or will become due and payable at the date of such advance and are unpaid at the date of such advance;
- (b) The Chargor shall pay to the Chargee in monthly installments or the dates on which installments of Principal and interest are payable under the Charge, sums sufficient to enable the Chargee to pay the whole amount of the property taxes related to the Charged Premises on or before the due date for payment thereof or, if such amount is payable in installments, on or before the due date for payment of the first installment of said taxes;
- (c) Where the period between the date of the advance and the end of the calendar year is less than one year, the Chargor shall pay to the Chargee in equal monthly installments, or on the dates on which installments of Principal and interest are payable under the Charge, during such period and during the next succeeding 12 month period, an amount estimated by the Chargee to be sufficient to pay, on or before the expiration of the said 12 month period, all property taxes relating to the Charged Premises which shall become due and payable during the said two periods and during the balance of the year in which the said 12 month period expires; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed such estimated amount;
- (d) Except as provided in the last preceding clause, the Chargor shall, in each and every month, pay to the Chargee one-twelfth of the amount (as estimated by the Chargee) of the property taxes relating to the Charged Premises next becoming due and payable, and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the said actual taxes exceed such estimated amount;
- (e) The Chargee shall allow the Chargor interest on the average monthly balances standing in the Charge account from time to time to the credit of the Chargor for payment of property taxes at a rate per annum, and at such times, as the Chargee may determine in its sole discretion; and the Chargor shall be charged interest at the Charge Rate, on the debit balance, if any, in the Charge account outstanding after payment of property taxes by the Chargee, until such debit balance is fully repaid.

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

Notwithstanding the provisions set out in this section, the Chargee may elect not to require payment of property taxes to it in which case the Chargor will pay all property taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes other than the Chargee's income taxes (the "Income Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon that the Chargee may be called upon to pay, together with interest from the date on which such Income Taxes are paid by the Chargee at the rate and compounded in the manner provided in the Charge.

7. COMPOUND INTEREST

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

8. OBLIGATION TO MAINTAIN ACCOUNT

The Chargor agrees that, if regular payments of Principal and/or interest (and property taxes, if applicable) are required to be made by the provisions of the Charge or pursuant to a written agreement between the Chargor and the Chargee, the Chargor shall maintain, with a branch of the Chargee, an account of a type satisfactory to the Chargee, and, unless the Chargor has made alternate arrangements with the Chargee, the Chargee shall be entitled to automatically debit such account, by an amount equal to each payment of Principal and/or interest (and property taxes, if applicable), when each such payment is due. The Chargor covenants to ensure that such account always has sufficient funds on deposit to satisfy each such payment when due. If the Chargor breaches this covenant, or cancels the said authorization or closes the account (without opening and maintaining a substitute account), then such action or omission shall constitute a Default.

9. PREPAYMENT

Unless otherwise specified in the Commitment between the Chargor and the Chargee, this Charge shall be closed with no right of prepayment.

10. EQUIVALENT INTEREST RATES

This section sets out a table of equivalent interest rates. The equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under the Variable Rate Mortgage which calculation is set out in paragraph 4(b) of these standard charge terms. The following table sets out interest rates calculated half-yearly, not in advance which are equivalent to interest rates calculated monthly not in advance. The Chargor may determine the equivalent rate by locating the rate of interest payable under the Chargor’s Variable Rate Mortgage in the column headed “Interest Rate Calculated Monthly Not in Advance (%)” and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled “Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)”.

EQUIVALENT RATES TABLE

Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)	Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half- Yearly Not In Advance (%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211

5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.375	18.016
8.125	8.264	17.500	18.151
8.250	8.393	17.625	18.285
8.375	8.522	17.750	18.419
8.500	8.652	17.875	18.554
8.625	8.781	18.000	18.689
8.750	8.911	18.125	18.823
8.875	9.041	18.250	18.958
9.000	9.170	18.375	19.093
9.125	9.300	18.500	19.228
9.250	9.430	18.625	19.363
9.375	9.560	18.750	19.498
9.500	9.690	18.825	19.633
9.625	9.820	19.000	19.768
9.750	9.950	19.125	19.903
9.875	10.080	19.250	20.039
10.000	10.211	19.375	20.174
10.125	10.341	19.500	20.310
10.250	10.471	19.625	20.445
10.375	10.602	19.750	20.581

11. DEEMED COVENANTS EXCLUDED

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

12. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor does hereby covenant, promise and agree to and with the Chargee, as follows:

(a) To Maintain Membership in Credit Union

That during the currency of the Charge, the Chargor shall maintain at all times the Chargor’s status as a member in good standing of Libro Credit Union Limited (including any successors and assigns);

(b) To Comply With All Provisions of Commitment

That during the currency of the Charge, the Chargor shall maintain and comply with the provisions of any Commitment entered into with the Chargee;

(c) To Pay and Observe Covenants

That the Chargor shall pay or cause to be paid to the Chargee, without deduction or abatement, the Principal Amount, and any other amounts secured by the Charge with interest at the Charge Rate at the times and in the manner prescribed for payment thereof, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge and/or Commitment, and, without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or has been rendered liable to pay;

(d) For Good Title

If the Charge is a charge of a fee simple estate, that the Chargor, at the time of execution and delivery of the Charge, in the case of a Form 2 Charge, or at the time of delivery for registration, in the case of an ERS Charge, is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title, and is the registered and beneficial owner in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same;

(e) Right to Charge

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

(f) Quiet Possession on Default

That from and after Default in the payment of the portion of the Principal Amount then outstanding and the interest thereon, or any part thereof or of any other amounts payable under the Charge or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge and/or Commitment, then in every such case, it shall be lawful for the Chargee, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Charged Premises or lands and premises intended to be charged by the Charge, with their appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizance and of any other charges or encumbrances whatsoever;

(g) Further Assurances

That from and after Default in the payment of the portion of the Principal Amount then outstanding, or the interest thereon, or any part thereof or of any other amounts payable under the Charge and/or Commitment, or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations in the Charge and/or Commitment, then and in every such case the Chargor and all and every person or persons whatsoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Charged Premises by, from, under or in trust for the Chargor shall and will, from time to time, and at all times thereafter, make, do, suffer, execute, deliver, authorize and register or cause or procure to be made, done, suffered, executed, delivered, authorized and registered all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying, charging and assuring the Charged Premises unto the Chargee, as by the Chargee or its solicitor shall or may be lawfully and reasonably devised, advised, or required;

(h) No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the Charged Premises or the lands and premises intended to be charged by the Charge, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever;

(i) Insurance

(i) That the Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies duly authorized to carry on business as such and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Chargee and the Chargor will forthwith assign, transfer and deliver over unto the Chargee the policy of insurance and receipts thereto appertaining; and if the Chargor shall neglect to keep the Charged Premises insured as aforesaid, or to deliver such policies and receipts or to produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obliged to insure the Charged Premises, and if the Chargee shall pay any premiums or sums of money for insurance for the Charged Premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a copy of the Charge, if the Charge is a Form 2 Charge, or printed copy of the Charge if the Charge is an ERS Charge, shall be sufficient authority for the said insurance company to pay any such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on the Charge on account of the amounts secured by this Charge or any part thereof whether due or not then due;

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

That the Chargor or the Condominium Corporation or both of them will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, of the Charged Premises, and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee; and the Chargor and the Condominium Corporation will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the Charged Premises insured aforesaid, or to deliver such policy or policies, and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obligated to insure the Charged Premises; and the Chargor or the Condominium

Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration and by-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

13. LEASEHOLD PROVISIONS

If the interest of the Chargor in the Charged Premises derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or licence of the Charged Premises (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or licence including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

- (a) all references herein to "Charged Premises" shall include all right, title and interest of the Chargor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of the Charge;
- (b) the Chargor grants, mortgages, demises, sub-leases and charges to the Chargee all estate, term, right, title and interest of the Chargor in and to the Lease and the Charged Premises, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Chargor in or to the lands and premises demised by the Lease during the term of the Charge, together with the Lease and all right, title and interest of the Chargor in the Lease and all benefit and advantage therefrom for the Chargee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof (the "Reversion"), as security for the payment to the Chargee of the Principal Amount and interest on such amounts and all other amounts secured by the Charge including, without limitation, the liabilities and for the performance of all liabilities and obligations secured by the Charge upon the terms set out in the Charge;
- (c) the Chargor represents and warrants to the Chargee as follows:
 - (i) the Chargor has good leasehold title to the Charged Premises free and clear of any liens, charges and other encumbrances except those specifically approved in writing by the Chargee;
 - (ii) the Lease is, at the time of execution and delivery of the Charge in the case of a Form 2 Charge, and at the time of delivery for registration in the case of an ERS Charge, a good, valid and subsisting lease and has not been surrendered or forfeited or become void or voidable and the Chargor has not done or failed to do any act as a result of which the Lease would be rendered invalid or its validity impaired;
 - (iii) there have been no modifications to the Lease that have not been provided to the Chargee;
 - (iv) the rents, covenants and conditions contained in the Lease have been duly paid, observed and performed by the Chargor up to the date of the Charge;
 - (v) the Chargor has a good right, full power and lawful and absolute authority to demise and sublet the Lease to the Chargee in the manner aforesaid;
- (d) the Chargor covenants and agrees with the Chargee as follows:
 - (i) the Chargor shall stand possessed of the Reversion in trust for the Chargee to assign and dispose of the Reversion in such manner as the Chargee shall, by notice in writing, direct (subject to the right of redemption in the Charge) and the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to assign the term of the Lease as the Chargee shall at any time direct;
 - (ii) the Chargor, at the request of the Chargee but at the cost, charge and expense of the Chargor, will grant and assign to the Chargee, or to whomever the Chargee may appoint, the Reversion or any renewal or substituted term of the Lease;
 - (iii) the Chargor shall pay the rent reserved by and other amounts due under the Lease and shall observe and perform each and every covenant, agreement, condition and proviso contained in the Lease and shall not be guilty of any acts of Default which may cause the Lease to be forfeited or determined and the Chargor shall indemnify the Chargee against all actions, claims and demands whatsoever in respect of the rent and covenants or anything relating thereto;
 - (iv) the Chargor shall not, during the continuance of the Charge, transfer, assign, sub-lease, surrender or terminate the Lease or any of its rights or interest in the Lease;
 - (v) the Chargor shall not, during the continuance of the Charge, enter into any agreement purporting to modify, alter or amend the Lease, without the prior written consent of the Chargee;
 - (vi) the Chargor shall not allow any options (to renew or otherwise) or any rights of first refusal under the Lease to lapse and subject to any contrary directions from the Chargee, shall exercise any such options or rights so as to maintain or continue the term of the Lease for the whole of the period during which any debts or liabilities secured by the Charge remain outstanding;
 - (vii) any breach or Default under the Lease shall be deemed to be a Default under the Charge and/or Commitment entitling the Chargee to demand repayment of all amounts then secured by the Charge;
 - (viii) if the Chargor becomes the owner of the freehold of the lands and premises demised by the Lease the Charge shall increase to be a charge of the freehold interest in the lands and premises demised by the Lease to the same extent and effect as if the Chargor had been the owner of the freehold, free from encumbrances, at the date the Charge took effect. To give effect to the foregoing the Chargor does hereby grant and mortgage the freehold interest in the Charged Premises unto the Chargee, such grant to take effect upon the Chargor acquiring freehold title to the said Charged Premises. The Chargor covenants and agrees to execute and deliver, in the case of a Form 2 Charge or, in the case of an ERS Charge, authorize the delivery for registration, at the Chargor's expense, forthwith on

demand therefor, such further and other documents as the Chargee may reasonably require for the purpose of validly giving effect to the foregoing;

(ix) the Chargor shall immediately notify the Chargee of any notice or advice from the lessor under the Lease of the lessor's intention to terminate the Lease prior to the expiration of the term of the Lease or any other notice or request received from the lessor;

- (e) any reference in the Charge or Commitment to any charges payable in respect of the Charged Premises shall include all taxes, assessments, rates, costs or charges of whatever kind payable by the Chargor under the Lease and if any amounts are paid by the Chargee in respect of amounts owing under the Lease such amounts shall be a charge against the Charged Premises, shall bear interest at the Charge Rate and shall be secured by the Charge;
- (f) in the event of any Default in any payment of rent or other monies due under the Lease or in performance or observance of any covenant, agreement, condition or proviso contained in the Lease the Chargee shall, at its option but without incurring any liability to do so, be at liberty to pay such rent or to observe or perform such covenant, agreement, condition or proviso, as the case may be, and all money expended by the Chargee in so doing shall be payable forthwith by the Chargor to the Chargee, shall bear interest at the Charge Rate and shall be a charge on the Charged Premises secured by the Charge;
- (g) the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to enforce any covenants of the tenant under the Lease and to exercise any options to renew the Lease in the Chargee's discretion.

14. EXPROPRIATION

It is agreed between the parties to the Charge that if all of the Charged Premises is expropriated, then the outstanding Principal Amount together with all interest thereon under the Charge shall become immediately due and payable. If only part of the Charged Premises is expropriated, then the amount awarded to the Chargor for the partial expropriation shall be paid to the Chargee and credited to the Principal Amount and any interest then outstanding. If, in the opinion of the Chargee, the remainder of the Charged Premises, after the partial expropriation, does not constitute adequate security for the Principal Amount then outstanding, then the Principal Amount or such part thereof as the Chargee may determine shall immediately become due and payable together with all interest thereon.

15. RELEASE

The Chargor by these presents does release, remise, and forever quit claims unto the Chargee, all right, title, interest, claim and demand whatsoever of, unto and out of the Charged Premises and every part thereof, so that the Chargor shall not or may not at any time hereafter have, claim, pretend to, challenge or demand the Charged Premises or any part thereof in any manner howsoever, subject always to the proviso for defeasance.

16. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on Default by the Chargor of payment of the portion of the Principal Amount then outstanding and interest or any part thereof as required by the Charge and/or Commitment, or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge and/or Commitment, may enter into possession of the Charged Premises or the lands and premises intended to be charged and take the rents, issues and profits and, whether in or out of possession, make such lease or leases as it shall think fit, and also on fifteen days' Default as aforesaid and after giving at least thirty-five days' written notice to the persons and in the manner prescribed by Part III of the *Mortgages Act*, R.S.O., 1990, c.M.40, as amended (the "Mortgages Act"), may sell the Charged Premises or the lands and premises intended to be charged by the Charge or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser or purchasers thereof, his or their heirs, successors or assigns, or as he or they shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its willful neglect or Default. In the event that the giving of such notice shall not be required by law, or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a person who is 18 years of age or older at the Charged Premises, if occupied, or by placing it on some portion of the Charged Premises, if unoccupied, or at the option of the Chargee, by mailing it by registered mail addressed to the Chargor at the Chargor's last known address, and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. It is hereby further agreed that the proceeds of sale under the Charge may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and that the Chargee may sell all or any part of the Charged Premises on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulation as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Premises and resell without being answerable for any loss occasioned thereby, and, in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease under the Charge; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given in compliance with the *Mortgages Act*, or had been given improperly, but any person harmed by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The Chargee may sell fixtures, machinery, crops and standing or fallen trees apart from the Charged Premises, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing in this section contained shall prejudice or diminish any other rights and remedies and powers of the Chargee contained in the Charge, Commitment, or existing at law by virtue thereof.

It is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the Charged Premises in case it shall take possession of them on

Default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, conveyances or leases, secondly in payment of all costs, charges, damages and expenses of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises, thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the portion of the Principal Amount then outstanding, fifthly in payment of any subsequent encumbrancers according to their priorities and the residue shall be paid to the Chargor as the Chargor may direct and shall also, in such event, at the request, cost and expense of the Chargor transfer, release and assure unto the Chargor or to such person or persons as the Chargor shall direct and appoint, all such parts of the Charged Premises as shall remain unsold for the purposes aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the parties to the Charge that, notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the Charged Premises as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been contained in the Charge and/or Commitment.

17. DISTRESS

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

18. PRINCIPAL DUE ON DEFAULT

It is hereby further expressly declared and agreed, that if any Default shall occur in the payment of interest secured by the Charge, or any part thereof, or in payment of any installment of Principal as the same matures, or of any instrument, promissory note, bill of exchange or other obligations now or at any time held by the Chargee in respect of or representing or securing the liabilities secured by the Charge or any part thereof, or in the performance of any covenant, proviso or agreement contained in the Charge and/or Commitment, or if any waste be committed or suffered on the Charged Premises then at the option of the Chargee, the portion of the Principal Amount then outstanding secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time mentioned for payment of the Charge had fully come and expired. The Chargee may, however, waive its right to call in the Principal Amount and shall not be therefore debarred from asserting and exercising its right to call in the Principal Amount upon the happening of any future Default or breach.

19. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT

It is agreed that until Default in the payment of Principal or interest secured by the Charge or intended so to be, or any part of either of the same or in the performance of any of the provisions set forth in the Charge and/or Commitment contrary to the true intent and meaning thereof, it shall be lawful for the Chargor peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee.

20. BUILDINGS, ADVANCES AND COST OF SEARCH

It is the intention of the Chargor and Chargee that the building or buildings erected or to be erected on the Charged Premises form part of the security for the full amount secured by the Charge; and that all advances are to be made in such manner at such times and in such amounts up to the Principal Amount as the Chargee in its sole discretion may determine and subject always to the provision to which the Chargor hereby agrees that notwithstanding the execution or registration of the Charge, in the case of a Form 2 Charge, or delivery for registration in the case of an ERS Charge, or the advancement of any part of the Principal Amount, the Chargee is not bound to advance the full Principal Amount or any unadvanced portion thereof and the advance of the full Principal Amount or any part thereof from time to time shall be in the sole discretion of the Chargee, but nevertheless the Charge shall, in the case of a Form 2 Charge, take effect forthwith upon the execution of the Charge by the Chargor or, in the case of an ERS Charge, upon the delivery for registration of the Charge, and the expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the Principal Amount not being advanced, the same to be charged by the Charge upon the Charged Premises and shall be without demand thereof, payable forthwith with interest at the Charge Rate and in Default the said Chargee's power of sale given by the Charge, and all other remedies under the Charge and/or Commitment or at law shall be exercisable.

21. FIXTURES

It is mutually covenanted and agreed by and between the Chargor and the Chargee that all erections and improvements fixed or otherwise now on or after the date of the Charge put upon the Charged Premises, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerials, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the Charged Premises otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Charged Premises and shall form part of the security for the amounts secured by the Charge.

22. PARTIAL RELEASE

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

Premises, securities and covenants remaining unreleased shall stand charged with the whole of the amounts secured by the Charge.

23. DEFAULT IN PRIOR CHARGES

It is agreed by and between the Chargor and the Chargee that should Default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge, lien or encumbrance to which the Charge is subject or subordinate, then and in that event the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as herein provided.

24. DEFAULT IN COLLATERAL AGREEMENTS

It is agreed by and between the Chargor and the Chargee that should Default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in or arising from any Commitment, agreement, instrument, certificate or otherwise or dealings between the Chargee and the Chargor, then and in that event, the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge, Commitment, and/or at law shall become exercisable, and the powers of sale contained in the Charge, Commitment, and/or at law may be exercised, subject to Section 64.

25. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the portion of the Principal Amount then outstanding and interest and all other amounts secured by the Charge shall, at the option of the Chargee, forthwith become due and payable. In the event that a construction lien is registered against title to the Charged Premises the Chargee shall have the right, but not the obligation, to pay such amounts as may be required to remove such lien from title to the Charged Premises. Any amounts so paid by the Chargee, together with all costs, charges, and expenses incurred by the Chargee in connection therewith, including all solicitor's charges, as between a solicitor and his or her client, shall be added to the Principal Amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand. The Chargor shall promptly remove any and all construction related liens from the Charged Premises.

26. WASTE, VACANCY, REPAIR AND BUILDING COMPLETION

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee and will not permit or suffer them to become or remain vacant and the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

27. INSPECTION

The Chargee through itself or its agent or employees may, at any time, enter upon the Charged Premises to inspect the Charged Premises and the reasonable cost of such inspection shall be added to the Principal Amount secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

28. ALTERATIONS

The Chargor covenants and agrees with the Chargee that the Chargor will not make or permit to be made any alterations, removals or additions to the Charged Premises without the prior written consent of the Chargee.

29. NON-MERGER

Provided and it is agreed, that the taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of the said covenant nor affect the Chargee's right to interest at the rate and times provided in the Charge; and further that said judgment shall provide that interest thereon shall be computed at the Charge Rate and in the same manner as provided in the Charge until the said judgment shall have been fully paid and satisfied.

30. RIGHTS ON DEFAULT

The Chargor covenants and agrees with the Chargee that in the Event of Default in the payment of any installment of Principal, interest or taxes secured by the Charge or any other amounts payable under the Charge and/or Commitment by the Chargor, or on breach of any covenant, proviso or agreement in the Charge and/or Commitment by the Chargor after all or any part of the amounts secured by the Charge have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person, and subject to Section 64, enter upon the Charged Premises, and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Charged Premises, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Charged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable to the Chargee, and shall be a charge upon the Charged Premises and shall bear interest at the Charge Rate until paid.

31. OBLIGATIONS SURVIVE SALE

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

32. DUE ON SALE

Provided that in the event of:

- (a) the Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the Charged Premises to a purchaser, grantee or transferee not approved in writing by the Chargee; or
- (b) if such a purchaser, grantee or transferee should fail to (a) apply for and receive the Chargee's written approval as aforesaid, (b) personally assume all the obligations of the Chargor under the Charge, and (c) execute an assumption agreement in the form required by the Chargee;

then, at the option of the Chargee, all amounts secured by the Charge with accrued interest thereon shall forthwith become due and payable.

33. PORTABILITY

Unless otherwise specified in the Commitment between the Chargor and Chargee, this Charge shall have no portability option.

34. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge now or after the date of the Charge existing, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including any taxes, utility charges or other rates on the Charged Premises or any of them, any construction lien or any amounts payable to the Condominium Corporation, and may pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and its client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatsoever properly taken in connection with the Charge or to realize the security of the Charge, or to defend the validity or priority of the Charge as against a third party, or in respect of the collection of any overdue interest, Principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other amounts paid by the Chargee shall be added to the amount secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a Default of payment and shall entitle the Chargee to exercise the power of sale and all other remedies given under the Charge, Commitment, at law, and these Standard Charge Terms. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the amounts advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or government so paid off, and is authorized to retain any discharge thereof, without registration, for any period it thinks proper to do so.

35. SUBSEQUENT ENCUMBRANCES

The Chargor covenants and agrees with the Chargee that, for the duration of the Charge, the Chargor shall not make or permit to be made any registration on title to the Charged Premises subsequent to the Charge that could reasonably be considered to constitute an encumbrance, lien, mortgage, charge or security interest, without the prior written consent of the Chargee.

36. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the Chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Homes Warranties Plan Act*, R.S.O. 1990, c.0.31, as amended (the "ONHWPA"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the ONHWPA or enrolling the Charged Premises or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the amounts secured by the Charge and be a charge on the Charged Premises in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Charge Rate and shall be payable forthwith by the Chargor to the Chargee.

37. PROHIBITION AGAINST RENTAL

If the Charged Premises are or are intended to be used as residential premises then the following provisions shall apply:

- (a) the Chargor represents, warrants, covenants and agrees that no part of the Charged Premises are rented or occupied by a Tenant and further covenants and agrees not to permit the Renting of the Charged Premises without first obtaining the consent in writing of the Chargee which consent may be refused at the sole discretion of the Chargee; further the Chargor covenants and agrees not to enter into any negotiations with respect to Renting without the consent in writing of the Chargee, which consent may be refused, restricted or made conditional at the sole discretion of the Chargee; if a restricted or conditional consent to Renting or negotiations relating to Renting is given, the Chargor covenants and agrees to abide by such restrictions or conditions;
- (b) the Renting of the whole or any part of the Charged Premises without the written consent of the Chargee shall be deemed to have been done with the object of discouraging the Chargee from taking possession of the Charged Premises on Default or adversely affecting the value of the Chargee's interest in the Charged Premises within the meaning of Section 52(1) of the *Mortgages Act*, R.S.O. 1990, c. M.40 as may be amended or replaced, from time to time;
- (c) in the event that any of the covenants contained in this section shall be breached then the Chargor shall be in Default, and at the option of the Chargee, all monies secured by the Charge with accrued interest thereon shall forthwith become due and payable;

- (d) if the whole or any part of the Charged Premises are rented to a Tenant with or without the consent of the Chargee, at such time as the Chargee is entitled to enforce its rights under the Charge by reason of Default of the Chargor, the Chargee may, at its discretion, pay to any Tenant a sum of money, in such amount as it considers advisable, as consideration for obtaining the cooperation of such Tenant in selling the Charged Premises, showing the Charged Premises and obtaining possession from the Tenant or for any one or more of the above. It is recognized that the payment of such amount will be a cost of realization on the Charge and the amount so paid shall be added to the amount secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the Charge Rate and shall have priority over all encumbrances subsequent to the Charge and shall be payable forthwith by the Chargor to the Chargee; the Chargor appoints the Chargee to be its true and lawful attorney and agent to enforce all the terms of any tenancy agreement entered into by the Chargor with respect to all or any part of the Charged Premises and to cancel or terminate any such tenancy agreement and in this connection to make, sign and execute any and all documents in the name of the Chargor which it, as Chargee, may consider desirable;

38. COVENANTOR OR GUARANTOR

If a party is named as a covenantor or guarantor in the Charge or a schedule thereto (the "Covenantor"), the Chargor and the Covenantor acknowledge that it is a condition of the making of advances under the Charge that the covenant contained in this Section 38 be entered into by the Covenantor. The Covenantor further acknowledges that the consideration for the guarantee contained in this Section 38 is the making of advance(s) under the Charge.

The Covenantor on behalf of himself/herself, his/her executors, administrators, successors and assigns, in consideration of the advance in whole or in part of the Principal Amount does hereby covenant, promise and agree as principal debtor and not as surety to and with the Chargee that the Covenantor will well and truly pay, or cause to be paid unto the Chargee the Principal Amount and all other amounts secured by the Charge, together with interest upon the same, at the days and times, and in the manner agreed to in the Charge and/or Commitment or any amendments, renewals, variations or extensions thereof and shall and will in everything, well and truly do, observe, fulfill and keep any and all covenants, provisos, conditions, agreements and stipulations in the Charge and/or Commitment according to the true intent and meaning thereof, and shall and will abide by and submit to and do hereby agree to all conditions, provisos and stipulations in the Charge and/or Commitment on the part of the Chargor, and these covenants shall be binding notwithstanding the giving of time for payment of the Charge or the varying of terms of payment thereof or the rate of interest thereon, and if there are more than one Covenantor shall bind them jointly as well as severally and shall continue to subsist notwithstanding the death of one or more of such Covenantor.

Each Covenantor further covenants and agrees that without giving notice to or obtaining the consent or concurrence of any Covenantor, the Chargee may:

- (a) grant any time, indulgences, waivers or extensions of time for payment or performance of any of the obligations under the Charge or Commitment;
- (b) grant any renewals or extensions of the Charge or Commitment, with or without a change in the Charge Rate or in any other terms or conditions of the Charge and whether by express agreement signed by the Chargor or otherwise (including, without limitation, by way of an automatic renewal or extension);
- (c) change the Charge Rate, whether during the initial term thereof or in any subsequent extension or renewal term, whether by way of increase, decrease, change in the reference rate by which such Charge Rate is calculated or determined, change from a Fixed Rate Mortgage to a Variable Rate Mortgage or from a Variable Rate Mortgage to a Fixed Rate Mortgage, or otherwise;
- (d) shorten or lengthen the amortization period of the Charge;
- (e) otherwise amend, supplement, modify, vary or otherwise change any of the terms or conditions of the Charge or Commitment, or secured by the Charge, in any manner whatever;
- (f) release or discharge from the mortgage or charge constituted by the Charge the whole or any part of the Charged Premises;
- (g) advance additional Principal Amounts to the Chargor pursuant to any provision of the Charge or Commitment that permits the Chargor to borrow such additional Principal Amounts from the Chargee;
- (h) permit the Chargor to prepay the Principal Amount in whole or in part or to skip one or more scheduled installments of Principal and interest or to pay more than one such scheduled instalment on a scheduled payment date under the Charge or Commitment, whether pursuant to a provision of the Charge or Commitment that permits such prepayment, skipping or multiple payments or otherwise;
- (i) accept compositions, compromises or proposals from the Chargor or otherwise deal with the Chargor or any other person, any security (including, without limitation, the Charge) or the Charged Premises or any security as the Chargee sees fit including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Charge;
- (j) release or discharge any Covenantor or one or more other co-Covenantors or guarantors or Chargors in respect of the Charge; or
- (k) release any subsequent legal or beneficial owner of the Charged Premises from any liability for the obligations under the Charge or Commitment or refrain from requiring any such owner to assume any such liability,

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Covenantor hereunder, regardless of whether any such action has the effect of amending or varying this Charge or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the liabilities and obligations thereunder. The liability of each Covenantor hereunder shall extend to and include the liabilities and obligations of the

Chargor under the Charge, as so amended, renewed, extended or varied and the Charge as so increased, expanded or altered without further action on the part of the Chargee or the consent or concurrence of any Covenantor; and for greater certainty and without limiting the foregoing, if the Charge Rate is increased or otherwise altered, the liability of each Covenantor hereunder shall be extended to and include the obligation of the Chargor to pay interest at such increased or altered Charge Rate.

39. EXTENSIONS

No extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, shall in any way affect or prejudice the rights of the Chargee against the Chargor, the Covenantor or any other person liable for the payment of the monies secured by the Charge.

40. BONUS ON DEFAULT

On Default of payment of any of the amounts secured by the Charge or payable under the Charge or Commitment, the Chargee shall be entitled to require payment, in addition to all other amounts secured by the Charge or payable under the Charge or Commitment, of a bonus equal to three months' interest in advance at the Charge Rate upon the Principal Amount secured by the Charge at such time, and the Chargor shall not be entitled to require a discharge of the Charge without such payment or notice in lieu thereof as required by law.

41. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge within which to prepare, execute and deliver in the case of a Form 2 Charge or prepare and deliver for registration in the case of an ERS Charge, as the case may be, a discharge or, if requested, and if required by law to do so, an assignment of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee and all legal and other expenses for the preparation, execution and registration, as applicable of such discharge and assignment shall be borne by the Chargor.

42. OTHER SECURITY

The Charge is in addition to and not in substitution for any other security held by the Chargee including any promissory note or notes for all or any part of the monies secured under the Charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the Charge concurrently or successively at its option. Any judgment or recovery under the Charge or under any other security held by the Chargee for the monies secured by the Charge shall not affect the right of the Chargee to realize upon the Charge or any other such security.

43. PLACE OF PAYMENT

Provided that all such payments secured by the Charge shall be made at the branch of the Chargee designated in the Charge, or at such other place as the Chargee may designate in writing to the Chargor, in lawful money of Canada.

44. SPOUSE'S CONSENT

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

45. FAMILY LAW ACT

The Chargor covenants and agrees that:

- (a) the Chargor or the owner from time to time of the Charged Premises will advise and keep advised the Chargee as to whether the Chargor or the owner from time to time is a spouse as defined in the *Family Law Act*, R.S.O. 1990, c. F.3, as amended (the "Family Law Act"), and if so, the name of the Chargor's spouse, and of any change in the Chargor's spousal status or in the status of the Charged Premises as a matrimonial home within the meaning of the Family Law Act; and
- (b) forthwith on request the Chargor will furnish the Chargee with such evidence in connection with any of the matters referred to in paragraph 45(a) as the Chargee may from time to time require, including, without limitation, the Chargor's and the Chargor's spouse's name, address and birth date and the Chargor's and the Chargor's spouse's authorization to the Registrar under the *Vital Statistics Act*, R.S.O. 1990, c.V.4, as amended, to provide the Chargee from time to time on request all information in the Chargor's possession relative to any marriage, divorce or death of the Chargor or the Chargor's spouse, and on Default, then all amounts secured by the Charge, together with accrued interest thereon shall, at the option of the Chargee, forthwith become due and payable.

46. SEVERABILITY OF ANY INVALID PROVISIONS

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

47. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

Provided that no failure to enforce at any time or from time to time any of the rights of the Chargee under the Charge shall prejudice such rights or any other rights of the Chargee; no performance or payment by the Chargee in respect of any breach or Default under the Charge of the Chargor shall relieve the Chargor from any Default under the Charge; and

no waiver at any time or from time to time of any such rights of the Chargee shall prejudice such rights in the event of any future Default or breach.

48. FARMLANDS

If the Charged Premises are farm lands, the Chargor will in each year during the term either put into crop or summer fallow in good, proper and husbandlike manner every portion of the Charged Premises which has been or may after the date of the Charge be brought under cultivation, and will keep the Charged Premises clean and free from all noxious weeds and generally see that the Charged Premises do not depreciate in any way.

49. CHANGE OF CORPORATE CONTROL

Where the Chargor is a corporation the Chargor covenants and agrees that in the event that:

- (a) the Chargor fails to supply to Chargee, in a form satisfactory to the Chargee, such information relating to the ownership of its shares as the Chargee may from time to time require; or
- (b) without the prior written consent of the Chargee:
 - (i) the Chargor issues or redeems any of its shares or transfers any of its shares;
 - (ii) there is a sale or sales of the shares of the Chargor which result in the transfer of the legal or beneficial interest of any of the shares of the Chargor; or
 - (iii) the Chargor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Chargor, then all monies secured by the Charge together with accrued interest thereon shall forthwith become due and payable at the option of the Chargee and the Chargee's powers of sale given by the Charge and all other remedies for enforcement shall be exercisable.

50. COMPLIANCE WITH THE LAW AND ENVIRONMENTAL COMPLIANCE

The Chargor hereby represents and warrants to the Chargee that:

- (a) there is not in, on or about the Charged Premises any product or substance or condition (including, without restriction, contaminants, wastes, moulds or hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;
- (b) to the best of the knowledge of the Chargor, no circumstance has existed on the Charged Premises or exists or has existed on any land adjacent to the Charged Premises which constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;
- (c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued or is pending relating to an environmental condition on the Charged Premises; and
- (d) the Charged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment.

The Chargor hereby covenants and agrees with the Chargee as follows:

- (e) the Chargor shall give to the Chargee immediate notice of any material change in circumstances in respect of the Charged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (d) inclusive to become untrue; and
- (f) the Chargor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Charged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

The Chargor further covenants and agrees with the Chargee at all times promptly to observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor will from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance, and pay immediately when due the cost of removal of such contaminants, wastes and materials, and shall at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and shall take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent; and the Chargor shall cause its tenants, agents and invitees to comply with all of the foregoing at their own expense.

For further clarification, the Chargor hereby indemnifies and saves harmless the Chargee from any and all claims, costs, obligations and any other action as may be required at any time by any present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent regarding the Charged Premises herein.

51. CARE OF PROPERTY

The Chargor agrees to reasonably attend and care for the Charged Premises herein, including at all times to carry adequate insurance and to complete all repairs and maintenance required to maintain the Charged Premises as a reasonably prudent owner would do.

52. CONDOMINIUMS

If the Charge is of a unit within a plan of condominium the following provisions shall apply:

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

53. RENEWAL OR EXTENSION

Provided that the Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequently to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Chargor. The Chargor and the Covenantor, if applicable, agree that in the event that the renewal agreement provided to the Chargor is not signed and returned to the Chargee on or before the maturity date, the Charge, at the Chargee's option, will be automatically renewed on the terms set out in the Commitment.

54. RECEIVERSHIP

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

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

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

- (b) the Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee;
- (c) the Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises;
- (d) every such receiver shall be deemed to be the agent or attorney of the Chargor and, in no event, the agent of the Chargee and the Chargee shall not be responsible for the receiver's acts or omissions;
- (e) the appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a chargee in possession of the Charged Premises;

- (f) no such receiver shall be liable to the Chargor to account for monies other than monies actually received by the receiver in respect of the Charged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:
 - (i) the receiver's remuneration aforesaid;
 - (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authority hereby conferred;
 - (iii) interest, principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to the Charge, including taxes;
 - (iv) to the Chargee all interest, Principal and other monies due under the Charge to be paid in such order as the Chargee in its discretion shall determine;
 - (v) and thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Charged Premises and shall bear interest from the date of demand at the Charge Rate.

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

55. CHARGEES EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to the Charge, and to any and all other documents required in connection therewith, and of any amendment, extension, variation or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any amount payable under the Charge including, without limiting the generality of the foregoing, all solicitors' fees on a solicitor and client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Chargee thereon and all costs and expenses valuing the Charged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of the Charge as against third parties. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Charge Rate and shall be a charge on the Charged Premises.

56. FURTHER ASSURANCES

The Chargor shall at any time and from time to time make, execute and deliver or cause to be made, executed and delivered to the Chargee, such further and other reasonable acts, deeds, conveyances and assurances as may be required by the Chargee to fully and effectually carry out the true intention and meaning of the Charge and the provisions included in the Charge, and the reasonable costs thereof shall be for the account of the Chargor. Further, the Chargor shall at any time and from time to time provide to the Chargee, upon request, and in a form acceptable to the Chargee, such further information and documentation as the Chargee may require regarding the Chargor's business and/or financial status.

57. INTERPRETATION

It is hereby agreed and declared that the expression "the Chargor" used in the Charge shall include the heirs, personal representatives, executors, administrators, successors and assigns of the Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and the words in the singular include the plural and words in the plural include the singular and words importing the masculine gender include the feminine and neuter genders where the context so requires and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, executors, personal representatives, administrators, successors and assigns and that all such covenants, liabilities, advantages, privileges, immunities, powers and things secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor contained in the Charge and Commitment or implied are and are to be construed as both joint and several.

58. CONFLICT

With respect to an Insured Loan, in the event of any conflict or inconsistency between the terms and provisions of these standard charge terms and the terms and provisions of the registered Charge or any Commitment, the terms and provisions of these standard charge terms shall prevail.

With respect to a Loan that is not an Insured Loan, in the event of any conflict or inconsistency between the terms and provisions of these standard charge terms and provisions of the registered Charge or any Commitment, the Chargee shall determine which shall prevail.

59. ASSIGNMENT AND SYNDICATION/INFORMATION

The Chargee shall, at any and all times and from time to time, have the right to sell, syndicate, securitize or assign all or any part of its right, title and interest in and to all or part of the Loan secured by the Charge to a third party or parties (individually and collectively, the “Assignee”) without the necessity of obtaining the consent of or providing notice to the Chargor or any Covenantor. The Chargor and any Covenantor hereby acknowledge that the Chargee has the unfettered right to sell, syndicate, securitize, or assign the Chargor’s loan to the Assignee and also acknowledge and consent to the Chargee sharing with the Assignee such information concerning the Chargor’s and Covenantor’s financial position and other personal information as the Chargee may possess in its files. The Assignee shall thereafter have all the rights herein of the Chargee, including the right to sell or assign, in turn, without any effect on the interest rate or terms of the Loan.

The Chargee may from time to time, in connection with the sale, assignment, syndication or securitization of a Loan, or otherwise, appoint or designate a custodian or agent for a Loan, which custodian or agent may be the registered Chargee. The Chargor and each Covenantor, if any, acknowledges that such custodian or agent will have no liability whatsoever to the Chargor or Covenantor(s), if any, in connection with the Loan, being merely custodian or agent for the Chargee and/or Assignee.

The Chargee shall have the unrestricted right from time to time to appoint a third party to service or administer any of the Loans, and to deal with the Chargor and Covenantor, if any, in place of the Chargee, provided that until the Chargee gives notice of such appointment to the Chargor, the Chargor and Covenantor, if any, shall continue to deal with the Chargee in matters pertaining to the servicing or administration of the Loan.

In connection with the processing, approving, funding, servicing, and administering, or any insurance, sale, securitization, or financing of all or any part of the Loans, the Chargee and any Loan Insurer, CMHC in any capacity, any other person having or proposing to acquire an interest in all or any part of the Loans, from time to time (including their respective advisors, agents, lawyers, accountants, consultants, appraisers, credit verification sources, credit rating agencies and any servicers or administrators), or any other person in connection with any collection or enforcement proceedings taken under or in respect of all or any part of the any Loans (“**Information Access Persons**”) may, as it may determine in its sole discretion in accordance with any applicable laws, collect, use and store information and materials (including confidential personal information) provided by the Chargor and/or Covenantor to, or obtained by or on behalf of, the relevant Information Access Person, relating to the Loans, the Chargor, any Covenantor, or the Charged Premises (both before and after any new loan, any re-financing of a loan, any re-advances and any further advances on any loan, and/or any Default) without further notice to the Chargor or any Covenantor, and any such Information Access Person may, as it may determine in its sole discretion in accordance with any applicable laws, from time to time transfer, assign, release, disclose, exchange or share such information and materials (including confidential personal information) to or with:

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

and the Chargor and each Covenantor (if any) hereby irrevocably consents to the collection, use, storage, release, disclosure, exchange, sharing, transfer, and assignment of all such information and materials (including confidential Personal Information) in accordance with any applicable laws.

THE CHARGOR AND ANY COVENANTOR CONSENT TO (i) THE COLLECTION AND USE BY THE CHARGEES OF THE PERSONAL INFORMATION PROVIDED BY THE CHARGOR AND COVENANTOR, OR OTHERWISE, RELATING TO OR IN CONNECTION WITH THIS CHARGE OR COMMITMENT; (ii) ANY DISCLOSURE OF SUCH INFORMATION TO ANY THIRD PARTY IN CONNECTION WITH THE ASSIGNMENT OF THIS CHARGE; AND (iii) ANY FURTHER SUBSEQUENT COLLECTION, USE OR DISCLOSURE OF SUCH INFORMATION BY SUCH THIRD PARTY AND ANY OF ITS AGENTS OR ASSIGNEES FOR THE PURPOSE OF ADMINISTERING OR OTHERWISE DEALING WITH THIS CHARGE.

60. COMMITMENT

The Chargor, and any Covenantor herein, agrees jointly and severally to comply with any Commitment entered into with the Chargee, and agrees that the terms of such Commitment shall be enforceable by the Chargee against the Chargor and any Covenantor.

61. PARAGRAPH HEADINGS

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

62. DATE OF CHARGE

The Charge shall be deemed to be dated, if the Charge is an ERS Charge, as of the date of delivery for registration of the ERS Charge and, if the Charge is a Form 2 Charge, as of the date of signature of the first named Chargor unless, in either case, as otherwise specifically provided.

63. EFFECT OF DELIVERY OF ERS CHARGE

The delivery of an ERS Charge for registration by direct electronic transfer shall have the same effect for all purposes as if the ERS Charge was in a written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor, and any other party to the Charge agrees not to raise in any proceedings by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the ERS Charge for registration to do so.

64. INSURED LOAN

Any Insured Loan, which shall be separate and distinct from any other Loans that may be secured by this Charge, will have priority as to payment, collection, enforcement, and realization over any other Loans secured by this Charge. Notwithstanding any other provisions of this Charge and the provisions of all applicable Loan documents, during the term of an Insured Loan while insured in the NHA program:

- (a) the Chargee will refrain from exercising the security of the Charge for the benefit of any Loans except for the Insured Loan without the Chargee in any way waiving, disclaiming, discharging or releasing the security of the Charge as against any other persons, including the Chargor and any Covenantor or any person taking an interest in the Charged Premises; and
- (b) the Chargee will refrain from exercising any available rights of consolidation, cross-collateralization or cross default that may exist in favour of the Chargee with regard to any Loans.

65. ACKNOWLEDGEMENT

By signing and delivering the Charge, the Chargor acknowledges receipt of a true copy of these standard charge terms.