**THIS MORTGAGE** dated as of the       day of      , 20     .

**The Parties to this mortgage are:**

**Mortgagor**

**AND:**

**BRIDGEWATER BANK, a body corporate,** whose address is Suite 150, 926-5th Avenue S.W., Calgary, AB T2P ON7

**Mortgagee**

**AND:**

**Spouse of the mortgagor (if spouse not a mortgagor)**

**AND:**

**Guarantor**

1. MORTGAGE

In return for our making a loan to you in the amount of ($     )       Canadian dollars (called the **Principal Amount**) which you acknowledge having received from us, you hereby give us this mortgage on the property described as follows [called **your** **property**]: \*

|  |
| --- |
|  |

\* If space is insufficient to type description of your property in this paragraph, attach Schedule B describing the property and type in above space “See attached Schedule “B”.

Any buildings on your property and anything now or later attached or fixed to the buildings or your property including additions, alterations and improvements are covered by this mortgage.

To have and to hold the lands and the appurtenances unto the mortgagee, its successors and assigns.

1. HOW YOU WILL REPAY YOUR LOAN WITH INTEREST

You agree to pay to us the Principal Amount with interest thereon as well after as before maturity and both before and after default at the rate of \*       percent (      %) per annum calculated semi-annually, not in advance (the “Interest Rate”), computed from the date the Principal Amount, or any part thereof, is advanced on so much of the Principal Amount as shall from time to time remain unpaid until the whole of the Principal Amount is paid. The Principal Amount and interest shall become due and be paid as follows:

* 1. Interest shall accrue from the date of advance hereunder and shall be due and payable on the       day of the month next following the date of the first advance (the “Interest Adjustment Date”);
  2. Thereafter, the Principal Amount and interest, as aforesaid, shall be payable by equal consecutive monthly instalments of principal and interest of       ($     ), commencing on the       day of the month next following the Interest Adjustment Date and thus to continue monthly on the       day of each month to and including the       day of       ,      ;
  3. The balance, if any, of the Principal Amount and interest thereon, as aforesaid, and any other moneys owing under this Mortgage shall be due and payable on the day of      ,      , (the “Balance Due Date”);

\* If adjustable rate, insert Prime Rate plus or minus **[as applicable]** the percentage.

1. additional terms and covenants

The terms, conditions and covenants set out in Schedule “C” appended hereto are incorporated and form part of this mortgage. This mortgage is further subject to the Terms and Conditions outlined in Schedule “A”;

1. CONSENT OF SPOUSE

By signing this mortgage each spouse of a mortgagor consents to this mortgage and releases any interest which he or she may have in the property covered by this mortgage as far as necessary to give effect to our rights under this mortgage.

1. SIGNING THIS MORTGAGE

If you have read this mortgage and you agree to its terms, sign in the space provided for your signatures. Witnesses must sign in the spaces provided for the witnesses’ signatures. Necessary legal seals should be added next to your signatures.

|  |  |  |  |
| --- | --- | --- | --- |
| **SIGNED, SEALED AND DELIVERED** in the presence of: |  |  |  |
|  |  |  | (Seal) |
| (Witness) |  | (Borrower) |  |
|  |  |  | (Seal) |
| (Witness) |  | (Borrower) |  |
|  |  |  | (Seal) |
| (Witness) |  | (Spouse of Borrower) |  |
|  |  |  | (Seal) |
| (Witness) |  | (Guarantor) |  |
|  |  |  | (Seal) |
| (Witness) |  | (Guarantor) |  |

CANADA

PROVINCE OF NEWFOUNDLAND AND LABRADOR

TO WIT:

# **AFFIDAVIT WITH WARRANTIES**

**I**,      , of the Town of      , in the Province of Newfoundland and Labrador, make oath and say as follows:

1. I am the Mortgagor making the within Mortgage (the "Mortgage") and thereby mortgaging the property described therein, or described in the Schedule(s) thereto annexed (the "Property") and as such, I have personal knowledge of the facts herein set forth.
2. The words "Spouse", "Matrimonial Home", "Marriage Contract", "Cohabitation Agreement" and "Separation Agreement" as hereinafter used shall have the same meanings as defined in the *Family Law Act*, RSNL1990, c. F-2 (the "Act"). At the date of execution of the Mortgage:
   1. I was at least 19 years of age;
   2. I was a Spouse but my spouse does not have any claim to or interest in the Property;
   3. the Property was not a Matrimonial Home;
   4. I have not entered into a Cohabitation Agreement, a Marriage Contract, or a Separation Agreement that involves or affects the Property;
   5. I do not have any former spouse or cohabiting partner with any right, title or interest in or claim to the Property under the Act;
   6. I agreed to mortgage my interest in the Property; and
   7. no other person had any vested rights or any unregistered interest in the Property save in respect to any registered restrictions or covenants that run with the Property.
3. I have not:
   1. operated a proprietorship or been a partner in a partnership that is or was an employer under the provisions of the *Workplace Health. Safety and Compensation Act*, RSNL1990, c. W-11, however, I am a director of an incorporated Company that is or was an employer under the provisions of the *Workplace Health, Safety and Compensation Act*, RSNL1990, c. W-11 ;
   2. operated any venture required to collect or pay a Provincial tax or royalty; or
   3. made an Assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.
4. I am a resident of Canada within the meaning of the *Income Tax Act*, R.S.C. 1985 (9 Supp.), and have no present intention of changing this status.
5. I am not an employer under the *Labour Standards Act*, RSNL1990, c. L-2.
6. At the date of execution of the Mortgage I was not liable for any tax or other debt imposed under:
   1. the *Excise Tax Act*, R.S.C. 1985, c. E-15; or
   2. the *Revenue Administration Act*, SNL 2009, c. R-15.01.
7. To the best of my knowledge, information and belief at the date of execution of the Mortgage there are no outstanding judgements registered with the Office of the High Sheriff of Newfoundland and Labrador against me.
8. I make this Affidavit conscientiously believing the information contained herein to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of the *Canada Evidence Act* R.S.C. 1985, c. C-5 knowing that it is an offence to make false statements in an Affidavit.
9. All Acts of Canada or the Province of Newfoundland and Labrador referred to herein shall be deemed to include any amendments to such Acts.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **SWORN TO** at      , Province of Newfoundland, on this day of      , 20     , before me: |  |  |  |
|  |
| A Barrister of the Supreme Court  Province of Newfoundland |  |  |  |

**SCHEDULE A**

**ADDITIONAL TERMS (UNINSURED MORTGAGE)**

**Note:** **This schedule does not apply to Open Term mortgages.**

1. **Prepayment Privilege Without a Prepayment Charge**

*Annual 20% Prepayment Privilege.*

1. Each year, only on the Anniversary Date of the interest adjustment date (the “Anniversary Date”) of your mortgage, you may make a lump sum payment of up to 20% of the principal amount owing on the mortgage at the beginning of your current term without paying a penalty or charge. Prepayments requested at any other time are not allowed. The Prepayment cannot be more than 20% of the original principal amount without paying a Prepayment Charge and must be at least $500. Even though you may have prepaid less than 20% of the principal amount on previous Anniversary Dates, the unused prepayment privilege amount does not carry forward.
2. **How You Can Prepay More or In-Full with a Prepayment Charge**

In the event:

1. You qualify for the 20% prepayment privilege described in section 1 above and you want to:
2. Prepay more than 20% of the mortgage on the Anniversary Date; or
3. Prepay the mortgage in full.

**OR**

1. You do not qualify for the 20% prepayment privilege described in section 1 above and you want to prepay the mortgage in full.

You may only do so with payment of a prepayment charge calculated in accordance with section 3 below. You must ask us to provide you with a statement of the required payment amount (a mortgage payout statement). The Prepayment Charge and the required payout amount we set out in the mortgage payout statement will be valid for 30 days from the requested statement preparation date or maturity date of your mortgage, whichever is earlier. After this date, you must request a new payout statement.

1. **3-2-1 Prepayment Charge Calculation**

The following is an example of how the calculation of a 3-2-1 Prepayment Charge is calculated:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Principal Amount being paid** | **X** | **Percentage** | = | **Estimated Prepayment Charge** |
| **A** | **X** | **B** | = | **C** |

1. If you prepay your mortgage in full at any time in the first year of your Term, up to and including the first Anniversary Date, or if you prepay in excess of your allowable Prepayment Privilege on your first Anniversary Date, you will pay a Prepayment Charge of **3%** on the amount being prepaid;
2. If you prepay your mortgage in full at any time in the second year of your Term, up to and including the second Anniversary Date, or if you prepay in excess of your allowable Prepayment Privilege on your second Anniversary Date, you will pay a Prepayment Charge of **2%** on the amount being prepaid;
3. If you prepay your mortgage in full at any time in the third year of your Term, you will pay a Prepayment Charge of **1%** on the amount being prepaid.
4. Prepayments made in full on the Anniversary Date will be calculated by reducing the amount being prepaid by the allowable prepayment privilege.
5. **Conflict**

In the event of any conflict or inconsistency between the provisions contained in this Schedule "A" and any provisions contained in the standard charge mortgage terms, this Schedule "A" shall govern.

This set of Additional Terms and Conditions is attached as Schedule “C” to Bridgewater Bank residential mortgages in Nova Scotia, Prince Edward Island, and Newfoundland and Labrador

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1. DEFINITIONS/TERMS YOU NEED TO KNOW

The following are used with particular meanings in this set of mortgage terms:

* + 1. **agreement** means, collectively, the mortgage commitment, advance schedule and any other agreement we make with you or document we issue to you relating to the making of the mortgage and all present and future supplements, amendments and replacements to that document or agreement.
    2. **balance due date** means the date set out in the registered mortgage or in an amending agreement on which the loan amount is payable in full and may also be referred to as the maturity date.
    3. **business day** means any day other than a Saturday or Sunday and any day which is a statutory or bank holiday in the province or territory in which your property is situated.
    4. **CMHC** means Canada Mortgage and Housing Corporation.
    5. **guarantor** means each person who signs the mortgage or an agreement relating to the mortgage as a guarantor, surety or covenantor.
    6. **hazardous substance** means any substance or condition that is prohibited, controlled or regulated or is otherwise hazardous in fact such as contaminants, pollutants, toxic, dangerous or hazardous substances, toxic, dangerous or hazardous materials, designated substances, controlled products, including without limitation, wastes, subject wastes, urea formaldehyde foam type of insulation, asbestos, or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments.
    7. **improvement** means any construction or installation on your property or any alteration, addition or repair to any building or structure on your property.
    8. **interest adjustment date** is the date identified as the interest adjustment date in the registered mortgage.
    9. **legal costs** means all legal fees and disbursements as between a solicitor and his own client on a full indemnity basis.
    10. **interest rate** is the interest rate identified as the interest rate in the registered mortgage.
    11. **loan amount** means the amount of money you owe us at any given time under this mortgage. The loan amount may include, but is not limited to, unpaid principal, interest on unpaid principal, defaulted payments, interest on defaulted payments, other charges and interest on other charges. Other charges may include our administration and processing fees and the expenses of enforcing our rights granted by the mortgage as well as paying off any prior encumbrances, claims or charges against your property, should we in our discretion do so.
    12. **mortgage** means, collectively, the registered mortgage, any schedules that are attached to the registered mortgage, this set of standard charge mortgage terms, and any supplements, amendments, replacements or renewals from time to time.
    13. **mortgage commitment** means the commitment letter, loan approval or other document we issue to you or to someone on your behalf pursuant to which this mortgage is made and all supplements, amendments and replacements to that letter, approval or other document from time to time.
    14. **mortgage insurer** means CMHC, Genworth Financial Insurance Company Canada or any other company or institution that insures the payment of mortgages to mortgage lenders.
    15. **prime rate** means the annual rate of interest which Bridgewater Bank establishes from time to time as the reference rate of interest that determines interest rates it will charge its customers on any given day for adjustable and variable rate loans in Canada.
    16. **principal amount** is the amount of money identified as the principal amount on the registered mortgage.
    17. **progress advance period** means, with regard to a mortgage that is to be advanced by way of one or more progress advances, the time provided in the agreement for the completion of the progress draws as may be increased or otherwise adjusted by us, in our discretion, for actual completion of all or any part of the improvement. The parties also agree that notwithstanding that this mortgage may be reduced and re-advances made, this mortgage secures all sums ultimately due and owing by you to us in respect of any loan, including any re-advancement of principal moneys made by us to you at any time.
    18. **registered mortgage** means the form of charge or mortgage which references this set of standard charge mortgage terms by its filing number and which you sign and is the part of the mortgage that is or will be registered against the title to your property or, where your property is under the electronic registration system, will be signed and registered electronically against title to your property, and all supplements, amendments, replacements and renewals from time to time.
    19. **requirements of environmental law** means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (whether or not they have the force of law), rules, policies, guidelines, orders, approvals, notices, permits, directives, of any federal, provincial, territorial, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental or occupational health and safety matters and your property and the activities carried out on your property (whether in the past, present or future) including, but not limited to, all such requirements relating to: (i) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (ii) the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste; and hazardous substances.
    20. **standard charge mortgage terms** means the set of standard mortgage terms, standard charge terms or optional covenants incorporated into the registered mortgage by reference to their filing number or the set of additional mortgage terms appended to the registered mortgage.
    21. **taxes** means, collectively, all taxes, assessments and levies of any kind relating to your property and includes any interest and penalties. Taxes include, but are not limited to, property taxes, local improvement assessments, school taxes and development charges. Taxes may also include penalties, costs, charges or expenses associated with a cleanup following a fire, explosion, hazardous substance spill or other destruction or damage.
    22. **term** means a time period commencing on the interest adjustment date and ending on the balance due date set out in the mortgage or in a renewal or in an amendment of the mortgage.
    23. **we**, **us**, and **our** mean the mortgagee or chargee described in the registered mortgage.
    24. **you** and **your** mean each person, corporation and other entity who has signed the mortgage as a chargor, mortgagor or borrower, including the personal and legal representatives of each person, corporation and other entity.
    25. **your property** means the land described on the registered mortgage and all present and future buildings, structures and improvements on the land. It also includes any improvements, substitutions, additions or alterations made to any building or structure on the land. If your property is a condominium unit or strata lot, your property includes your interest in the common property or common elements and any other interest that you may have in the assets of the condominium corporation or strata corporation. Any references to "your property" means all or any part of your property.
        1. WHAT THE MORTGAGE DOES
           1. The Mortgage is Our Security On Your Property
    26. By signing the registered mortgage, you mortgage and charge all of your right, title and interest in and to your property to us. If you are a tenant or a lessee of your property, you charge and sublease your entire leasehold interest in your property to us for the entire term of the lease except the last day of the term, including any renewals and any option or right of first refusal to purchase.
    27. In return, we make a loan to you for the principal amount, or any part of the principal amount as is advanced to you from time to time. Your interest in your property is security to us for repayment of the loan amount and your performance of all your obligations under the mortgage.
        - 1. What the Mortgage Secures
    28. If you have repaid part of the principal amount by regular payments or prepayments, we may, but have no obligation to, allow you to borrow additional amounts up to a maximum of the difference between the loan amount and the principal amount. You must meet our then current lending requirements. All additional amounts borrowed are secured by the mortgage in the same priority and bear interest at the interest rate of the mortgage in effect at that time.
    29. Our mortgage and charge of your property ends when you have repaid the loan amount in full, met all of your other obligations under the mortgage, and the mortgage commitment is terminated.
        - 1. Who is Bound by the Mortgage
    30. The obligations under the mortgage are the responsibility of each person, corporation and other entity who signed it. Even if other persons, corporations or other entities have also signed the mortgage, each borrower and guarantor is responsible for meeting all obligations in the mortgage and paying the entire loan amount.
    31. Your legal and personal representatives and anyone else to whom your property is transferred must also meet and comply with the obligations in the mortgage.
    32. Our successors and anyone to whom we transfer the mortgage are also bound by the mortgage.
        - 1. Notice of Obligations under Mortgages in Alberta

If the mortgage is a high-ratio mortgage on a property located in Alberta with insurance by a mortgage insurer, the following applies:

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

* + - * 1. Changing the Mortgage – Renewals and Amendments Including Automatic Renewals
    1. We may, at our option and by agreement with you in writing, change any part of the mortgage. This change could include renewing the mortgage.
    2. The mortgage may also be automatically renewed where, before the balance due date, we send to you a notice offering to renew the outstanding loan amount at certain rates and terms and you do not respond in writing accepting one of the renewal terms offered, or you do not pay the loan amount in full or you have not made other arrangements for payment or extension with us on or before the balance due date. In that circumstance, you agree the mortgage will be renewed for the term and at the rate for automatic renewal we set out in the renewal notice we send you.
    3. We do not have to register any such written renewal agreement with you on the title to your property to retain our rights under the mortgage against you or any other person including our priority over any other mortgage.
    4. If we make a new agreement with another borrower or person who is obligated to pay the loan amount, you will not be released from your obligations under the mortgage, even if you do not sign or are not advised of the new agreement.
    5. You do not have a right to renew the mortgage. Renewal of the mortgage is at our discretion.
       1. CONSTRUCTION MORTGAGE
          1. Financing Improvement of Your Property

If the mortgage is used to finance construction or building of an improvement, you must comply with these requirements:

* + 1. You must construct or build the improvement only according to plans and specifications that we have previously approved.
    2. You must complete construction or building of the improvement as quickly as possible.
    3. You must meet all government requirements and building codes and standards that apply to your property. If requested, you will provide us, at your expense, with proof that you have met all government requirements and building codes and standards that apply to your property.
    4. You will pay for all expenses associated with the improvement and provide us with proof that you have paid all money that is owed in connection with the improvement.
    5. We may make advances to you based on progress in completing construction of the improvement or upon its completion to our satisfaction. In the case of a building, we may also make advances to you based on its occupancy or the sale of the building.
    6. We may hold back money from any advances until we are satisfied that all obligations under the *Construction Lien Act, Builders' Lien Act*, *The Builders’ Liens Act* or similar legislation regarding payment for contractors, subcontractors, labourers and suppliers applicable in the province or territory where your property is located are met. You authorize us to give information about the mortgage to anyone who claims a construction or builders' lien on your property.
    7. We may obtain a court order removing any construction or builders' lien, and may provide financial guarantees or other security to obtain such an order. You must immediately pay all of our expenses for obtaining this order, including any charges for providing financial guarantees or other security as well as our legal costs.
       - 1. Progress Advance Mortgage

If the mortgage commitment provides for the mortgage to be advanced by draws on progress in completing improvements on your property, the following apply with regard to the making of the progress advances and to the conversion of the loan amount to the fixed term upon the completion of the final progress advance:

* + 1. Advances of the loan will be made at the times and on the terms and conditions set out in the mortgage commitment or registered mortgage.
    2. You agree to promptly perform all the work and the other terms and conditions for making each progress advance of the loan as set out in the agreement and the applicable sections of this mortgage.
    3. During the progress advance period, interest is calculated daily on the outstanding loan amount and is payable by you on the first (1st) day of each month, beginning in the month immediately following the first progress advance, at the prime rate plus or minus the percentage set out in the registered mortgage. This interest rate will vary automatically with each change in the prime rate. Interest at this rate will continue, both before and after default and judgment until the loan converts to the fixed mortgage as provided in section 3.2(d) below.
    4. At the end of the progress advance period, the loan converts to a fixed mortgage. The interest rate, interest adjustment date and balance due date set out in the registered mortgage will be reset for the term of years for the loan type that is provided for in the agreement. This term with the reset interest rate and payment provisions starts on the reset interest adjustment date. You must sign a conversion agreement to amend the registered mortgage to show the reset interest adjustment date, interest rate, regular mortgage payment amount and balance due date for such term. The reset mortgage terms are effective notwithstanding any delay in signing, registering or otherwise completing the conversion agreement.
    5. During the progress advance period, you do not have the partial prepayment privileges set out in sections 6.1 and 6.2 of the standard charge mortgage terms or any other partial prepayment privilege.
    6. During the progress advance period including at the time of the final progress advance, payout in full is permitted only with payment of a prepayment charge of three percent (3%) of the loan amount outstanding on the day early payout in full is made. The calculation of the prepayment charge set out in section 6.3 of the standard charge mortgage terms is not applicable until the loan converts to the fixed mortgage as provided in section 3.2(d) above.
    7. During the progress advance period, you do not have the conversion privilege set out in section 7 of the standard charge mortgage terms or the portability privilege set out in section 8 of the standard charge mortgage terms.
       1. INTEREST
          1. Interest For Fixed Rate Loans
    8. If you have a fixed rate, the interest rate payable by you is the rate shown in the registered mortgage.
    9. Interest is payable at the frequency shown on the registered mortgage and is calculated and compounded at the frequency set out in the registered mortgage.
    10. Interest is payable on the loan amount at this rate until the loan amount has been paid in full, both before and after the balance due date, before and after default, and before and after we obtain any court judgment against you.
        - 1. Interest For Adjustable Rate Loans

If the rate on the registered mortgage refers to the prime rate, you have an adjustable rate mortgage and, except as to a progress advance period that is subject to section 3.2, the following apply:

* + 1. The interest rate payable by you is the prime rate plus or minus the number of percentage points per annum, if any, shown on the registered mortgage. The interest rate is automatically adjusted monthly on the first (1st) day of each month; starting on the month following the interest adjustment date without any notice to you (every date on which such adjustment is made is referred to as an "adjustment date"). On each adjustment date, the interest rate for the month will be adjusted and set to the prime rate then in effect, plus or minus the number of percentage points, if any, as shown on the registered mortgage. Within a reasonable time after each change in the interest rate, we may mail to you, at your last known address according to our records, a notice of the changed interest rate and its effective date. The interest rate will vary in accordance with this section even if we fail to send this notice or you fail to receive it.
    2. Interest is payable at the frequency shown on the registered mortgage and is calculated and compounded at the frequency set out in the registered mortgage.
    3. Interest is payable on the loan amount at the rate as determined in accordance with this section, until the loan amount has been paid in full, both before and after the balance due date, before and after default, and before and after we obtain any court judgment against you.
       - 1. Interest on Amounts Advanced Before the Interest Adjustment Date

Interest on advances before the interest adjustment date will be calculated at the interest rate for the mortgage and at our option will be deducted from any part of the principal amount we advance or paid by you to us or debited by us to your bank account monthly with the final payment on the interest adjustment date.

* + - * 1. Compound Interest

If you do not make the regular payment or any other payment when required by the mortgage, we will charge interest (referred to as "compound interest") on all overdue amounts, including unpaid interest. Compound interest is payable both before and after the balance due date, before and after default, and before and after any court judgment we obtain against you. If we demand it, you must pay us this compound interest immediately. Compound interest is calculated at the interest rate of the mortgage.

* + - 1. YOUR REGULAR PAYMENTS
         1. Currency and Place of Payment

You will pay the loan amount to us in Canadian dollars at the address shown on the registered mortgage or as you may be notified by us in writing.

* + - * 1. Regular Payments
    1. **If the interest rate of the mortgage is a fixed rate**, the amount of each regular payment, which includes principal and interest, is as shown on the registered mortgage.
    2. **If the interest rate for the mortgage is an adjustable rate**, the amount shown on the registered mortgage, which includes principal and interest, is the payment that has to be made based on the rate in effect at the time the mortgage is made (except for any progress advance period that is subject to section 3.2 and during which interest only is payable).

Your regular payment amount will change with each adjustment in the interest rate to an amount sufficient to pay all interest that will accrue up to and including the next payment date, plus the amount of principal we determine is required to be paid to maintain the amortization of the mortgage, as adjusted for any prepayments you may have made. This amount will be your new regularly scheduled payment amount until the payment amount is again changed following an adjustment in the interest rate.

* + 1. You must make these regular payments on the dates set out in the registered mortgage starting with the first payment date up to and including the balance due date.
       1. If the mortgage has an adjustable rate, the date for your regular payments must be the first (1st) day of the month.
       2. If the mortgage has a fixed rate, the date for your regular payments will be the first (1st) day of the month unless changed in accordance with section 5.3 below.
          1. Changing the Frequency or Date of Your Regular Payments
    2. Subject to the provisions of this section, the registered mortgage and our agreement, at your request we may permit you to change either the frequency of your regular payments, or the date on which each regular payment is due, or both.
    3. On a change pursuant to this section, an interest adjustment amount may be payable and we may charge an administration and processing fee in an amount determined by us. Such amounts are immediately payable or may at our option be added to the loan amount.
    4. In addition to any other remedy we might have under the mortgage, if you have made a change pursuant to this section, and you are in default of payment, your regular payment will, at our option and without prior notice to you, revert to the monthly payment frequency and the date for regular payments will default to the first (1st) day of the month. Any interest adjustment amount will be immediately payable or, at our option, added to the loan amount.
    5. Amounts payable on account of taxes and insurance with your regular payment will at all times be payable at the same frequency and calculated in the same manner as your regular payments.
    6. Changes are not permitted on interest only payments.
       - 1. Payment of Loan Amount on Balance Due Date

You must pay any outstanding balance of the loan amount on the balance due date shown on the registered mortgage or any agreement amending the mortgage.

* + - * 1. How All Payments Must Be Made

You must maintain a bank account with a bank, trust company or credit union in Canada and provide authorization in a form satisfactory to us to automatically debit each regular payment and any other payments when due. You must make sure that the account always contains sufficient funds to make each payment. If you do not maintain sufficient funds in the account, or if you cancel the authorization to debit payments, or if you close the account, we may declare you to be in default on your mortgage.

* + - * 1. How We Apply Your Payments

If the mortgage is in good standing, we will apply the amount we receive from you on each regular payment date in the following order:

* + 1. to pay life insurance premiums on the mortgage or other optional products or services you select (if applicable);
    2. to bring into good standing any accounts related to the mortgage in which we hold funds for payment to others or from which amounts are debited, including tax accounts (if applicable);
    3. to pay any collection expenses (including those set out in section 11.5(e)) and applicable administration and processing fees;
    4. to pay interest accrued for the payment period; and
    5. to reduce the principal amount.

Notwithstanding the foregoing, if you do not meet one or more of your obligations under your mortgage, we may apply any payments or any other money we receive in whatever order we choose.

* + - 1. HOW THE MORTGAGE CAN BE PAID OFF EARLIER
         1. Prepayment Privilege Without a Prepayment Charge

If you are entitled to a prepayment privilege, this privilege will be set out in your registered mortgage.

* + - * 1. How You Can Prepay More or In Full With a Prepayment Charge

The terms relating to prepayment of all or a portion of your mortgage and applicable prepayment charges are set out in your registered mortgage.

* + - * 1. Prepayment Charge

The formula for calculating the prepayment charge is set out in your registered mortgage.

* + - * 1. Prepayments Generally

In order to qualify for any of the early payment options set out in sections 6.1 and 6.2, you must have met all your obligations under the mortgage. For these early payment options, a year means the twelve (12) month period that starts on the interest adjustment date and on each anniversary of the interest adjustment date. Each partial prepayment under any partial prepayment option must be in a minimum of at least five hundred dollars ($500.00). We reserve the right to change the minimum payment amount at any time.

After each partial prepayment is made, you must continue to make your regular payments in accordance with the mortgage.

Each partial prepayment you make is applied to pay down the outstanding principal and cannot be refunded or, unless we otherwise agree, be re-borrowed by you.

* + - * 1. Prepayment of Renewed or Extended Mortgages

The prepayment provisions set out in this Article 6 are only available during the original term of the mortgage (including, as applicable, the term that commences after a progress advance period). If the mortgage is renewed, converted (other than at the end of the progress advance period) or amended, you may only use the prepayment provisions set out in the renewal, conversion or amending agreement.

* + - 1. CONVERTING THE MORTGAGE
         1. How You May Convert From an Adjustable Rate Loan
    1. If the interest rate of the mortgage is an adjustable rate, you may convert the mortgage to another closed fixed rate mortgage then offered by us if:
       1. you have always met your obligations under the mortgage; and
       2. the term of the mortgage you are converting to is equal to or greater than the remaining term of this mortgage.
    2. The mortgage will be converted when you send to us a request in writing. The request should be sent to our address as shown on the registered mortgage or to such other address as we may later advise you in writing.
    3. The interest rate for the converted mortgage will be our posted interest rate in effect on the date the written request for conversion is received by us. The conversion will take effect on the next adjustment date (as that term is defined in section 4.2) following receipt by us of the written request for conversion, provided that we receive your request at least ten (10) business days prior to that adjustment date. If we receive your request less than ten (10) business days prior to an adjustment date, the conversion will take effect on the next following adjustment date.
    4. Once the mortgage has been converted, the prepayment privileges of the original mortgage will no longer apply. Any prepayment privileges will be contained in the converted mortgage.
    5. You will be responsible for the payment of our then current administration and processing fee for converting the mortgage.
       1. PORTABILITY - MOVING THE MORTGAGE TO ANOTHER PROPERTY
          1. Generally

If you have met all your obligations under the mortgage and you have agreed to sell your property and purchase another property within thirty (30) days of the sale of your original property, we may provide financing for the purchase of the new property at our discretion. As a condition of us providing you with financing for the purchase of your new property, you will be required to grant us a mortgage over all of your right, title and interest in and to your new property.

* + - * 1. Conditions

In order for us to provide financing for the purchase of the new property, all of the following conditions must be met:

* + 1. You must apply to us in writing for financing of the new property.
    2. The sale of your original property must be to a bona fide arm's length purchaser.
    3. On the date you complete the sale of your original property, the loan amount must be paid in full, including all applicable prepayment charges.
    4. Our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage must be met. This includes the requirements of the mortgage insurer, if applicable.
    5. The mortgage terms in respect of your new property may be renegotiated if, in our opinion, the lending risk profile has changed significantly.
    6. You must pay all applicable processing or administration fees, all legal costs and appraisal fees and other expenses incurred in connection with the new mortgage.
       - 1. Prepayment Charge Refund
    7. If the principal amount of the new mortgage is the same as or greater than the amount that was owing on the original mortgage on the date of prepayment and the new mortgage is advanced to you on the closing of the new property within thirty (30) days of the prepayment, we will refund the prepayment charge to you.
    8. If the principal amount of the new mortgage is less than the principal amount that was owing on the original mortgage on the date of prepayment, we will only refund to you a portion of the prepayment charge. To the extent that the reduction in principal amount between:
       1. the principal amount on the original mortgage on the date of prepayment; and
       2. the principal amount of the new mortgage;

exceeds the allowable prepayment privilege, if available, on the original mortgage on the date of prepayment, we will retain that portion of the applicable prepayment charge.

* + - * 1. Term and Interest Rate of New Mortgage

The interest rate and the balance due date of the original mortgage will apply to the new mortgage.

* + - 1. ASSUMPTION OF THE MORTGAGE IF YOUR PROPERTY IS SOLD
    1. If you transfer title, or agree to transfer title, to your property to anyone without first obtaining our written approval, we may require you to pay the loan amount immediately in full. If we accept any payment from any person who we have not first approved in writing, this does not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount immediately in full.
    2. You agree to give us sufficient information and ten (10) business days advance notice to enable us to decide whether we should give our written approval. Once we receive this information, we will make our decision as soon as possible. We will not unreasonably withhold our approval.
    3. If you exercise this privilege, there may be an administration and processing fee. You must pay us these fees immediately, whether or not the mortgage assumption is approved by us.
    4. At our discretion, we may agree to release you from your obligations under the mortgage and your obligation to pay the loan amount. If applicable, we may also agree to release any guarantors from their guarantee, provided that:
       1. we determine that the person or persons to whom the property will be transferred qualify for the mortgage on their own and we give our written approval to you to transfer title to your property;
       2. the transfer of your property is to an arm’s length person or persons other than yourself so that you will not retain any ownership or leasehold interest in your property after the transfer of title takes place;
       3. if we request it, the approved person or persons has provided us with a mortgage assumption agreement and/or such additional documentation as we may request, including but not limited to, guarantee or surety agreements. We also reserve the right to renegotiate or amend the mortgage terms if, in our opinion, the lending risk profile has changed significantly; and
       4. you provide us with proof of registration of a transfer of land or deed of land (as the case may be) to the approved person or persons.
       5. YOUR PROMISES AND OBLIGATIONS
          1. Payments
    5. You agree to pay the loan amount as required by the mortgage, and to meet all of your other obligations under the mortgage. Should you make any claim against us for any matter relating to the mortgage or life insurance or other insurance for payment of all or any part of the loan amount, you will make such claim without abatement or set-off or otherwise diminishing your obligation to make all payments as they become due.
    6. You agree to pay us all of our costs, including any legal costs and all costs, charges and expenses for investigating the title to your property and registering the mortgage. You must pay these amounts to us immediately.
       - 1. Your Property and the Mortgage
    7. You certify that you have the right to grant us this mortgage.
    8. Unless you are a tenant of your property and section 10.3 applies, you certify that you are the legal and beneficial owner of your property.
    9. You certify that there are no encumbrances, claims, charges or limitations affecting title to your property (such as other mortgages, or construction or builders' liens), except those that we have agreed to in our loan commitment document and except building and zoning by-laws that you have complied with.
    10. You agree that, at your expense, you will sign any other document or do what is necessary, in our opinion, to make sure that all of your interest in your property has been completely charged to us so that our loan to you is adequately secured.
    11. You agree that you will take any necessary action to protect and defend your title to your property and will not interfere in any way with our interest in your property.
        - 1. Properties Which You Lease From Others

If you are a tenant or a lessee of your property, you certify all of the following to us, and you agree that:

* + 1. Your property is leased to you under a valid lease in good standing, you have given us a complete copy of that lease including any amendments thereto, and you have good leasehold title to your property.
    2. All rents and other amounts payable under the lease have been paid up to the date you sign the mortgage.
    3. You have met all of your obligations under the lease up to the date you sign the mortgage and are not in default of your lease in any manner whatsoever.
    4. Your landlord has agreed that you may mortgage your interest in your property to us. If we ask you to, you will provide us with evidence (in writing and satisfactory to us) that you have this consent, or that you have the right to mortgage your interest in your property without the consent of your landlord or the person who leases your property to you.
    5. There are no encumbrances, claims, charges, liens or limitations on your interest in the lease except those identified in the lease, or registered against the title to your property, or contained in building and zoning by-laws.
    6. You and your landlord have complied with all restrictions registered against the title to your property, and with all building and zoning by-laws.
    7. You will pay all rents and all other payments required by the lease when they are due.
    8. You will meet all of your other obligations under the lease.
    9. You will not surrender your lease or cause the lease to be terminated.
    10. You will not make any change in the lease without first obtaining our written consent.
    11. You will give us a copy of any notice, demand or request that you receive relating to the lease. You must give this to us immediately after you receive it.
    12. You will protect and indemnify us from all actions, claims, costs and demands if you default on the lease.
    13. You will hold the last day of the term of the lease of your property, or the last day of any renewal term of the lease, in trust for us. You will only deal with the last day of the term or renewal term of the lease of your property in the way that we require. You will have the same rights and obligations with respect to the last day of the term or renewal term of the lease as you already have under the rest of the mortgage and under the law. You agree that we may remove you or any other person as trustee of this trust, and that we may appoint a new trustee.
    14. At our request, you will transfer to us the last day of the term of the lease, or the last day of any renewal term of the lease. You must pay all expenses related to this transfer.
    15. If we enforce our rights under the mortgage, including selling your property under power of sale, then you will hold the last day of the term of the lease, or the last day of any renewal term of the lease, in trust for any person to whom we sell your property, including that person's legal and personal representatives and successors.
    16. You appoint us as your attorney so that we may assign the lease and the last day of the term of the lease, or the last day of any renewal term of the lease, on your behalf and in your name. You also appoint us as your attorney so that we may transfer your interest in your property as required to enforce any of our rights under the mortgage.
        - 1. No Other Mortgages Without Consent

You agree that you will not grant nor permit to be registered any other mortgage, claim, charge or encumbrance on your property, nor shall you use your property as security for any other debt, without our prior written approval which we may arbitrarily withhold.

* + - * 1. Owner-Occupied Properties

If the mortgage is approved by us for occupancy of your property by you and your family as your residence, you certify that no part of your property is rented or occupied by a tenant. You also agree not to rent or lease any part of your property, or enter into a tenancy or occupancy agreement of any part of your property, or renew any lease (unless the renewal is provided for in a lease we have already approved), without first getting our written approval. We are under no obligation to approve your request to rent, lease, or enter into a tenancy or occupancy agreement for any part of your property, or to approve the renewal of a lease in respect of any part of your property.

* + - * 1. Rental Properties
    1. If your property is to be considered as rental property, you must obtain our consent prior to any rental arrangement and/or any renewal. You must also assign to us all present and future leases, lease agreements, tenancy or occupancy agreements and any renewals, and all rents payable under these leases and agreements, and all rights under these leases and agreements as they affect your property.
    2. You transfer and assign to us all present and future leases, lease agreements, tenancy and occupancy agreements, any renewals, all rents payable under the leases and agreements and all rights contained in the leases and agreements and renewals that affect your property.
    3. Upon our request:
       1. You will obtain and provide us with estoppel certificates from each and every tenant of your property in such form and substance as we may require. For greater clarity, an estoppel certificate is a written statement from the tenants certifying, among other things, the terms of the lease and any promises made to them about the lease.
       2. You will give us such additional security on fixtures, equipment and other movable property or chattels relating to the rental property as we may require.
       3. You will pay all of our expenses related to the assignments and additional security, including legal costs and registration costs.
    4. If you do not meet one or more of the obligations set out in this section, or if one or more of the certifications you made to us related to leasing or renting out your property is not true, then we may require you to pay the loan amount immediately and in full. If we do this, we may pay any tenants any amounts necessary to obtain their cooperation in showing and selling your property and to obtain possession of your property from the tenant. You agree that these payments will be a cost of enforcing our security, and that they will be added to the loan amount. You also appoint us as your attorney and agent to enforce the terms of any lease or agreement you entered into, and to cancel or terminate any lease or agreement.
    5. We are not obligated to collect any rent or income from your property or to comply with any part of a lease or agreement related to your property. Furthermore, nothing we do under this section will be considered as us taking possession of your property.
    6. If you are not meeting one or more of your obligations under the mortgage and you lease or sublease any part of your property without our written approval, you will be considered to have done this to discourage us from taking possession of your property and/or be considered to have done this to adversely affect the value of our interest in your property.
       - 1. Property Taxes
    7. You will ensure that all taxes, rates and levies relating to your property (collectively, "property taxes") are always paid on time. You will ensure such payment by enrolling, where available, in a local Tax Instalment Payment Program which includes preauthorized debit of tax instalments to your account. You must then each calendar year, after the last tax payment has been made, provide to us receipted tax bills or other satisfactory proof of payment of property taxes. This is your obligation unless we choose to pay property taxes as set out in parts (b) and (c) of this section below.
    8. On or before the interest adjustment date, we may withhold from any advance secured by the mortgage or require you to pay out of any advance of the mortgage any amount we feel necessary to pay current or anticipated future taxes.
    9. We may at any time on notice to you require that you pay to us on each regular payment date a tax instalment in an amount based on the estimated annual property taxes (as determined by us) sufficient for us to pay the property taxes for the ensuing year. In the event we require such tax instalments:
       1. You will pay the instalment on account of property taxes on each regular payment date.
       2. If the property taxes are more than our estimate, or if for any other reason the amount you have paid to us for property taxes is less than the amount we have paid for property taxes, you will pay us interest at the mortgage rate on the difference and will immediately pay us the difference when we ask you to.
       3. You agree to send us all property tax bills and other notices or communications related to property taxes as soon as you receive them. If you do not, you must repay to us the cost of obtaining these notices.
       4. If you want to take advantage of any discount or avoid any penalty or interest in connection with the payment of property taxes, you must pay us the appropriate amount in addition to the instalments we calculate.
       5. We do not have to hold any money you send to us to pay property taxes in trust for you and we do not have to pay you interest on the money you send us to pay property taxes. We do not have to pay property taxes more than once a year.
       6. If you do not meet any one or more of your obligations under the mortgage, we may apply any money that we have received for property taxes to any portion of the loan amount.
       7. You agree to repay to us any costs, charges and expenses we incur in paying your property taxes, including amounts charged by the taxing authority for providing information about your property taxes, for sending us your property tax invoices or for accepting property tax payments from us on your behalf. You agree that we may add these amounts to your property tax instalments.
          1. Insurance

**(This section does not apply if your property is a residential condominium unit or strata lot.)**

* + 1. You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than full replacement value in Canadian dollars. You must keep this insurance coverage in place at all times until the loan amount has been fully paid. Your insurance must include coverage for loss or damage caused by fire with extended perils coverage. At any time, we may require that you also obtain coverage for additional perils, risks or events, including, but not limited to, rental/tenant insurance, rental loss insurance and/or business interruption insurance in such amounts as we may require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system, elevator or any other comparable equipment is operated on your property, then you must also have insurance coverage for loss or damage caused to the equipment, or by the equipment, or by the explosion of the equipment.
    2. All insurance policies must:
       1. be carried with an insurance company that is satisfactory to us; and
       2. contain mortgage clauses and endorsements approved by the Insurance Bureau of Canada, or by us, confirming that any loss proceeds will be paid first to us, and give us the first right to receive, and to have a lien on, the insurance proceeds.
    3. You must provide us with written evidence of insurance that satisfies these requirements. You must also immediately inform us of any changes in your insurance including, but not limited to:
       1. any change in insurance company or policy;
       2. any change in the amount or perils covered by your insurance; and
       3. any notice of pending cancellation or cancellation of insurance.
    4. At least fifteen (15) days before any insurance policy expires, you must provide us with evidence that you have renewed or replaced the policy.
    5. If we ask you to, you must provide us with certified copies of all insurance policies.
    6. If you do not arrange for insurance or if you do not pay the premium for any insurance policy, we may arrange for insurance and pay the premium. However, we are not obligated to do this. If we pay any insurance premium or other amount of money for insurance on your behalf, you must repay us immediately. Alternatively, we may charge you such amount as we may determine for our insurance for protection of our interest in your property. We may further charge you a reasonable administration fee for arranging and maintaining insurance on your property.
    7. If any loss or damage occurs, you must immediately notify us and do everything necessary to enable us to obtain the insurance proceeds payable to us under the mortgage. You must pay all expenses related to this. You agree that if we produce the mortgage, that will be sufficient authority for the insurance company to pay us any insurance proceeds that are payable because of a loss. By signing this mortgage, you authorize and direct the insurance company to do so. We have the right to decide how to use the insurance proceeds. For example, we may use part or all of the insurance proceeds to repair or rebuild your property, reduce any part of the loan amount, whether it is due or not, including paying any prepayment charges that are payable, or pay you.
       - 1. Repairs
    8. You must keep your property in good condition and in a good state of maintenance and repair and you will not permit or suffer any act of waste upon your property. You must carry out all necessary repairs and you must not do anything, or let anyone else do anything, that lowers the value of your property.
    9. You must also comply with every present and future law, by-law, ordinance, regulation and order that affects the condition, repair, use or occupation of your property.
    10. If you:
        1. do not keep your property in good condition and a good state of maintenance and repair;
        2. do not carry out all necessary maintenance and repairs;
        3. do not comply with all present and future laws, by-laws, ordinances, regulations and orders that affect the condition, repair, use or occupation of your property; or
        4. if you do anything, or you allow anything to happen, that lowers the value of your property;

we are authorized to make any repairs to your property that we think are necessary.

* + 1. You authorize us or any mortgage insurer (if applicable) to enter your property at all reasonable times to inspect and repair your property. By entering your property to inspect it or make repairs, we will not be deemed to be a mortgagee in possession of your property.
    2. You are responsible for the costs, charges and expenses of any maintenance and repairs and any inspections done by us or on our behalf. You must pay us these costs, charges and expenses immediately.
       - 1. Demolitions and Alterations

You agree not to demolish or remove any building or structure, or part of any building or structure, on your property without first obtaining our written approval. You also agree not to make any substantial alterations, additions or improvements to your property (referred to collectively in this section as "alterations") without first obtaining our written approval of your proposed plans. If we agree to let you make alterations, the following conditions apply:

* + 1. The alterations must be completed as quickly as is reasonably possible.
    2. The alterations must meet all government requirements and zoning and building by-laws, regulations, building codes and other standards that apply to your property. If we ask you to, you will give us proof that the alterations meet all government requirements and building codes and standards.
    3. You will pay all costs, charges and expenses associated with the alterations, and you will provide us with proof that all amounts that are owed for the alterations have been paid.
    4. You must maintain all holdbacks in accordance with applicable law.
    5. We may obtain a court order removing any construction or builders' lien and may provide financial guarantees or other security to obtain this court order. If we obtain a court order, you must pay to us immediately all of our costs, charges and expenses related to obtaining it, including legal costs.
       - 1. Environmental
    6. You certify that you have made reasonable investigations and enquiries and that, to the best of your knowledge:
       1. your property complies with all requirements of environmental law;
       2. no part of your property contains, nor has it ever contained, nor will you permit it to contain, any hazardous substance that may, in any way, lower the value of your property or negatively affect the marketability of your property; and
       3. no part of your property or any land adjacent to your property is, or has been, or will be, used to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous substance, except in accordance with all requirements of environmental law.
    7. You may not use your property to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous substance whether or not in accordance with all requirements of environmental law, unless you have first notified us in writing that you intend to do so, and you have received our written approval.
    8. We may require you to obtain an environmental audit, satisfactory to us, of all or any part of your property. However, we do not have to do so. If we do, you are responsible for all of the costs, charges and expenses associated with conducting the environmental audit. Any environmental audit will not relieve you from your obligations under the mortgage. We can require as many environmental audits as we think necessary.
    9. If any hazardous substance is found on your property, regardless of the source or cause, you must immediately carry out all work required to remove the hazardous substance from your property and repair the damage to your property to put your property into compliance with all applicable law, including requirements of environmental law. The plans and proposals for doing the work and repairs must be prepared in consultation with us and must be approved, in writing, by us in advance. When the work is completed, you must provide us with confirmation in writing that the work is completed. This confirmation must be in a form acceptable to us. You are responsible for all of the costs, charges and expenses associated with this work, including providing evidence that the work has been completed.
    10. If you fail to meet one or more of your obligations under this section, you agree that we may do all or any part of the work we feel is necessary, however, we are not obligated to do so. You will be responsible for all of the costs, charges and expenses associated with any work we carry out.
    11. In all cases, you will protect and indemnify us against all actions, claims, lawsuits, costs, charges, expenses or other demands relating to any hazardous substance on your property, and any breach of your obligations under this section, including legal costs.
        - 1. Property Inspection, Testing and Investigation
    12. We, or our agents, may enter and inspect your property and conduct any environmental testing, site assessment, investigation or study that we consider necessary. You are responsible for the costs, charges and expenses of this testing, assessment, investigation or study, including interest at your mortgage rate. You must pay us these costs, charges and expenses, including interest, immediately and if not they become part of the loan amount.
    13. If your mortgage has mortgage insurance, the mortgage insurer or its agents, may enter and inspect your property and conduct any environmental testing, site assessment, investigation or study that they consider necessary. You are responsible for the costs, charges and expenses of any testing, assessment, investigation or study, including interest at your mortgage rate. You must pay us these costs, charges and expenses, including interest, immediately.
    14. If we or the mortgage insurer enforce our rights under this section, we, the mortgage insurer or our respective agents will not be considered to have taken possession, management or control of your property.
        - 1. Illegal Activities

You certify that no part of your property is or will be used for any illegal purpose, including as a brothel, a gaming house, or for the sale, storage, cultivation or processing of any controlled or illegal substance.

* + - * 1. Administration and Processing Fees

You agree to pay to us, when due, our then current administration and processing fees for all aspects of the servicing of the mortgage and agreements including:

* + 1. dealing with each stop payment request and arrangement to hold or process any payment other than on its due date by preauthorized debit and with any late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, or any preauthorized payment which does not clear as scheduled;
    2. preparing each assumption, arrears, reinstatement, discharge or other mortgage statement, and each amortization or revised amortization schedule whether provided to you, to your agents or solicitors or any other interested person;
    3. processing each application to obtain our consent to assume the mortgage or our approval or consent for any other matter required by the mortgage whether or not approval or consent is provided or the matter is completed;
    4. processing each payment frequency change, extension, renewal, conversion, restructuring or other amendment of the mortgage, the agreement, or amounts secured by the mortgage, whether or not completed;
    5. investigating the status of any insurance, administering insurance cancellations, paying insurance premiums and dealing with insurance claims;
    6. providing a copy or duplicate of documents from our file or an amortization schedule, a payment history, tax account history, audit verification and other services of a clerical nature including retrieval, copying, transmissions and other charges;
    7. investigating the status of realty tax payments and administering the account for the collection and payment of taxes;
    8. registering a financing statement or financing change statement or issuing or receiving any notice or information, security status or acknowledgement request and conducting any required searches; and
    9. generally, any matter connected with the administration of the mortgage, the agreements and your property including inquiring into compliance, dealing with or enforcing any obligation contained in the charge or agreements and including, without limitation, with respect to preparation and administration of legal actions and enforcements, taxes, condominium fees and matters, insurance, repair and construction, environmental matters, leases and other encumbrances and managing or selling your property;

We may add our fees to the loan amount secured by the mortgage and we will charge you interest on these fees at the mortgage rate, from the date the fees are incurred.

We have the right to change the fees we generally charge borrowers from time to time. You can go to our website, bridgewaterbank.ca or contact one of our client representatives at 1-888-837-2326 to find out the fees in effect at any particular time.

* + - * 1. New Home Warranties

If your property includes a newly or recently constructed house, you agree to meet all of the requirements to obtain and maintain the warranty in the new home warranty program applicable in the province or territory your property is located. You agree to provide to us copies of the New Home Warranty Certificate and certificate of possession, occupancy certificate or other applicable certificates. You assign to us the right to receive and enforce all benefit of such warranty. You also agree to reimburse us for any costs, charges or expenses that we incur in complying with the warranty program requirements, or enforcing your rights on your behalf if you fail to do so.

* + - * 1. Assumption of Mortgage

If you are not the original borrower under the mortgage, you agree to be bound by all obligations of the original borrower under the mortgage whether or not you have executed a written acknowledgement or assumption agreement in respect of the mortgage.

* + - * 1. Expropriation

If your entire property is expropriated, the loan amount will immediately become due and payable together with applicable prepayment charges. If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not provide adequate security for the loan amount, then the loan amount, or any part of the loan amount as we determine, will immediately become due and payable together with applicable prepayment charges. If your property is located in Alberta, you hereby waive the provisions of sections 49 and 52 of the *Expropriation Act* (Alberta) and any legislation enacted in its place.

* + - * 1. Spousal Information

You certify to us that all information that you give us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made in the registered mortgage are true and accurate under the laws regarding spousal or matrimonial property rights in the province or territory in which your property is located.

* + - * 1. Withholding Taxes

You agree that we must receive interest payments free and clear of any withholding tax. If you are or become a non-resident of Canada for income tax purposes, the country where you reside may charge you withholding tax on the interest portion of your payments to us. You are responsible for paying any withholding tax and providing to us receipts issued by the foreign tax authority as proof that you have paid withholding tax. If you do not pay the withholding tax and the foreign tax authority makes us pay it, you promise to pay the withholding tax amount to us when we ask for it. The amount will be added to the loan amount until paid.

* + - 1. OUR RIGHTS AND REMEDIES
         1. No Obligation to Make Advances Under the Mortgage

We may, for any reason, decide not to advance you all or any part of the principal amount, even if you have signed the mortgage, the mortgage has been registered or we have already advanced you part of the principal amount. In this case, you will pay us, immediately when we demand, all of our costs, charges and expenses, including legal costs, related to investigating title to your property and for registering the mortgage.

* + - * 1. Releasing Your Property From the Mortgage
    1. We may release our interest in all or part of your property, whether or not we receive any value. We will be accountable to you only for money that we actually receive. If we release our interest in only part of your property, the remainder of your property will continue to secure the loan amount and your obligations, and the obligations of any guarantor, under the mortgage will continue unchanged.
    2. If your property is subdivided, each part of your property will secure payment of the loan amount.
       - 1. Certain Actions We Can Take
    3. We can, if we think it is necessary, pay off any mortgages, encumbrances, charges, claims or liens which we deem to have priority over the mortgage. We can also pay all expenses that we incur in collecting any payment under the mortgage that you did not make when due and in enforcing your other obligations. You must immediately reimburse us for these expenses.
    4. If you are a tenant or a lessee of your property, we can cure any defaults existing under your lease and you must immediately reimburse us for all costs, charges and expenses, including legal costs, we incur in so doing. If you refuse or neglect to renew your lease when it gives you that right, we have the right to do so on your behalf. Every renewal will be subject to this mortgage.
    5. If you do not meet one or more of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. You must immediately reimburse us for all payments which we make and costs, charges and expenses which we incur in taking these steps.
    6. You will reimburse us for all costs, charges and expenses, including legal costs, we incur in defending or otherwise dealing with any action or proceeding in which we by reason of the mortgage may be a party or otherwise interested including without limitation any construction lien, builders' lien or similar matter, any seizure or prosecution by police or other authority, any foreclosure, sale, redemption, assessment or other action or proceeding by any other encumbrancer or any certificate of pending litigation or other title matter.
    7. Any payments we make under the mortgage will be added to the loan amount. We will charge you interest on these payments from the date we pay them at the mortgage interest rate.
    8. If we have not received a solicitor's final report and certificate of title within sixty (60) days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide a final report and certificate of title. You will be responsible for all legal costs associated with so doing.
       - 1. Default and Acceleration of the Loan Amount

The loan amount will become due and payable immediately, at our option, if:

* + 1. you default in making any regular payment, or any other payment you are obliged to make to us under the mortgage;
    2. you fail to comply with any of your other obligations under the mortgage;
    3. any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, utilities, unpaid condominium or strata maintenance fees, levies, assessments, judgments, construction or builders' liens or other similar encumbrances;
    4. your property is abandoned or is not visibly and consistently occupied;
    5. any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for fifteen (15) consecutive days;
    6. you fail to comply with section 10.1 hereof or your property is used for any illegal purpose or is used for a business purpose without our consent;
    7. your property is the subject of a restraint order under the *Controlled Drugs and Substances Act* (Canada), a similar order under *The Safer Community and Neighbourhoods Act* (Manitoba) or *The Criminal Property Forfeiture Act* (Manitoba), *Civil Forfeiture Act* (British Columbia) or any similar order under any similar law;
    8. you sell or otherwise dispose of your property or mortgage your property to a person not approved in writing by us;
    9. we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage is untrue;
    10. if your property includes a condominium unit or strata lot, a vote authorizes termination of the condominium or strata property or the sale of all or substantially all of the condominium corporation's or strata corporation's assets or its common elements or common property or the condominium corporation or strata corporation fails to insure the unit or strata lot and common elements or common property; or
    11. a petition in bankruptcy is filed against you, you make a general assignment for the benefit of your creditors, you make a proposal to your creditors, a receiver or a similar person is placed or is threatened to be placed in control of your affairs or your property or, in our opinion, you become insolvent.

If the loan amount so declared immediately payable is paid prior to the balance due date, you agree to compensate us by payment of a prepayment charge equal to three (3) months' interest at the interest rate of the mortgage then in effect. Where default continues to or is made after the balance due date, the outstanding amount may only be paid upon payment of three (3) months' interest on the loan amount or three (3) months' written notice in place thereof.

* + - * 1. Enforcing Our Rights
    1. If any of the events set out in section 11.4 occurs, we may, with or without declaring the loan immediately payable, enforce our rights by taking certain actions, which include:
       1. *Sue you*. We may take any action that is necessary to recover payment of all or any part of the loan amount and to make you perform any of your other obligations under the mortgage.
       2. *Foreclosure or sale*. We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under the court's supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.
       3. *Lease your property or collect rents*. We may with or without entering on the property lease your property without notice to you. If we think it is reasonable, we may cancel or amend any lease or enter into new leases without being responsible for any resulting loss. We may apply the money collected under or in connection with any lease, after paying all costs, charges and expenses, to any part of the loan amount. We will only be accountable for the money remaining after payment of all costs, charges and expenses when we actually receive it. If the money remaining, after paying all costs, charges and expenses, does not pay the loan amount in full, you must pay us the difference.
       4. *Power of sale*. We may, where permitted by law and on the minimum period of written notice to you required by law, sell your property or any part of your property. We may sell your property for cash or on credit, or partly for cash and partly on credit. We may sell your property by private sale or public auction and for whatever terms we can obtain. We may have access to your property for purposes of showing or displaying the property for sale. If we think it is reasonable to do so, we may cancel or amend any contract of sale, or postpone any sale, without being responsible for any resulting loss. We may apply the money from any sale, after paying all costs, charges and expenses, to reduce any part of the loan amount. We will only be responsible for the money remaining after we pay all costs, charges and expenses when we actually receive it. If the money remaining, after paying all costs, charges and expenses, does not pay the loan amount in full, you must pay us the difference.
       5. *Enter on your property*. We may enter your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. We will not be considered to be a mortgagee in possession of your property unless we actually take possession of it without a court order entitling us to do so. While in possession, we will only be accountable for money actually received. We may take possession of your property without any encumbrances or interference.
       6. *Appoint a receiver*. We can appoint, in writing, a receiver (which term includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for anything the receiver does or fails to do. We are not accountable for any money received by the receiver except for money that we actually receive. The receiver may use every available remedy or action that we have under the mortgage to collect the income from your property, take possession of part or all of your property, or to manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, insurance premiums and other costs, charges and expenses required to keep your property in good condition; its own commission as receiver; all professional fees charged by the receiver and all disbursements incurred by the receiver; all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; interest owing under the mortgage; and all or any part of the loan amount, whether it is due or not.
       7. *Cure any defaults.* We can cure any defaults under the mortgage.
       8. *Other action.* We can take any other steps or proceedings against you that are permitted by the laws of the province or territory in which your property is located and the laws of Canada.

We have the right to take one or more of these actions at the same time or in any order we choose.

* + 1. If we take possession of your property to enforce our rights, you will not interfere with our possession or with the possession of your property by any receiver we appoint or with the possession of your property by any person we have leased or sold your property to. You will not make any claim against any person to whom your property has been leased or sold.
    2. If we take possession of your property, any equipment (which is not part of your property) or furniture or household or personal belongings which remain on your property for a period of more than six (6) days after we take possession of your property shall be deemed abandoned and we may remove, store, dispose of or otherwise deal with such abandoned goods in such manner as we see fit. Removal, storage and other costs may be added to the amount secured by the mortgage.
    3. If you have rented your property without our written approval as required by section 10.5 of these standard charge mortgage terms, we will have the same rights and remedies as if you had tried to discourage us from taking possession of your property if you had defaulted under the mortgage or adversely affected the value of your property. We can pay any amount we think is needed to any tenant, to obtain the co-operation of the tenant in selling your property, showing your property and obtaining possession of your property or any part of your property from the tenant. You agree that any amount we pay to a tenant will be added to the loan amount.
    4. You must pay all of our expenses related to our enforcing our rights (including legal costs in any court proceedings. You must pay these amounts immediately when we ask for them. You must also pay all other costs, charges and expenses we have to pay to protect our interests and to enforce any of our rights under the mortgage, as well as a reasonable allowance for the time and services of our employees, agents and consultants, and all such amounts will form part of the loan amount.
    5. If we delay enforcing any of our rights or give you or any other person an extension of time, the delay or extension will not affect any of our other rights under the mortgage. If we delay or give an extension, we may still require you to make all payments on time and meet your obligations under the mortgage; require payment of the loan amount if you are in default; and require any other person who has obligations under the mortgage, including a guarantor, to meet those obligations.
    6. In some cases, we may not enforce our rights on a particular default. However, by doing so, we are not forgiving any other existing default, or any other defaults which may occur in the future.
    7. If we obtain a court order or judgment against you to enforce our rights and remedies, the judgment will not prevent us from pursuing our other rights or remedies to enforce your obligations under the mortgage.
       - 1. Doctrine of Consolidation

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or may grant to us in the future. This means that if you default under any of your mortgages to us then, as a condition of your repaying any mortgage, we can require that you repay all mortgages.

* + - 1. IF YOUR PROPERTY IS A CONDOMINIUM UNIT OR STRATA LOT

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

In this section, *The Condominium Act*, *Condominium Act*, *Condominium Property Act*, *Strata Property Act* or similar legislation governing a condominium or strata property in the province or territory in which your property is located, is called the "Act".

* + 1. **Compliance with the Act**

You will comply with all of the requirements of the Act and the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.

* + 1. **Payment of Common Expenses and Other Amounts**

You must pay common expenses, fees, levies, assessments and any other amounts charged by the condominium corporation on or before they become due. If we ask, you must give us proof that you have paid all of these amounts.

* + 1. **Notices and Demands**

You will forward to us, copies of all communications of the condominium corporation related to your property or the common elements or common property, including notices, assessments, claims or demands for payment, rules or regulations, requests or demands of us to consent to any matter. You must ensure that we receive these communications at least five (5) days before any claim or demand is payable or, in the case of other communications, within five (5) days of the date you receive them.

* + 1. **Voting Rights**
       1. You authorize us, in your name and on your behalf, and whether or not you are in default to exercise your right to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the Act to the condominium property or to your property. If your property is located in Nova Scotia, we may only do so during such time we are mortgagee in possession of your property. If your property is located in British Columbia, the within authorization is only in respect of voting with respect to insurance, maintenance, finance or other matters affecting the security of this mortgage.
       2. We may decide not to use our rights to vote or consent. If we decide not to use these rights, we may notify the condominium corporation, in which case you may vote or consent yourself. Our decision not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not become a mortgagee in possession, nor are we responsible to protect your interests nor for the way we vote or consent. We are also not responsible to you if we do not vote or consent.
    2. **Insurance**

Under the Act, the condominium corporation must have appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against additional risks as we may require. The insurance company or companies must be approved by us. You and the condominium corporation assign and transfer the policy or policies of insurance and any proceeds payable under them to us. If we ask for them, you must give us certified copies of every insurance policy. If you or the condominium corporation fail to keep the buildings and improvements insured or do not provide us with evidence of renewal at least fifteen (15) days before the termination of any insurance we may, but are not obligated to, obtain insurance for the buildings or improvements. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance money. We may use all or any part of the proceeds, as permitted by law, to repair the damage, pay you or reduce any part of the loan amount whether or not it is due, including paying any prepayment charges that result.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation.

You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation comply with these terms and the Act.

* + - 1. GUARANTORS
    1. In return for us making the loan to you (in this section 13 called the "borrower" and which includes the borrower's legal and personal representatives, successors and assigns), each person who signs the mortgage as a guarantor or covenantor signs as a principal debtor and not as surety. In other words, each guarantor agrees to pay us the loan amount and to meet all other obligations of the borrower as and when required by the mortgage.
    2. If there is more than one guarantor, the guarantors are responsible jointly and severally with each other and with the borrowers for meeting all obligations under the mortgage.
    3. We may, at any time, do any of the following, without notifying any guarantor and without obtaining the consent of any guarantor:
       1. extend the time for payment;
       2. give a renewal or extension;
       3. deal with additional security;
       4. give a release or discharge to any guarantor;
       5. change the interest rate;
       6. change the terms of the mortgage; or
       7. deal with any other matter affecting the mortgage and the borrower's obligations.

Doing any of these things will not in any way affect the guarantee or the obligations of any guarantor.

* + 1. We may require payment from any guarantor before we attempt to obtain payment from the borrower. All obligations of any guarantor will also be obligations of the guarantor's heirs, executors, successors or personal representatives. The obligations of a guarantor will not be affected by the bankruptcy of the borrower or any other guarantor.
       1. DISCHARGE

After you have paid us the loan amount and notified us such payment is in final and permanent pay out to discharge the mortgage, we will sign a discharge and send it to you within a reasonable period of time. Alternatively, at your request, we will give an assignment or transfer of the mortgage instead of a discharge. You will pay our usual administration and processing fee for preparing, reviewing and signing any such documents and all legal costs, if applicable. You will pay us these fees whether the discharge or assignment is prepared by your lawyer, by our lawyers or by us. It is your responsibility to register the discharge or assignment on the title to your property and to pay the registration fee. If electronic registration is available for your mortgage, on our request you agree to pay us the registration fee and we will register the discharge on your behalf. After we have done so, we will send you or your lawyer confirmation that the discharge has been registered.

* + - 1. MISCELLANEOUS
         1. Date of Mortgage

For the purpose of defining the date of the mortgage with respect to any statutory rights to prepayment only, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered mortgage or any agreement amending the registered mortgage. If the mortgage includes a progress advance period, the mortgage is deemed re-dated as of the reset interest adjustment date as provided for in section 3.2(d) of these standard charge mortgage terms.

* + - * 1. Exclusion of Statutory Covenants

The covenants implied or incorporated into a mortgage by statute in the province or territory in which your property is located, to the extent permitted by statute, are excluded or overridden by the terms of this mortgage or in any agreement amending the registered mortgage.

* + - * 1. National Housing Act

If the mortgage is CMHC insured, it is made according to the *National Housing Act*.

* + - * 1. Part of Mortgage Invalid

If any part of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other parts of the mortgage will not be affected.

* + - * 1. Headings

All section headings are for convenience of reference only and do not form part of the mortgage.

* + - * 1. Governing Law

The mortgage shall be governed by the laws of the province or territory in which your property is located and the laws of Canada applicable in the province or territory. Any reference in the mortgage to an act or statute includes amendments and replacements to that legislation in force from time to time.

* + - * 1. Time of the Essence

Time shall be of the essence in the mortgage.

* + - * 1. Important Notice for Mortgages in Manitoba

If the mortgage is on a property located in Manitoba, the following applies:

The *Mortgages Act (Manitoba)* provides that you can obtain free of charge from us a statement of the debt secured by the mortgage once every twelve months or as needed to pay off or sale.

* + - * 1. Land Titles Act (Alberta) Mortgage Charge Clause

If the mortgage is on a property located in Alberta, the following applies:

For better securing to us (as mortgagee) repayment of the loan amount secured by the mortgage, you (as mortgagor) hereby mortgage and charge to us all of your right, title and interest in and to your property.

* + - * 1. Saskatchewan Specific Clauses

If the mortgage is on a property located in Saskatchewan, the following apply:

* + 1. It is understood and intended that this mortgage is made with reference to and under The Land Titles Act, 2000 (Sask).
    2. For better securing to us (as mortgagee) repayment of the loan amount secured by the mortgage, you (as mortgagor) hereby mortgage and charge to us all of your right, title, interest and estate in and to your property.
    3. In the event *The Saskatchewan Farm Security Ac*t or *The Cost of Credit Disclosure Act, 2002* shall apply to this mortgage, the costs and expenses and fees chargeable to the Mortgagor shall be limited to those allowed under *The Saskatchewan Farm Security Ac*t or *The Cost of Credit Disclosure Act, 2002.*
    4. You confirm that:
       1. each of the lands that are subject to this mortgage are not a homestead as defined in The Saskatchewan Farm Security Act; and
       2. you are not a non-Canadian-owned entity as defined in The Saskatchewan Farm Security Act.
    5. You covenant with us that in the event you are a body corporate, you agree that:
       1. *The Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to an action, as defined in the said Act, with respect to this mortgage; and
       2. *The Limitation of Civil Rights Act* of the Province of Saskatchewan, or any provision thereof shall have no application to this mortgage or any agreement or instrument renewing or extending or collateral to this mortgage, or the rights, powers or remedies of any other person under this mortgage, or any such agreement or instrument renewing or extending or collateral to this mortgage.
          1. British Columbia Clause

If the mortgage is on a property located in British Columbia, the following applies:

You absolutely and unconditionally waive the rights, benefits, protection and provisions of any and all statutory provisions which may require that proceeds of insurance be used to restore or rebuild your property, including the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act, 1774* and any legislation in substitution therefor.

FILED: November 21, 2014