

# MORTGAGE

Standard Forms of Conveyances Act, S.N.B. 1980, c.S-1 2.2, s.2

Lender Reference No. \_\_\_\_\_

FREEHOLD       LEASEHOLD      (check (√) appropriate box)

The parties to this mortgage are:

\_\_\_\_\_, of \_\_\_\_\_  
(mortgagor) (address)

\_\_\_\_\_, and \_\_\_\_\_  
(occupation or other identification) (mortgagor)

of \_\_\_\_\_,  
(address) (occupation or other identification)

the **"mortgagor"**

– AND –

**SCOTIA MORTGAGE CORPORATION**, of \_\_\_\_\_  
(Branch address of The Bank of Nova Scotia)

a body corporate,

the **"mortgagee"**

– AND –

\_\_\_\_\_  
(spouse of mortgagor, if spouse not a mortgagor)

of \_\_\_\_\_,  
(address) (occupation or other identification)

the **"spouse of the mortgagor"**

– AND –

\_\_\_\_\_, of \_\_\_\_\_  
(guarantor) (address)

\_\_\_\_\_, and \_\_\_\_\_  
(occupation or other identification) (guarantor)

of \_\_\_\_\_,  
(address) (occupation or other identification)

the **"guarantor"**

The mortgagor mortgages in fee simple to the mortgagee, with a proviso for redemption, the parcel described in Schedule "A" attached hereto to secure repayment of the principal sum with interest as well after as before maturity as follows:

**Principal Sum:** \$ \_\_\_\_\_

**Interest Rate:** \_\_\_\_\_% per year

**How Interest Calculated:** half-yearly, not in advance

**Interest Adjustment Date:** \_\_\_\_\_, \_\_\_\_\_

**Term:** \_\_\_\_\_ years commencing on the Interest Adjustment Date

**Payments:** \$ \_\_\_\_\_

**Payment Dates:** beginning on the \_\_\_\_\_, \_\_\_\_\_ and continuing on the \_\_\_\_\_ day of each and every following month of the term.

**Maturity Date:** \_\_\_\_\_, \_\_\_\_\_

**Place of Payment:** the mortgagee's office in Toronto, Ontario, or at any other place the mortgagee may designate. Until further notice, the mortgagee hereby designates the place of payment to be the Branch address of The Bank of Nova Scotia as shown above.

This mortgage contains the covenants and conditions which are set out in:

- (a) the Mortgages Regulation – Standard Forms of Conveyances Act, and set out in Schedule "B" attached hereto;
- (b) Schedule "C" attached hereto.

The spouse of the mortgagor joins in this instrument and consents to this disposition for the purpose of complying with Section 19 of the Marital Property Act.

Dated on \_\_\_\_\_, \_\_\_\_\_.

SIGNED, SEALED AND DELIVERED

in the presence of

X _____ )	X _____ LS
witness	mortgagor
X _____ )	X _____ LS
witness	mortgagor
X _____ )	X _____ LS
witness	spouse of the mortgagor
X _____ )	X _____ LS
witness	guarantor
X _____ )	X _____ LS
witness	guarantor

# Schedule "A"

to a Mortgage made between

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and **SCOTIA MORTGAGE CORPORATION** and dated \_\_\_\_\_

**Description of your property covered by this mortgage.**

Property owned or rented by you (if you are a tenant of your property under a lease, this means that you have the exclusive use of the buildings during the term of the lease):

# Schedule "B"

to a Mortgage made between

and **SCOTIA MORTGAGE CORPORATION** and dated \_\_\_\_\_

The following covenants and conditions are included in this Schedule "B" to the mortgage. The covenants and conditions set out in Column One below and distinguished by a number have the same effect as the covenants and conditions set out in Column Two below and distinguished by the same number.

## Column One

103. The mortgagee may direct application of insurance proceeds.
105. All improvements are deemed to be fixtures.
113. The advance of any part of the principal sum is at the discretion of the mortgagee.
116. The mortgagee shall prepare a discharge.
119. All sums payable form a charge on the lands and shall bear interest.
120. The mortgagor guarantees that he has the right to convey the lands.
121. The mortgagor guarantees that the lands are free from encumbrances.
122. The mortgagor warrants title.

## Column Two

103. The mortgagor covenants with the mortgagee that forthwith on the happening of any loss or damage the mortgagor shall furnish all necessary proofs and do all necessary acts to enable the mortgagee to obtain payment of the insurance proceeds; and that such insurance proceeds received by the mortgagee may at the option of the mortgagee be applied to repair or rebuild the building, or to pay the principal sum, interest and other money payable hereunder, whether or not any amount is then due, in such manner as the mortgagee may determine, or to pay the mortgagor or any person appearing by the registered title to be the owner of the lands and premises, or partly in one way and partly in another; but any payment of insurance proceeds to the mortgagor shall not operate as a reduction of any money payable hereunder by the mortgagor to the mortgagee.
105. The mortgagor covenants with the mortgagee that all erections, buildings, machinery, plant, and improvements whatsoever, including furnaces, boilers, water heaters and all plumbing, air conditioning, ventilating and heating equipment, electric light fixtures, window blinds, storm windows and storm doors, window screens and screen doors and all apparatus and equipment appurtenant thereto, which are now or which shall hereafter be put upon the lands and premises, are or shall thereafter be deemed to be fixtures and a part of the lands, even though not attached otherwise than by their own weight.
113. The mortgagor covenants with the mortgagee that neither the execution nor registration of this mortgage nor the advance of part of the principal sum shall bind the mortgagee to advance the principal sum or any unadvanced portion thereof; any advance shall be at the sole discretion of the mortgagee.
116. A discharge of this mortgage shall be prepared by the mortgagee at the expense of the mortgagor, and the mortgagee shall have a reasonable time after receipt of payment in full within which to prepare and execute such discharge.
119. The Mortgagor covenants with the mortgagee that any sum owing or required by this mortgage to be paid by the mortgagor to the mortgagee shall be added to the principal sum and shall form a charge upon the lands and premises and shall bear interest at the rate herein stipulated until paid.
120. The mortgagor covenants with the mortgagee that the mortgagor has a good right, full power and lawful authority to convey the lands and premises.
121. The Mortgagor covenants with the mortgagee that the lands and premises are free and clear, exonerated, and discharged of and from all arrears of taxes and assessments whatsoever, due or payable upon or in respect of the said lands and premises, or any part thereof and of and from all former conveyances, mortgages, rights, annuities, debts, judgments, executions, and recognizances, and of and from all manner of other charges and encumbrances whatsoever.
122. The mortgagor covenants with the mortgagee that the mortgagor shall forever warrant and defend the lands and premises and every part thereof unto the mortgagee against the lawful claims of all persons whomsoever.

**Column One**

123. The mortgagor promises to execute such further assurances as may be required.

124. The mortgagor and mortgagee may agree to alter the terms of this mortgage without registration of the alteration.

127. The mortgagor has a continuing liability.

128. The mortgagor shall advise the mortgagee of any change in marital status.

**Column Two**

123. The mortgagor covenants with the mortgagee that the mortgagor shall and will from time to time, and at all times hereafter, make, do, suffer and execute, or cause or procure to be made, done, suffered, and executed, all and every such further reasonable acts, deeds, conveyances, and assurances in the law, for further, better and more perfectly and absolutely conveying and assuring the lands and premises, with the appurtenances, unto the mortgagee as by the mortgagee or his counsel in the law shall be lawfully and reasonably devised, advised or required.

124. The mortgagor covenants with the mortgagee that any agreement in writing between the mortgagor and the mortgagee for renewal of this mortgage or extension of the term for payment of the money payable hereunder, or any part thereof, or for any change in the rate of interest herein, prior to the execution by the mortgagee of a discharge or release of this mortgage, need not be registered; but shall be effectual and binding to all intents and purposes on the lands and on the mortgagor, and on any mortgagee, assignee or transferee who acquires an interest in the lands or any part thereof subsequent to the date of this mortgage and shall take priority as against such mortgagee, assignee or transferee when deposited with or held at the office of the mortgagee and shall not release or affect any covenant or agreement herein or collateral hereto.

127. No extension of time given by the mortgagee to the mortgagor, or anyone claiming under him, or any other dealing by the mortgagee with the owner of the equity of redemption shall in any way affect or prejudice the rights of the mortgagee against the mortgagor or any other person liable for payment of the money hereby secured.

128. The mortgagor covenants with the mortgagee that upon any change affecting the marital status of the mortgagor or the qualification of the lands and premises as a marital home within the meaning of the *Marital Property Act*, the mortgagor will advise the mortgagee accordingly and furnish the mortgagee with full particulars thereof.

If this mortgage is a leasehold mortgage, the following covenants and conditions are also included in this Schedule "B" to the mortgage. The covenants and conditions set out in Column One below and distinguished by a number have the same effect as the covenants and conditions set out in Column Two below and distinguished by the same number.

**Column One**

132. The mortgagor holds the last day of the lease in trust for the mortgagee.

133. The mortgagor will assign the last day of the term to the mortgagee upon request.

**Column Two**

132. The mortgagor will henceforth stand possessed of the premises for the last day of the term granted by the lease mortgaged hereunder in trust for the mortgagee, and will assign and dispose thereof as the mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the mortgagor with respect to the derivative term hereby granted; the mortgagor hereby irrevocably appoints the mortgagee as the mortgagor's substitute to be the mortgagor's attorney during the continuance of this security and in the event of default to assign the lease and convey the premises and the last day of the term granted by the lease as the mortgagee shall at any time direct, and in particular, upon any sale made by the mortgagee under the power of sale herein contained, to assign the lease and convey the premises and the reversion to the purchaser; and it is hereby declared that the mortgagee or other person for the time being entitled to the money hereby secured may at any time, by deed, remove the mortgagor or any other person from being a trustee of the lease under the declaration of trust hereinbefore declared and on the removal of the mortgagor, or any future trustee of the lease, may by deed, appoint a new trustee or trustees in the mortgagor's place.

133. The mortgagor covenants with the mortgagee that the mortgagor will, with respect to the lease herein contemplated, at the request of the mortgagee, but at the cost, charge and expense of the mortgagor, grant and assign unto the mortgagee, or whom he may appoint, the last day of the term hereinbefore excepted or any renewal or substituted term; and further that, in the event of the mortgagee making any sale under the power of sale herein contained the mortgagor shall stand seized and possessed of the premises for the last day of term hereinbefore excepted, and of any renewal or substituted term and of all rights of renewal in trust for the purchaser, his heirs, executors, administrators and assigns.

# SCHEDULE "D"

to a Mortgage made between

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and **SCOTIA MORTGAGE CORPORATION** dated

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## DEFINITIONS

In this Schedule "D" and in Schedule "C" included in this mortgage, you and your mean each person who has signed this mortgage as mortgagor. We, our and us mean the mortgagee, Scotia Mortgage Corporation. Your property means the specified parcel(s) described in Schedule "A" of the mortgage. Loan amount means the principal sum loaned to you that is outstanding from time to time.

### SECTION 2A (INTEREST RATE) IS REPLACED BY THE FOLLOWING:

**A. Interest Rate** – The interest rate payable by you on the loan amount is a variable rate, expressed as a rate per annum, equal to our Variable Rate Mortgage (VRM) Base Rate with a variance of \_\_\_\_\_% per annum. Our VRM Base Rate will vary from time to time as Scotiabank's Prime Rate varies.

Interest is calculated half-yearly not in advance. Interest at this variable rate is payable on the loan amount both before and after the final payment date, default and judgment. The interest rate will vary automatically on the day Scotiabank's Prime Rate varies. Wherever this mortgage refers to the interest rate payable on the loan amount, that expression means the VRM Base Rate plus or minus the number of percentage points per annum set out above calculated and payable as set out above.

At the time you sign this mortgage the VRM Base Rate is \_\_\_\_\_% per annum and the interest rate payable on the loan amount (base rate plus/minus the number of percentage points set out above) is \_\_\_\_\_% per annum calculated semi annually, not in advance. Those interest rates will remain in effect after you have signed this mortgage until they are varied as provided under this clause 2A.

#### How Your Can Determine the Interest Rate

After each VRM Base Rate change we will mail a notice to you showing your new rate and the date it became effective, and your new payment amount. The notice will be sent to your last known address shown in our records, within 30 days of the interest rate change. However, our failure to mail you a notice or the fact that you do not receive it will not prevent the rate from varying or the payment amount from varying. The VRM Base Rate in effect at any time is available at any Scotiabank branch in Canada or at [www.scotiabank.com](http://www.scotiabank.com).

### SECTION 3A ( MONTHLY LOAN PAYMENTS) IS REPLACED AS FOLLOWS:

**A. Monthly Loan Payments** – You shall repay the loan amount and all interest payable on it to us in Canadian dollars. Your regular monthly loan payment and all other payments will be made at our Office in Toronto, Ontario, or at any other place we may designate, and are payable as follows:

Before your term start date, you will pay us interest, at the rate payable on the loan amount, calculated semi-annually, not in advance, on all money we have advanced you.

If more than 1 month will elapse from the advance date to your 1st regular payment due date, you will owe interest for the period, separately. At our option, such interest will be due and payable one month prior to the 1st regular payment due date or on the 1st regular payment due date or it may be deducted from subsequent advances. We may also require you to pay this interest monthly, before we set a first regular payment due date.

The principal sum together with interest calculated from the Interest Adjustment Date shall become due and be paid by you in monthly loan payments.

You will make regular monthly loan payments to us. Your initial monthly payment based on the interest rate indicated in clause 2A above will be \$\_\_\_\_\_. Your payment amount will vary automatically with each change to the VRM Base Rate. Each payment adjustment will take into account the remaining amortization period and new interest rate on the date of the change. After each VRM Base Rate change, we will mail you a notice as outlined above in clause 2A. If there is no change to the VRM Base rate, your payment amount will not change and we will not send you a notice. Each monthly loan payment consists of a portion of the principal amount together with the interest due and payable on the monthly loan payment date.

Your monthly loan payments will begin on \_\_\_\_\_, \_\_\_\_\_, and continue monthly thereafter until \_\_\_\_\_, \_\_\_\_\_. Each of the above dates are called a monthly payment date.

You will pay the balance of the principal sum together with all the interest due and payable, on the date shown on the Form A15 Mortgage as the Maturity Date.

# Schedule "C"

to a Mortgage made between

and **SCOTIA MORTGAGE CORPORATION** and dated \_\_\_\_\_

The following additional covenants and conditions are included in this Schedule "C" to the mortgage.

## DEFINITIONS

In the covenants and conditions included in this Schedule C and Schedule D to the mortgage and in any other schedules attached to a Form A15 Mortgage: **mortgage** means the Form A15 Mortgage and any schedules attached to the Form A15 Mortgage; **you** and **your** mean each person who has signed this mortgage as mortgagor; **we**, **our** and **us** mean the mortgagee, Scotia Mortgage Corporation; **your property** means the specified parcel(s) described in Schedule A to the mortgage; **loan amount** means the principal sum loaned to you that is outstanding from time to time; **year of the term of the mortgage** means a twelve month period starting on the Interest Adjustment Date or on an anniversary of that date; **term of the mortgage** means the period starting on the Interest Adjustment Date and ending on the day before the final payment date in the mortgage.

If this is a CMHC - insured mortgage, it is made pursuant to the **National Housing Act**.

### 1. ADDITIONS, ALTERATIONS OR IMPROVEMENTS TO AND USE OF YOUR PROPERTY.

No additions, alterations or improvements may be made by you without our prior written consent.

Use of Your Property - You may of course continue to remain in possession of your property. However, if you default in any of your obligations to us under this mortgage, we have the right to take immediate possession.

You will not use your property for any business purposes, without our prior written consent.

### 2. INTEREST.

**A. Interest Rate** – The interest rate payable by you on the loan amount is a variable rate as set out in Schedule D to the mortgage.

**B. Compound Interest** – If on any monthly loan payment date you do not make the payment due on that day, we will charge you interest on any overdue portion of the loan amount and interest until paid to us. This is called compound interest. We will also charge interest at the above rate on compound interest that is overdue until paid to us. The interest rate for compound interest is the same as the interest rate payable on the loan amount both before and after the final payment date as well as both before and after default. It shall be paid periodically at intervals (called **rests**) that are the same as your monthly loan payment dates.

**C.** All interest and compound interest is a charge on your property.

**D. Progress Draw Construction Mortgage** - If this is a Progress Draw Construction Mortgage, the annual interest rate of your mortgage, during the Construction Period, will be a floating interest rate equal to The Bank of Nova Scotia's Prime Rate plus 1%. Interest will be payable monthly, and calculated half-yearly, not in advance. Your interest rate will vary automatically, without notice to you, on the day The Bank of Nova Scotia's Prime Rate changes. The Bank of Nova Scotia's Prime Rate in effect at any time is available at any Bank of Nova Scotia branch in Canada.

The Construction Period is defined as the 9 month period following the date of your 1st mortgage advance or the period from the date of your 1st advance to the date the principal sum is at least 75% advanced, whichever is shorter.

### 3. HOW YOU WILL REPAY YOUR LOAN.

**A. Monthly Loan Payments** – You shall repay the loan amount and all interest payable on it to us in Canadian dollars. Your regular monthly loan payment and all other payments will be made at our Office in Toronto, Ontario, or at any other place we may designate, and are payable set out in Schedule D to the mortgage.

**B. Application of Monthly Loan Payments** – Each monthly loan payment will be used; **first**, to pay interest due and payable and **next**, to reduce the principal amount.

### C. Early Payment on Sale or Mortgage

If you sell, transfer, mortgage or charge your property, we may, at our option, require you to pay all the money that you owe us under this mortgage immediately, unless we have given our prior written consent to the sale, transfer, mortgage or charge. If we consent to the sale, transfer, mortgage or charge and do not require you to immediately pay all the money that you owe us under this mortgage, your obligations to us under this mortgage and our rights against you or anyone else who is liable for the payment of money owing under this mortgage, are not affected.

#### **D. Progress Draw Construction Mortgage**

If this is a Progress Draw Construction Mortgage, you will pay interest only payments, monthly, during the Construction Period, starting one month from the date of your 1st advance. Your interest only payment amount will vary automatically with our prime rate (as outlined in paragraph 2D above) and will be calculated based on the principal amount advanced so far. Your last interest only payment amount will be due on the earlier of; (i) the date shown on the Form A15 Mortgage as the Maturity Date, (ii) 9 months from the date of your 1st advance, or, (iii) on the date the principal sum is at least 75% advanced. At that time, the total loan amount plus all interest owing will become due and payable, unless converted as set out below.

If your progress draw construction mortgage is not 75% advanced on or before the end of the nine month construction period, we may, at our discretion:

1. convert your mortgage as described below
2. continue to collect interest only payments for a set period of time
3. require the outstanding loan amount and all interest owing to be paid in full.

**Convertible Feature** – When the principal sum is at least 75% advanced (providing this occurs on or before the end of the 9 months from the date of the first advance), we will automatically reset your term start date and convert your mortgage to your chosen term, rate type, and repayment schedule, based on the full principal amount, as detailed in the Personal Credit Agreement or amendment to that agreement. We will provide you with a confirmation notice, which will set out, among other things, your mortgage interest rate, principal & interest payment amount, term start date and maturity date.

**E. Prepayment Terms and Conditions** – If an Optional Covenant and Condition for Prepayment Terms and Conditions is included in this mortgage, you may prepay your principal amount in accordance with the provisions set out in it.

**If this is a Progress Draw Construction Mortgage** – If this is a Progress Draw Construction Mortgage, paragraph 3E does not apply to your mortgage during the construction period.

#### **4. YOUR TITLE TO YOUR PROPERTY.**

**A. AS OWNER OF YOUR PROPERTY,** you certify that:

- i) You are the lawful owner of your property;
- ii) You have the right to convey your property to us;
- iii) There are no encumbrances on the title to your property; and
- iv) There are no limitations or restrictions on your title (excepting only building by-laws, zoning regulations and registered restrictions) to your property.

#### **5. FURTHER ASSURANCES.**

You will not do anything that will interfere with our interest in your property.

In order to ensure that your entire interest in your property is transferred to us you will sign any other documents or do anything further that we think necessary.

#### **6. REIMBURSEMENT OF EXPENSES OF INVESTIGATION OF TITLE.**

If for any reason we do not advance the entire principal sum or any part of it to you; nevertheless:

- By signing this mortgage you convey (transfer) all of your interest in your property to us. You will reimburse us on demand for all our expenses of investigating the title to your property and preparing and registering this mortgage.
- Until we are reimbursed for our expenses they shall be a charge against your property and they will be added to the loan amount.

#### **7. TAXES.**

**A.** You will make monthly payments to us on account of the property taxes payable on your property so that we may pay the taxes when they become due.

**B.** We can deduct from the final advance of the principal sum enough money to pay all taxes due on or before the Interest Adjustment Date and which have not been paid on the date the final advance is made.

**C.** You will make monthly payments to us on account of taxes. These payments will be made on the same dates that your regular monthly loan payments are to be paid to us. Each monthly payment will consist of approximately 1/12th of our estimate of a year's taxes next becoming due and payable. The monthly payments should enable us to pay all taxes on or before the annual due date for the taxes. Or, if your taxes are payable in instalments, the monthly payments should enable us to pay each and every instalment of taxes on your property on or before the date on which the final instalment is due.

**D.** If, however, the annual due date or the final instalment date for the payment of your taxes is less than one year from the Interest Adjustment Date, you will pay us equal monthly payments during that period and during the next 12 months. These equal monthly payments will be based on our estimate of the total taxes payable for both periods so that we will receive enough money from you to pay all taxes for both of those periods.



**E.** You will also pay to us on demand any amount by which the actual taxes on your property exceed our estimate of your taxes. Or, at our option, we may increase the monthly payment to cover this amount.

**F.** We will pay your taxes from the monthly payments we receive from you as long as you are not in default under this mortgage. We are not obliged to make tax payments on the due dates or more often than once a year. If you have not paid us enough taxes, we may still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. Until paid, any debit balance will be added to the loan amount and will be a charge against your property. We are under no obligation to advise you that a debit balance has been created.

**G.** We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by The Bank of Nova Scotia on savings-chequing accounts. We will charge you interest on the debit balance in your tax account at the interest rate payable on the loan amount until the debit balance is paid to us in full.

**H.** If you default in any loan payment, we may apply the money in your tax account towards the repayment of either the interest which is due and payable, the loan amount or both.

**I.** You will send us immediately upon their receipt, all assessment notices, tax bills or tax notices which you receive. Failure to do so may result in additional charges or fees from municipality

## **8. TRANSFER OF LEASES AND RENTS.**

**A.** If you have leased, or at a later date, lease all or part of your property, then at our request to you in writing, you will transfer and assign to us:

- i) All leases, lease agreements and their renewals (for which you must first obtain our written consent), other than the renewals which are provided for in any lease;
- ii) All rents and other money payable under the terms of all leases and agreements. However, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your obligations to us under this mortgage; and
- iii) All rights under the leases and agreements as they affect your property.

**B.** In addition, you confirm that:

- i) You must obtain our prior written consent for any future leases of your property;
- ii) Nothing we do under this paragraph A and B shall put us in possession of your property;
- iii) However, if you default under this mortgage, we have the right to take possession of your property; and
- iv) We are not obligated to collect any rent or other income from your property nor to comply with any term of any lease or agreement.

## **9. PAYMENTS WE CAN MAKE.**

We can pay off any claims or encumbrances against your property which we consider to have priority over this mortgage. We can also pay all our expenses of collecting any payments not received from you when due. These expenses will include all our legal expenses on a solicitor and own client basis. You must immediately reimburse us at our request for the payment of all claims or encumbrances against your property and our expenses all of which have been paid by us. Until paid, the payments will all be added to the loan amount and will be a charge against your property. Interest is payable by you on the payments made by us at the interest rate payable on the loan amount until they are paid to us in full. We may also exercise our right to collect the payments from you together with interest due and payable, under **ENFORCING OUR RIGHTS** in the optional covenants and conditions included in this mortgage.

If we pay off any claims or encumbrances against your property, we will be entitled to all the rights, equities and securities of the person, company, corporation or Government so paid off. We are authorized to retain any discharge which may be given for six months or more, if we consider it necessary to do so.

## **10. INSURANCE.**

You will without delay insure, and keep insured in our favour and until this mortgage is discharged, all buildings covered by this mortgage (including those which will be built in the future both during construction and afterwards) against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Your policy must be in a form satisfactory to us and include extended perils coverage and a mortgage clause stating that loss is payable to us. You must keep the buildings insured for their replacement cost (the maximum amount for which the buildings can be insured) in Canadian dollars, by a company approved by us. If in our opinion, you do not provide adequate insurance we can obtain insurance for you. What we pay for this insurance will immediately become payable by you to us. Any premium paid by us may be added to the loan amount and will be a charge against your property. Interest is payable by you on the premiums paid by us at the interest rate payable on the loan amount until they are paid by you to us. You shall at our request, transfer to us all insurance policies and receipts you have on the buildings and any proceeds from that insurance. At our request, you will give the insurance policies to us. The production of this mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss.



If you do not:

- Maintain adequate insurance, as required in this paragraph, on the buildings;
- Deliver a copy of any insurance policy or receipt to us at our request, or
- Provide us with evidence at our request of any renewal or replacement of the insurance, at least fifteen full days before your insurance expires or is terminated,

we can, but are not obliged to insure any of the buildings. What we pay for this insurance shall be added to the amount you owe under this mortgage and shall bear interest at the mortgage interest rate. You will pay this amount with your next monthly payment.

#### **11. KEEPING YOUR PROPERTY IN GOOD CONDITION.**

You shall keep your property in good condition and make any repairs needed. You shall not do anything, or let anyone else do anything, that lowers the value of your property. We can inspect your property at any reasonable time. If, in our opinion, you:

- Do not keep your property in good condition; or
- Do or allow anything to be done that lowers the value of your property;

we can make any repairs needed. The costs of any inspections and needed repairs are immediately payable by you. Until paid the costs will be added to the loan amount and will be a charge against your property. Interest is payable by you on these costs at the interest rate payable on the loan amount until the costs are paid to us in full.

#### **12. ENVIRONMENTAL PROVISIONS.**

We (including, in this section, the Canada Mortgage and Housing Corporation if this is a CMHC-insured mortgage) may inspect your property and the buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, investigations or studies which we consider necessary. The costs of any testing, assessment or study will be payable by you and you will pay us the costs immediately after we give you notice of them. If you do not pay us when we request it, we can add the amounts to the outstanding balance under your mortgage and they will bear interest at your mortgage interest rate. If we do the things permitted under this section, we will not be considered to be in control of your property.

#### **13. REPAYMENT OF LOAN AMOUNT ACCELERATED.**

The loan amount together with all interest which is due and payable and to which we are entitled becomes immediately payable, at our option, if:

- a) You default in paying any regular monthly loan payments, any portion of the loan amount, any interest that is due and payable or any other payment you are obliged to pay us.
- b) You fail to comply with any of your obligations under this mortgage.
- c) 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, unpaid condominium maintenance fees, judgements or construction liens or other similar encumbrances.
- d) Your property is abandoned.
- e) Any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for 30 consecutive days.
- f) You do or allow anything to be done to lessen the value of your property.

#### **14. APPOINTING A RECEIVER TO RECEIVE INCOME.**

If you default in making your regular monthly loan payments or any other payments which you have agreed to make to us, or in complying with your obligations under this mortgage we can, in writing, appoint a receiver to collect any income from your property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and his defaults are considered your defaults.

##### **The receiver has the right to:**

- Use any legal remedy (taken in your name or our name) to collect the income from your property.
- Take possession of your property or part of it.
- Manage your property and maintain it in good condition.

##### **From the income collected the receiver may:**

- a) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.
- b) Retain money enough to repay disbursements spent on collecting the income.
- c) Pay all taxes, fire insurance premiums, expenses of keeping your property in good condition, interest on those payments and all other charges and interest on those charges that have priority over this mortgage.
- d) Pay us all interest that is due and payable under this mortgage and then pay us all or part of the loan amount whether it is due or not.

Nothing done by the receiver puts us in possession of your property or makes us accountable for any money except for money actually received by us.

## 15. ENFORCING OUR RIGHTS.

**A.** If you default in making your regular monthly loan payments or any other payments that you are obliged to make to us under the terms of this mortgage we may enforce any one or more of the following remedies:

- i) **Sue you** – We may take such action as is necessary to collect the unpaid balance of the loan amount, the interest that is due and payable and our expenses.
- ii) **Power of sale** – On giving you four weeks' notice in writing by registered or certified mail and on publishing notice in one of the public newspapers published in the Province of New Brunswick once in each week for four successive weeks and in the Royal Gazette as required by law, we can sell and dispose of your property and the appurtenances or any part of it, by public auction or private contract, for such price or prices, for cash or otherwise, as seems fit to us. All contracts that shall be entered into and all conveyances that shall be signed by us for the purpose of completing any such sale shall be valid notwithstanding the fact that you were not a party or did not consent to them. We may bid and buy at any such sale.
- iii) **Take possession of or lease your property** – We may take possession of your property and lease it on such terms for whatever period we may decide upon.
- iv) **Other remedies** – We may take any other remedy available to us under New Brunswick law.

We will use the net proceeds of the sale or lease after paying all our expenses concerning the taking, recovering or keeping possession of or the sale or lease of your property, to pay ourselves the interest that is due and payable and then to pay off the unpaid balance of the amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale or lease of your property is less than what you owe us plus our expenses, you must pay us the difference.

You agree not to make any claim concerning the sale or lease of your property against anyone who buys or leases it from us, or anyone who buys or leases it after that time.

**B. Default in your obligations including default in payment** – If you default in any obligation under this mortgage we can enforce our above rights and we can enter on your property at any time, without the permission of any person, and make all essential arrangements that we consider necessary to:

- Inspect, lease, collect rents or manage your property; or
- Repair or put in order any building on your property; or
- Complete the construction of any building on your property.

We can also take whatever action is necessary to take possession, recover and keep possession of your property.

**C. Our expenses** – You will pay all our expenses of enforcing our rights. Our expenses include our costs of taking or keeping possession of your property, an allowance for the time and services of our and/or The Bank Nova Scotia's employees utilized in so doing, our legal fees on a solicitor and own client basis and all other costs related to protecting our interest under this mortgage. All our expenses are immediately payable by you. Until paid our expenses will be added to the loan amount and will be a charge against your property. Interest is payable by you on our expenses at the interest rate payable on the loan amount until our expenses are paid to us in full. These expenses can be deducted from the net proceeds of any sale or lease of your property. If the net proceeds from the sale or lease do not cover our expenses, you must pay us the difference immediately.

**D. Sale of goods** – If you fail to:

- Make any payments to us when they are due; or
- Make any other payments that you are obliged to make to us under this mortgage;

we can distraint against your goods. This means we can take any goods on your property and sell them as permitted by New Brunswick law. The net proceeds from the sale will be applied to reduce the loan amount and the interest which is due and payable. Taking this action does not put us in possession of your property nor make us accountable for any money except the money we actually receive.

**E. Judgments** – If we obtain a court judgment against you for your failure to comply with any of your obligations to us under this mortgage, the judgment will not result in a merger of the terms of the judgment with our other remedies or rights to enforce your other obligations under this mortgage. We continue to be entitled to receive interest on the loan amount at the rate charged on the loan amount and at the same times as provided for in this mortgage. The rate of interest payable on any judgment until it has been paid in full shall be calculated and payable in the same way as interest is calculated under this mortgage and at the same interest rate paid on the loan amount until the judgment has been paid in full.

## 16. DELAY IN ENFORCEMENT OF OUR RIGHTS.

No delay or extension of time granted by us to you or any other person, in exercising the enforcement of any of our rights under this mortgage does not affect our rights to:

- a) Receive all payments you are obliged to make to us, when they are due and payable.
- b) Demand that you repay the loan amount and all interest which is due and payable, on any default by you.
- c) Have you comply with all of your obligations to us under this mortgage.

d) Have any other person comply with the obligations that person has to us under this mortgage.

#### **17. BUILDING MORTGAGE TERMS.**

If you are having any buildings or improvements constructed on your property you will have them constructed only according to plans and specifications approved in writing by us in advance. You must complete all such buildings or improvements as quickly as possible. We will make advances (part payments of the principal sum) to you based on the progress of the construction, until either completion and occupation or sale of your property. We will determine whether or not any advances will be made and when they will be made.

**Interest on advances under a building mortgage** - We shall require you to pay us interest at the rate payable on the loan amount on each advance of the principal amount which we make to you, from time to time. Interest will be computed from the date of each advance. It will be deducted from subsequent advances or it will be payable in monthly instalments due on the FIRST day of each month. The first monthly instalment of interest will be payable in the month following the month in which the first advance is made. Interest on all subsequent advances will be payable in the same way. Interest on all advances is due and must be paid to us up to the Interest Adjustment date.

#### **18. RELEASING YOUR PROPERTY FROM THIS MORTGAGE.**

We may establish the terms for the releasing of our interest in all or part of your property, from this mortgage whether we receive value for our release or not. This means making a provision for discharging or partially discharging your property. If we release part of your property at any time from this mortgage, the rest of your property will continue to secure the loan amount and all interest payable to us under this mortgage. We are only accountable for money actually received.

If your property is subdivided before our interest in your property comes to an end, this mortgage will be secured by each part into which your property is subdivided. This means that each part will secure repayment of the total amount you owe us, even if we release another part of your property from this mortgage.

If any part of the property, or any land adjoining the property, is taken by the exercise of any power of expropriation or similar power, the entire compensation which you may be entitled to receive shall, at our option, be applied to reduce the balance of the mortgage including any penalty, fee or interest to which we have a right under this mortgage or the relevant legislation.

We can release you, any guarantor or any other person from performing any obligation contained in this mortgage or any other security document, without releasing any part of your property secured by this mortgage or any other security. And any such release shall not release any other person from the obligations in this mortgage.

#### **19. RENEWING OR OTHERWISE AMENDING THE MORTGAGE.**

We may from time to time enter into one or more written agreements with you (or with any one to whom your property is transferred) to amend the mortgage by extending the time for payment, renewing it or its term for further periods of time, changing the interest rate payable under the mortgage or otherwise altering the provisions of the mortgage.

You agree to pay all money owing under the mortgage on the maturity date or, if we have offered to renew your mortgage, to enter into a renewal agreement with us on or before the maturity date. If you do not, provided that we have not advised you that we will not renew your mortgage, you agree that the mortgage will be automatically renewed on the renewal terms we indicate in the renewal agreement, including all the other terms and conditions stated in the renewal agreement.

Whether or not there are any encumbrances on your property in addition to the mortgage at the time the agreement is entered into, it will not be necessary to register the agreement on title in order to retain priority for the mortgage, as amended, over any instrument registered after the mortgage. Any reference in this set of standard charge terms to the mortgage means the mortgage as amended by any such agreement or agreements.

#### **20. DISCHARGE.**

You will be responsible for registering and for the costs of registering any Discharge.

#### **21. HEADINGS.**

Except as provided for in the General Regulation under the Land Titles Act, headings form no part of this mortgage. They are used so that parts of the mortgage can easily be referred to.

#### **22. WHO IS BOUND BY YOUR MORTGAGE.**

You agree to observe and be bound by all of the terms and obligations contained in this mortgage. This mortgage will also be binding on your heirs, personal and legal representatives, successors or assigns, our successors, assigns or legal representatives and anyone else to whom your interest is transferred. As well, it will be binding on anyone to whom it is transferred from us. By signing this mortgage as mortgagor, you are collectively and individually (that is jointly and severally) bound to comply with all obligations under this mortgage.

### **23. NO DEDUCTIONS.**

You agree that all payments that you make to us or that we ask you to make will be made in full without any set off, abatement, counterclaim, deductions or withholdings whatsoever. You agree that you do not have a right to cancel, offset or reduce any payment or debt by any amount we owe you.

### **24. GUARANTEE.**

In return for the mortgagee making this loan to the mortgagor, the guarantor guarantees the mortgagor's payments including interest, whether or not the interest rate is changed, and compliance with the mortgagor's obligations under this mortgage. If the mortgagor defaults in any payments or any other obligations, the guarantor will pay the mortgagee all of the unpaid payments and comply with all of the obligations which have not been complied with by the mortgagor. The guarantor will be collectively and individually (that is jointly and severally) responsible with the mortgagor for all obligations under this mortgage.

It is understood that the mortgagee can without lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor; grant any extensions of time for payment and extensions of the term of the mortgage, including any renewals of the mortgage or its terms for further periods of time; increase the rate of interest payable under this mortgage, either during the initial term or in any subsequent renewal period; release the whole or any part of the property from the mortgage or any other security; otherwise deal with the mortgagor, any other person (including any guarantor), any security (including the mortgage) or the mortgagor's property, including discharging, releasing, realizing on or replacing any security we may hold; waive any provision of the mortgage or change any of the terms of the mortgage at any time during the initial term of the mortgage or in any subsequent renewal period. We may do all of this before or after requiring payment from any person without affecting the guarantee. The mortgagee may require payment under this guarantee without first trying to collect from the mortgagor or any other person (including any guarantor) or any security (including the mortgage). The guarantee of this mortgage shall be binding upon the legal and personal representatives of the guarantor. Where there is more than one guarantor, each guarantor agrees with the mortgagee to be collectively and individually (that is jointly and severally) responsible under this guarantee with any other guarantor and the mortgagor.

### **25. IF YOUR PROPERTY IS A CONDOMINIUM UNIT, YOU ARE TO COMPLY WITH THE FOLLOWING OBLIGATIONS.**

(In this paragraph, The Condominium Property Act is called the **Act**. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression "**condominium property**" has the same meaning as the word "property" in the Act).

- A.** You will comply with all of the obligations contained in the mortgage except as they may be modified by the Act, the declaration, by-laws and rules of the condominium corporation (the corporation) concerning your property and by the provisions contained in this paragraph.
- B.** You will comply with the Act, declaration, by-laws and rules of the corporation.
- C.** You will provide us with proof of your compliance from time to time as we may request.
- D.** You will pay the common expenses for your property to the corporation on the due dates. Or, if we exercise our right to collect your contribution towards the common expenses from you, you will pay the same to us upon being so notified. We can accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due.
- E.** You will forward to us any notices, assessments, by-laws, rules and financial statements of the corporation.
- F.** You will provide us, on request, with any documents and information that you receive from the corporation or are entitled to receive.
- G.** You will maintain all improvements made to your unit and repair them after damage.
- H.** You will not do or let anyone else do anything that lowers the value of your property.
- I. Insurance** – In addition to the insurance which the corporation must obtain, you must:
  - i) Insure all improvements which you or previous owners have made to your unit;
  - ii) Obtain insurance for those additional risks that we require;
  - iii) Insure your common or other interest in buildings (whether presently existing or built in the future, both during construction and afterwards) which are part of the condominium property or assets of the corporation if the corporation fails to insure the buildings as required or if we require you to do so;
  - iv) Assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the corporation;
  - v) Provide us with proof that the required insurance is in force, as well as evidence of any renewal or replacement of the insurance, within fifteen full days before the insurance expires or is terminated.
  - vi) Do all that is necessary to collect insurance proceeds.

Each of your insurance policies (and those of the corporation) must comply with the following:

- Your property must be covered against destruction or damage by fire and other perils usually covered in fire insurance policies for the replacement cost (the maximum amount for which it can be insured) in Canadian dollars;
  - We may stipulate the risks and perils which must be covered and what amounts you must insure for;
  - We may approve the insurance company; and
  - We may say what terms the policy must contain.

With respect to the corporation's insurance, we have the right to have the insurance proceeds used, as permitted by law, to repair or rebuild the buildings or to repay the loan amount and interest which is due and payable in full or in part or both. If you fail to insure your property as required in this paragraph, we can, but are not obliged to, obtain any insurance which you are required to obtain. What we pay for this insurance will immediately become payable by you to us. If any loss or damage occurs, you, on behalf of the condominium corporation and yourself, will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. You will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the **Condominium Act** and the Declaration and By-Laws of the condominium corporation.

**J. You must pay certain other Expenses** – In addition to our other rights and remedies contained in this mortgage you will pay to us on demand, all our expenses in relation to:

- Any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required);
- The enforcement of our right to have the corporation or any owner comply with the Act, declaration, by-laws and rules ; and
- Our exercising any voting rights we may have.

Where our expenses relate to other units as well as to your property, the amount you are required to pay will only be the expenses related to your property as we determine. All our expenses are immediately payable by you. Until paid our expenses will be added to the loan amount and will be a charge against your property. Interest is payable by you on our expenses at the interest rate payable on the loan amount until our expenses are paid in full to us.

**K. Voting Rights** – You authorize us to exercise your rights under the Act to vote, consent and dissent. You also authorize us to exercise your rights to:

- Demand the corporation purchase your unit and common interest, where provided under the Act.
- Elect to have the value of your unit and common interest or that of the condominium property determined by arbitration.
- Receive your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements.

If we do not exercise your rights, you may do so. But you will do so according to any instructions we may give you. Before making a demand or election you must obtain our prior written approval. You must do this even if we do not have the right as between ourselves and the corporation, and even if we had previously arranged for you to exercise that right.

Nothing done under this paragraph puts us in possession of your property. We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act. We may at any time revoke any arrangement we make for you to do anything you have authorized us to do.

**L. Our Additional Rights under this Mortgage** – You authorize us to do the following:

- i) Inspect your property at any reasonable time.
- ii) Do any needed maintenance or repairs after damage.
- iii) Inspect the corporation's records.
- iv) Remedy any failure of yours to comply with the Act or the by-laws and rules of the corporation.

**M. Repayment of your Mortgage may be Accelerated** – The loan amount together with all interest which is due and payable and to which we are entitled becomes immediately payable, at our option if:

- i) The corporation fails to comply with the Act and the by-laws and rules of the corporation;
- ii) The corporation fails to:
  - insure all the condominium units and common elements according to law and according to any additional requirements of ours;
  - insure its assets if we so require and according to our requirements;
  - provide use with proof that the insurance is in force, if we ask for it, or
  - do all that is necessary to collect insurance proceeds;
- iii) The corporation does not in our opinion manage the condominium property and assets in a careful way;

- iv) The corporation fails to keep the corporation's assets in good repair and working order;
- v) The corporation makes any substantial modification to the common elements or the corporation's assets without our approval;
- vi) There has been substantial damage and the owners have voted for termination of the condominium;
- vii) A sale of the condominium property or any part of the common elements is authorized;
- viii) A court makes an order that the government of the condominium property by the Act be terminated;
- ix) The condominium property ceases to be governed by the Act;
- x) You fail to comply with your obligations in this paragraph.

Our rights will not be affected by the fact that we voted for or consented to the above termination, sale or order or to the condominium property not being governed by the Act.

**N. What we can do on Termination of the corporation** – If your property ceases to be governed by the Act:

- All the terms of this mortgage apply to your interest in your property;
- You authorize us to agree with anyone to a partition of the condominium property. We can also pay or receive money to ensure that the partition is equal. And, we can execute all documents and do all acts needed to carry out the partition;
- Any money received by us (after payment of all our expenses) will be applied to reduce your loan amount.

**26. CHANGE IN MARITAL STATUS.**

The mortgagor covenants with the mortgagee that upon any change affecting the marital status of the mortgagor or the qualification of the lands as a marital home within the meaning of the Marital Property Act, the mortgagor will advise the mortgagee accordingly and furnish the mortgagee with full particulars thereof.