

STANDARD MORTGAGE TERMS

Filed by CANADA MORTGAGE AND HOUSING CORPORATION

Document Filing No.: MT900183

Filing Date: April 6, 1990

The following set of Standard Mortgage Terms shall be deemed to be included in every mortgage in which the set is referred to by its document filing number, as provided by Section 219. 1(5)(b) of the Land Title Act R.S.B.C 1979 c. 219. and amendments thereto.

1. COVENANT TO PAY

- (a) The Mortgagor shall pay to the Mortgagee in lawful money of Canada the principal referred to in paragraph 5(a) of Part 1 of the mortgage of which these Standard Mortgage Terms form a part with interest thereon at the rate referred to in paragraph 5(b) of Part 1 of the mortgage (the "mortgage rate") in the manner and upon the terms referred to in the mortgage and shall observe and perform all covenants, provisos, terms, conditions and agreements contained in the mortgage;
- (b) The Mortgagor covenants and agrees to pay to the Mortgagee interest on the amounts from time to time advanced at the mortgage rate computed from the respective dates of such advances, such interest to become due and payable within one month from the date of the first advance on the date that the Mortgagee determines and thereafter in the manner provided in clause 1(a) and all interest on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the mortgage rate as well after as before maturity of the mortgage, all interest to be computed with rests and paid on the interest adjustment date and semi-annually thereafter in each year and all such interest and compound interest shall be a charge on the Land referred to in paragraph 2 of Part 1 of the mortgage (the "said lands"). In the event of non-payment of any of the money hereby secured at the times set for payment in the mortgage, the Mortgagor agrees to pay interest at the mortgage rate on the same so long as any part thereof remains unpaid;
- (c) All money whether principal, interest or other money payable to the Mortgagee under the terms of the mortgage shall be payable in lawful money of Canada to the Mortgagee at its head office or such other place as may be designated by the Mortgagee.

2. APPLICATION OF PAYMENTS

Provided that if the mortgage is repayable by blended instalments of principal and interest, the instalments payable under the mortgage are to be applied firstly on account of interest calculated as provided in the mortgage on the principal money from time to time outstanding and the balance of the said instalments shall be applied on account of principal; provided, however, in the case of default by the Mortgagor, the Mortgagee may apply any payments received during any period of such default in whatever order it may elect as between principal, interest, taxes, repairs, insurance premiums or other advances made on behalf of the Mortgagor.

3. PREPAYMENT PRIVILEGE

- (a) Provided that the Mortgagor when not in default hereunder shall have the privilege of paying an additional amount on account of principal, not in excess of 10% of the original amount of this mortgage, on the first anniversary of the interest adjustment date specified in paragraph 5(c) of Part 1 of the mortgage or, if no date is specified therein, the first anniversary of the date specified

in paragraph (5) (f) of Part 1 of the mortgage and a similar amount on account of principal on the second anniversary of the said date, upon payment, by way of bonus, of three months' interest on the amount of any such additional payment, it being agreed that such privilege shall not be cumulative;

- (b) Provided that on the third anniversary of the interest adjustment date and on any monthly instalment date thereafter, the Mortgagor, when not in default hereunder, shall have the privilege of paying the whole amount owing hereunder, or any part thereof, upon payment, by way of bonus, of three months' interest on the amount of any such additional payment;
- (c) Provided, however, that if the mortgage covers a rental housing project, as defined in the **National Housing Act**, the foregoing additional payment privileges shall not apply, but the Mortgagor, when not in default hereunder, shall have the privilege of paying, on the fifth anniversary of the interest adjustment date, or on any monthly instalment date thereafter, the whole amount owing hereunder, upon payment, by way of bonus, of three months' interest on the principal amount then outstanding;
- (d) Provided that when any partial additional payments are made the amount thereof shall be equal to the sum of the principal portions of a number of consecutive monthly instalments which would otherwise become due hereunder next following the date upon which such additional payment is made, and the payment dates of all remaining instalments and of the balance owing hereunder shall be accelerated so that the Mortgagor shall pay the aforesaid monthly instalment in each and every month, commencing with the month immediately following the month in which the additional payment is made and continuing until all money owing hereunder shall have been fully repaid.

4. TAXES

Subject as hereinafter in this clause provided, the Mortgagor agrees to pay when and as the same shall fall due all taxes, rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the said lands or on the mortgage or on the Mortgagee in respect of the mortgage; provided that in respect of municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the said lands;

- (a) The Mortgagee may deduct from the final advance of the money secured by the mortgage an amount sufficient to pay the taxes which have become or will become due and payable on or before the day preceding the interest adjustment date and are unpaid at the date of such final advance.;
- (b) After the interest adjustment date the Mortgagor shall pay to the Mortgagee in monthly instalments on the dates on which instalments of principal and interest are payable pursuant to the mortgage, sums sufficient to enable the Mortgagee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof;
- (c) Where the period between the interest adjustment date and the next following annual due date or first instalment date is less than one year, the Mortgagor shall pay to the Mortgagee in equal monthly instalments, during such period and during the next succeeding 12 month period, an amount estimated by the Mortgagee to be sufficient to pay, on or before the expiration of the said 12 month period, all taxes which shall become due and payable during the said two periods and during the balance of the year in which the said 12 month period expires; and the Mortgagor agrees to pay to the Mortgagee on demand the amount, if any, by which the actual taxes exceed such estimated amount;

- (d) Except as provided in clause 4(c) the Mortgagor shall, in each and every month, pay to the Mortgagee one-twelfth of the amount (as estimated by the Mortgagee) of the taxes next becoming due and payable; and the Mortgagor shall pay to the Mortgagee on demand the amount, if any, by which the actual taxes exceed such estimated amount;
- (e) The Mortgagee shall allow the Mortgagor credit for interest at not less than the prevailing rate allowed by the chartered banks on personal savings deposits with chequing privileges, on the minimum balance standing in the mortgage account from time to time to the Mortgagor's credit for payment of taxes, such interest to be credited to the mortgage account not less frequently than once each year; and the Mortgagor shall be charged interest, at the mortgage rate, on the debit balance, if any, of taxes in the mortgage account outstanding after payment of taxes by the Mortgagee, until such debit balance is fully repaid;
- (f) The Mortgagee agrees to apply the deduction and payments referred to in clauses 4(a) to (d), inclusive, on the taxes chargeable against the said lands so long as the Mortgagor is not in default under any covenant, proviso or agreement contained in the mortgage, but nothing contained herein or in the mortgage shall obligate the Mortgagee to apply such payments on account of taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Mortgagee shall have been so applied, there shall be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may apply such sum or sums in or towards payment of the principal and or interest in default. The Mortgagor further covenants and agrees to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Mortgagor;
- (g) Notwithstanding the provisions of clause 1 and clauses 4(a) to 4(f) inclusive, the Mortgagee may, with the approval of Canada Mortgage and Housing Corporation, request the Mortgagor to pay the taxes when and as such taxes become due and to submit to the Mortgagee tax receipts evidencing the payment of the said taxes within 30 days after they become due, and in such case, the aforesaid monthly instalment, where applicable, will be adjusted accordingly.

5. INSURANCE

The Mortgagor shall forthwith insure and during the continuance of the mortgage keep insured in favour of the Mortgagee, against loss or damage by fire and, as the Mortgagee may require, insure against loss or damage by tempest, tornado, cyclone, lightning, floods and other risks or hazards, each and every building on the said lands and which may hereafter be erected thereon, both during erection and thereafter, for the full replacement value thereof in lawful money of Canada with a company approved by the Mortgagee; and the Mortgagor shall forthwith assign, transfer and deliver over unto the Mortgagee the policy of insurance and receipts thereof appertaining; and if the Mortgagor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Mortgagee at least five days before the termination of any insurance, evidence of renewal thereof, the Mortgagee shall be entitled, but shall not be obliged, to insure the said buildings or any of them; and the Mortgagor shall forthwith on the happening of any loss or damage, furnish at its expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance money; and any insurance money received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the said lands or be paid to the Mortgagor or to any other person appearing by the registered title to be or to have been the owner of the said lands or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the mortgage debt or any part thereof whether due or not then due.

6. CONSTRUCTION

The Mortgagor agrees to construct a building or buildings and other improvements on the said lands in accordance with plans and specifications which have been or are hereafter approved by Canada Mortgage and Housing Corporation and by the Mortgagee and will carry on diligently to completion the construction of the said building, buildings and other improvements.

7. ENTRY AFTER DEFAULT

The Mortgagor covenants and agrees with the Mortgagee that in the event of default in the payment of any instalment or any other money payable hereunder or on breach of any covenant, proviso or agreement herein contained, after all or any part of the money hereby secured has been advanced, the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands as the Mortgagee may deem expedient; and all reasonable costs, charges and expenses, including allowances for the time and service of any employee of the Mortgagee or other person appointed for the above purposes, shall be forthwith payable to the Mortgagee and shall be a charge upon the said lands and shall bear interest at the mortgage rate until paid.

8. REMEDIES

- (a) The Mortgagor covenants and agrees with the Mortgagee that in the event of default being made in the payment of the money hereby secured or any part thereof or in case of the breach or non-performance of any of the covenants, agreements, provisos or stipulations expressed or implied herein or upon any waste being committed or suffered on the said lands: The Mortgagee may, at the expense of the Mortgagor and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation; the Mortgagee may send or employ an inspector or agent to inspect and report upon the title to the said lands; the Mortgagee or agent of the Mortgagee may enter into possession of the said lands and whether in or out of possession collect the rent and profit thereof, and make any demise or lease of the said lands or any part thereof, for such term and period and at such rent as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease; it shall and may be lawful for and the Mortgagor does hereby grant full power, right and licence to the Mortgagee to enter, seize and distrain upon the said lands, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the said lands, as much of the mortgage money as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent; the Mortgagee may sell and dispose of the said lands with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the said lands; and all remedies competent may be resorted to and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by the mortgage may be exercised; and any notice may be effectually given by leaving the same with an adult person on the said lands if occupied, or by placing the same thereon, or on any part thereof if unoccupied, or at the option of the Mortgagee by publishing the same in a newspaper published in the Province of British Columbia; and such notice shall be sufficient though not otherwise addressed than "To whom it may concern"; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the said lands hereunder; and the Mortgagee may sell, transfer and convey any part of the said lands on such terms of credit or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for

such price as can reasonably be obtained therefor; and in the event of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any money until the same shall be actually received in cash; and sales may be made from time to time of parts of the said lands to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable at the mortgage rate; and the Mortgagee may make any stipulations as to title or evidence or commencement of title or otherwise as the Mortgagee shall deem proper, and may buy in or rescind or vary any contract for sale; and on any sale or resale, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; the whole of the mortgage money shall, at the option of the Mortgagee, become due and payable.

- (b) The Mortgagor further covenants and agrees with the Mortgagee that the taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof; the Mortgagee may at all times release any part or parts of the said lands or any other security or any surety for payment of all or any part of the money hereby secured or may release the Mortgagor or any other person from any covenant or other liability to pay the said money or any part thereof, either with or without consideration therefor, and without being accountable for the value thereof or for any money except that actually received by the Mortgagee, and without thereby releasing any other part of the said lands, or any other securities or covenants herein contained; it being especially agreed that notwithstanding any such release the portion of the said lands, securities and covenants remaining unreleased shall stand charged with the whole of the money hereby secured; no extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, or any other dealing by the Mortgagee with the owner of the equity of redemption of the said lands, 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.

9. BUILDINGS

It is the intention of the parties hereto that the building or buildings now erected, being erected or to be erected on the said lands form part of the security for the full amount of the money secured by the mortgage and that advances on the mortgage are to be made from time to time in the future in accordance with the progress of construction of such building or buildings and/or upon their completion and occupation or sale; and the Mortgagor agrees that neither the execution nor registration of the mortgage nor the advance of part of the said money shall bind the Mortgagee to advance the said money or any unadvanced part thereof, and that the advance of the said money, or any part thereof from time to time shall be in the sole discretion of the Mortgagee.

10. FIXTURES

All erections and improvements fixed or otherwise now on or hereafter put upon the said lands or put upon any buildings located upon the said lands, including, without limiting the generality of the foregoing, all fences, heating, plumbing, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, washing and drying equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the realty and of the security and are included in the term "said lands", and the Mortgagor shall not commit or permit any act of waste thereon; and the Mortgagor shall, at all times during the continuance of the mortgage, repair, maintain, restore, amend, keep, make good, finish, add to and put in order the said lands; and in the event of any loss or damage thereto or destruction thereof the Mortgagee may give notice to the

Mortgagor to repair, rebuild or reinstate the said lands within a time to be determined by the Mortgagee and to be stated in such notice; and upon the failure of the Mortgagor so to repair, rebuild, or reinstate within such time, such failure shall constitute a breach of covenant hereunder and thereupon the mortgage money shall, at the option of the Mortgagee, become immediately due and payable, without any demand by the Mortgagee upon the Mortgagor.

11. PRIOR ENCUMBRANCES

- (a) It is further stipulated, provided and agreed that the Mortgagee may pay the amount of any encumbrance, lien or charge now or hereafter existing or to arise or to be claimed upon the said lands having priority over the mortgage, including any taxes or other rates on the said lands or any portion of the said lands, or any amounts payable to a strata corporation, and may pay all costs, charges and expenses and all solicitors' charges or commissions as between a solicitor and client, which may be incurred in taking, recovering and keeping possession of the said lands and generally in any proceedings or steps of any nature whatever properly taken in connection with or to realize upon the mortgage, or in respect of the collection and any overdue interest, principal, insurance premiums, strata fees or any other money whatsoever payable by the Mortgagor hereunder whether any action or any judicial proceedings to enforce such payments has or have been taken or not and the amount of insurance premiums for fire or other risks or hazards so paid and any other money paid hereunder by the Mortgagee shall be added to the debt hereby secured and be a charge on the said lands and shall bear interest at the mortgage rate and shall be payable forthwith by the Mortgagor to the Mortgagee and the non-payment of such amount shall be a default under the mortgage and shall entitle the Mortgagee to exercise the power of sale and all other remedies hereby given or otherwise available to the Mortgagee. In the event of the Mortgagee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced under the mortgage or otherwise it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid, and is hereby authorized to retain any discharge thereof, without registration, for such period of time as the Mortgagee deems appropriate.
- (b) In the event of the mortgage money advanced hereunder, or any part thereof, being applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party so paid, whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under the mortgage or of any claim so paid shall be final and binding on the Mortgagor; the Mortgagee shall not be charged with any money receivable or collectible out of the said lands or otherwise, except those actually received; and all revenue of the said lands received or collected by the Mortgagee from any source other than payment by the Mortgagor may, at the option of the Mortgagee, be used in maintaining or insuring or improving the said lands, or in payment of taxes or other charges against the said lands, or applied on the mortgage account.

12. MORTGAGE EXPENSES

All solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering the mortgage and for examining the said lands and the title thereto, and for making the mortgage or maintaining the mortgage as a first charge on the said lands, together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, taxes or rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the said lands or on the mortgage or on the Mortgagee in respect of the mortgage, and in maintaining, repairing, restoring or completing the said lands, and in inspecting, leasing, managing, or improving the said lands, including the price or value of any goods of any sort or description supplied to be used on the said lands, and in exercising or enforcing or attempting to enforce or in pursuance of any

right, power, remedy or purpose hereunder or subsisting, and legal costs as between a solicitor and client, and an allowance for the time, work and expense of the Mortgagee, or of any agent, solicitor or employee of the Mortgagee, for any purpose herein provided for and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and shall be a charge on the said lands, together with interest thereon at the mortgage rate, and all such money shall be repayable to the Mortgagee on demand, or if not demanded then with the next ensuing instalment, except as otherwise herein provided, and all such sums together with interest thereon are included in the term "mortgage money".

13. ALTERATIONS

The Mortgagor shall not make, or permit to be made, any alterations or additions to the said lands without the consent of the Mortgagee; and the Mortgagor shall not use the said lands or permit them to be used for the purpose of any hotel, business, trade or manufacture of any description; and the Mortgagee or agent of the Mortgagee or agent of Canada Mortgage and Housing Corporation may, at any time, enter upon the said lands to inspect the said lands and buildings thereon.

14. EXERCISE OF POWERS

Any discretion, option, decision or opinion hereunder on the part of the Mortgagee shall be sufficiently exercised or formed if exercised or formed by or subsequently ratified by the manager, acting manager or assistant manager of any branch office of the Mortgagee in the Province of British Columbia or an executive officer of the Mortgagee or any officer or agent appointed by the Mortgagee for such purposes.

15. WASTE

The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor will not permit waste to be committed or suffered on the said lands and that the Mortgagor will maintain the said lands in good order and repair to the satisfaction of the Mortgagee.

16. OBLIGATIONS SURVIVE SALE

No sale or other dealing by the Mortgagee with the said lands or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the mortgage money.

17. DUE ON SALE

In the event that:

- (a) The Mortgagor sells, conveys, transfers or enters into any agreement of sale or transfer of title to the said lands to a purchaser, grantee or transferee not approved in writing by the Mortgagee, or
- (b) Such a purchaser, grantee or transferee fails to:
 - (i) apply for and receive the Mortgagee's written approval as aforesaid,
 - (ii) personally assume all obligations of the Mortgagor under the mortgage, and
 - (iii) execute an assumption agreement in the form required by the Mortgagee,

then, at the option of the Mortgagee the mortgage money shall forthwith become due and payable.

18. EXTENSION

Provided that no extension of time given by the Mortgagee to the Mortgagor or anyone claiming under the Mortgagor or any other dealing with the owner of the said lands shall in any way affect or prejudice the right of the Mortgagee against the Mortgagor or any other person liable for the payment of the mortgage money.

19. GOOD TITLE

The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor has a good title to the said lands, that the Mortgagor has the right to convey the said lands to the Mortgagee, that the Mortgagor has done no act to encumber the said lands, that the Mortgagor will execute such further assurances of the said lands as may be required from time to time by the Mortgagee, and that on default the Mortgagee shall have quiet possession of the said lands, free from all encumbrances.

20. DISCHARGE

The Mortgagee shall have a reasonable time after payment of the mortgage money in full within which to prepare and execute a discharge of the mortgage; and interest at the mortgage rate shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor.

21. SEVERABILITY

The Mortgagor and Mortgagee agree that in the event that at any time any provision of the mortgage is illegal or invalid under or inconsistent with the provisions of any applicable statute or regulation thereunder or would by reason of the provisions of any such statute or regulation render the Mortgagee unable to collect the amount of any loss sustained by it as a result of making the above recited loan which it would otherwise be able to collect under such statute, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Mortgagee unable to collect the amount of any such loss. In the event that any provision of the mortgage shall be deemed illegal or invalid, then the particular provision or provisions or part of the provision shall be deemed severed from the remainder of the mortgage and all other provisions of the mortgage shall remain in full force and effect.

22. STRATA TITLE PROVISIONS

If all or any part of the said lands are or become a strata lot:

- (a) The Mortgagor will observe and perform, all the covenants and provisions required to be observed and performed under or pursuant to the terms of this mortgage, the **Condominium Act**, and any by-laws, rules and regulations that may be passed by the strata corporation (herein called the "Strata Corporation") or any special interest section thereof of which the Mortgagor is a member by virtue of his/her interest in the strata lot or lots hereby charged.
- (b) The Mortgagor will pay, on or before the due dates thereof, the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the **Condominium Act** in any Land Title Office, such event shall constitute default under this mortgage. Should the Mortgagor fail to pay the share of the common expenses, assessment, contribution or levy, the Mortgagee may make that payment but shall not be obliged to do so. Any amount so paid by the Mortgagee shall be added to and form part of the money hereby secured and that amount together with interest thereon shall be paid to the Mortgagee forthwith without demand.
- (c) The Mortgagor will forward to the Mortgagee within ten days of demand by the Mortgagee a certificate in Form A of the Schedule to the **Condominium Act** certifying that no money is owing to the Strata Corporation by the Mortgagor.

- (d) The Mortgagor will not, without the prior written consent of the Mortgagee:
- (i) assign any of the Mortgagor's rights, powers, duties or obligations under the **Condominium Act**, or the by-laws created under the **Condominium Act**; or
 - (ii) give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sub-lease or assignment of lease for a term of three years or more.
- (e) The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the **Condominium Act**, but it is agreed that neither this clause nor anything done by virtue thereof shall render the Mortgagee a mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may, at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice, exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.
- (f) The Mortgagor further agrees that the right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.
- (g) Pursuant to Section 28(3) of the **Condominium Act**, the Mortgagor hereby authorizes in writing any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the by-laws for the time being in force governing the strata lots and interest in common property hereby mortgaged made available for inspection by such officer of the Mortgagee.
- (h) Pursuant to Section 36 of the **Condominium Act**, the Mortgagor hereby authorizes in writing any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of:
- (i) The amount of any contribution determined as the contribution of the Mortgagor under Section 35 of the **Condominium Act**;
 - (ii) the manner in which the contribution is payable;
 - (iii) The extent to which the contribution has been paid;
 - (iv) the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under Section 34(2) of the **Condominium Act** and not recovered by it;
 - (v) the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;
 - (vi) the amount of the contingency reserve fund;
 - (vii) that there are no amendments to the by-laws not filed in the Land Title Office other than those certified;
 - (viii) that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and
 - (ix) that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.

23. LEASEHOLD TITLE

If the said lands consist of a leasehold title, then the following provisions shall apply:

- (a) The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor has a good leasehold title to the said lands, that the lease is a good, valid and effective lease, that the Mortgagor has the right to mortgage the said leasehold title to the Mortgagee that the Mortgagor has done no act to encumber for the said lands, that the Mortgagor will execute such further assurances of the said lands as may be required from time to time by the Mortgagee and that on default the Mortgagee shall have quiet possession of the said lands free from all encumbrances;
- (b) The Mortgagor covenants and agrees with the Mortgagee that during the continuance of the mortgage, the Mortgagor shall pay the rent reserved by and perform and observe the covenants contained in the lease and on the tenant's part to be performed and observed and to keep indemnified the Mortgagee against all actions, claims and demands whatsoever in respect of the said rent and covenants or anything relating thereto;
- (c) In the event of any default being made in any payment of such rent or in the observance or performance of any covenant, the Mortgagee shall be at liberty to pay such rent or to observe or perform such covenant as the case may be and all money expended by the Mortgagee in so doing shall be payable forthwith by the Mortgagor to the Mortgagee and until paid shall be added to and become part of the principal hereby secured and shall be a charge on the said lands in favour of the Mortgagee with interest thereon at the mortgage rate;
- (d) The Mortgagor covenants and agrees that if the Mortgagor becomes the owner of the freehold of the said lands (the "freehold lands") the mortgage shall be deemed a mortgage of the freehold lands to the same extent and effect as if the Mortgagor has been the owner of the freehold lands, free from encumbrances, at the date of execution of the mortgage, and for the purpose of giving effect to the foregoing the Mortgagor does hereby grant and mortgage the freehold lands unto the Mortgagee, such grant to take effect upon the Mortgagor's acquiring the freehold lands. The Mortgagor covenants and agrees to execute and deliver at the Mortgagor's own expense, forthwith on demand therefor, such further and other documents as the Mortgagee may reasonably require for the purpose of validly giving effect to the foregoing.

24. RECEIVERSHIP

Notwithstanding anything herein contained, it is declared and agreed that any time and from time to time when there shall be default under the provisions of the mortgage the Mortgagee may at such time and from time to time and with or without entry into possession of the said lands or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee of the Mortgagee or not, to be a Receiver (which term as used herein includes a Receiver-Manager and also includes the plural as well as the singular) of the said lands or any part thereof and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any Receiver and appoint another in the Receiver's stead and that in making any such appointment or removal the Mortgagee shall be deemed to be acting as the agent or attorney of the Mortgagor but no such appointment shall be revocable by the Mortgagor. The remuneration and expenses of the Receiver shall be paid by the Mortgagor on demand and shall be a charge on the said lands and shall bear interest from the date of demand at the mortgage rate.

Upon the appointment of any such Receiver from time to time the following provisions shall apply:

- (a) Every such Receiver shall have unlimited access to the said lands as agent and attorney for the Mortgagor (which right of access shall not be revocable by the Mortgagor) and shall have full power and unlimited authority to:

- (i) collect the rents and profits from the said lands whether under tenancies created before or after the mortgage;
 - (ii) rent any portion of the said lands which may become vacant on such terms and conditions as the Receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (iii) complete the construction of any building or buildings or other erections or improvements on the said lands left by the Mortgagor in an unfinished state or award the same to others to complete; and purchase, repair and maintain any personal property including, without limitation, appliances and equipment necessary or desirable to render the said lands operable or rentable and take possession of and use or permit others to use all or any part of the Mortgagor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and
 - (iv) manage, operate, repair, alter or extend the said lands or any part thereof.
- (b) The Mortgagee may at its discretion vest the Receiver with any or all of the rights and powers of the Mortgagee;
- (c) The Mortgagee may fix the reasonable remuneration of the Receiver who shall be entitled to deduct the same out of the revenue of the sale proceeds of the said lands;
- (d) Every such Receiver shall be deemed the agent or attorney of the Mortgagor and, in any event, the Mortgagee and its agents shall not be responsible for the Receiver's acts or omissions;
- (e) The appointment of any such Receiver by the Mortgagee shall not result in or create any liability or obligation on the part of the Mortgagee to the Receiver or to the Mortgagor or to any other person and no appointment or removal of a Receiver and no actions of a Receiver shall constitute the Mortgagee a mortgagee in possession of the said lands;
- (f) No such Receiver shall be liable to the Mortgagor to account for money other than money actually received by the Receiver in respect of the said lands or any part thereof and out of such money so received every such Receiver shall pay in the following order:
- (i) the Receiver's remuneration aforesaid;
 - (ii) all costs and expenses of every nature and kind incurred by the Receiver in connection with the exercise of the Receiver's powers and authority hereby conferred;
 - (iii) interest, principal and other money which may, from time to time, be or become charged upon the said lands in priority to the mortgage, including taxes;
 - (iv) all interest, principal and other money due to the Mortgagee hereunder to be paid in such order as the Mortgagee in its discretion shall determine;
 - (v) thereafter, every such Receiver shall be accountable to the Mortgagor for any surplus;
- (g) Save as to claims for accounting under clause 24(f), the Mortgagor hereby releases and discharges any such Receiver from every claim of every nature which may arise or be caused to the Mortgagor or any person claiming through or under the Receiver by reason of or as a result of anything done by such Receiver unless such claim be the direct and proximate result of dishonesty or fraud;
- (h) The Mortgagee may, at any time and from time to time, terminate any such Receivership by notice in writing to the Mortgagor and to any such Receiver;

- (i) The statutory declaration of an officer of the Mortgagee as to default under the provisions of the mortgage and as to the due appointment of the Receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a Receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual;
- (j) The rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Mortgagee may have.

25. COVENANTOR

In consideration of the Mortgagee dealing with the Mortgagor and other good and valuable consideration, the Covenantor hereby covenants and agrees with the Mortgagee as follows:

- (a) The Covenantor will be liable to the Mortgagee under the Mortgagor's covenants as though the Covenantor was a Mortgagor hereunder and had executed this mortgage as such and without limiting the generality of the foregoing the Covenantor will well and truly pay or cause to be paid to the Mortgagee the principal, interest and all other money hereby secured on the same dates and times and in the manner as set forth in this mortgage and will in all matters pertaining to this mortgage well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this mortgage made binding upon the Mortgagor;
- (b) The Mortgagee shall not be bound to exhaust its recourses against the Mortgagor or other parties, or any security or securities or evidence of debt which the Mortgagee may hold before requiring payment by the Covenantor and the Mortgagee may enforce the various remedies available to it and may realize upon the various securities or any part or parts thereof in any order as it may determine;
- (c) The Covenantor shall continue liable to the Mortgagee as principal debtor notwithstanding any transaction which may take place between the Mortgagor and the Mortgagee or any neglect or default of the Mortgagee which otherwise might operate as a discharge, whether partially or absolutely, of the Covenantor if it were a surety and, in particular, but without limitation, notwithstanding the release in whole or in part of any security given by the Mortgagor or any other person or corporation to the Mortgagee by way of this mortgage or otherwise, or the granting of time or other indulgences to the Mortgagor, and notwithstanding any acquisition or disposition by the Covenantor of the fee simple or any lesser interest, legal or equitable, in the land, and the liability hereunder of the Covenantor shall not be diminished by reason of operation of any covenant contained in the Mortgage or any other security given for the indebtedness of the Mortgagor to the Mortgagee or by the release or extinguishment, by operation of law or otherwise of any security given for the indebtedness secured by this mortgage. The Mortgagee, in its absolute discretion or in the absolute discretion of its officers, agents or attorneys, without releasing or diminishing the liability of the Covenantor, may grant time or other indulgences to the Mortgagor and any other person or persons or corporation or corporations which now or hereafter is the owner of the land or any part thereof or is or are now or hereafter liable to the Mortgagee in respect of the principal, interest, costs, charges and expenses hereby secured and may give up, modify, vary, exchange, renew or abstain from perfecting or taking advantage of any security or securities in whole or in part now or hereafter held by the Mortgagee and may discharge any part or parts thereof and accept any composition or arrangements or realize upon a security when and in the manner as the Mortgagee, its officers, agents or attorneys think expedient and in no case shall the Mortgagee, its officers, agents or attorneys be responsible for any neglect or omission with respect of any security;
- (d) The obligations and liabilities of the Covenantor hereunder will be independent of and not conditional or contingent upon any other obligation or liability of the Covenantor or of the Mortgagor or of any other person who is or may become liable in respect of payment of the money secured hereby or any prior notice, demand, action or proceeding against the Mortgagor or any such other person;

- (e) No change in the name, objects, share capital or constitution of the Mortgagor or any agreement made by it, whether to dispose of a part of all or substantially all of its assets (whether or not the same shall form part of the security herein) shall in any way affect the liability of the Covenantor;
- (f) The Covenantor expressly relieves the Mortgagee of being concerned with or enquiring into the powers of the Mortgagor or its directors, agents or attorneys acting or purporting to act on its behalf;
- (g) Any account settled or stated by or between the Mortgagee and the Mortgagor or admitted by or on behalf of the Mortgagor, may be adduced by the Mortgagee and shall in that case be accepted by the Covenantor as the conclusive evidence that the balance or amount thereof thereby appearing as due by the Mortgagor to the Mortgagee is correct;
- (h) The obligations of the Covenantor hereunder are in addition to and not in substitution for any other securities negotiable or otherwise which the Mortgagee may now or hereafter possess and the Mortgagee shall be under no obligation to marshal in favour of the Covenantor any securities or any funds or assets which the Mortgagee may be entitled to receive or have a claim upon;
- (i) Nothing herein shall operate to prevent the Mortgagee from assigning this mortgage or any or all of the obligations of the Mortgagor or the Covenantor hereunder and/or any security taken by it from the Mortgagor to any other person or corporation absolutely or by way of security, and no such assignment shall operate to release or discharge the Covenantor from its obligations hereunder;
- (j) All debts and liabilities present and future of the Mortgagor to the Covenantor are hereby postponed to the debt and liability of the Mortgagor to the Mortgagee for the money hereby secured and all money received by the Covenantor or its assigns thereof shall be received for the Mortgagee and shall be paid over to the Mortgagee forthwith upon receipt.

26. RENEWAL

In the event that the Mortgagee shall agree to renew or extend the term of the mortgage, such renewal or extension, including the rate of interest, term, instalment and other stipulations of such renewal or extension, shall be binding upon the Mortgagor, its successors in title and assigns, and all subsequent mortgages, encumbrances and other interests in or of the said lands subsequent to this mortgage ("Subsequent Encumbrances"), and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal or extension is filed or recorded by notice at the applicable Land Title Office and whether or not the rate of interest payable or amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in the mortgage. The Mortgagor shall, forthwith on request by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority.

27. QUIET ENJOYMENT

Provided that until default of payment, or such other default or breach described herein, the Mortgagor shall have quiet possession of the said lands.

28. COMPLIANCE WITH LAW

The Mortgagor covenants and agrees promptly to observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental authority and agency concerning the said lands and will, at the Mortgagor's own expense, make any and all improvements thereon or alterations thereto, structural or otherwise which may be required at any time by any such present or future law, rule, requirement, order, direction, ordinance or regulation. The Mortgagee whenever it deems necessary, may by its surveyor or agent enter upon and inspect the said lands and make such improvements and alterations as the Mortgagee deems necessary to render the said lands in compliance with such laws, rules, requirements, orders, directions, ordinances or regulations and the reasonable cost of such inspections, improvements and alterations with interest at the mortgage rate shall be payable forthwith and be a charge upon the said lands.

29. CONSOLIDATION

The doctrine of consolidation shall apply to this mortgage notwithstanding Section 27 of the **Property Law Act**, R.S.B.C. 1979, c.340, as amended.

30. INTERPRETATION

- (a) Wherever the singular number or the masculine gender is used in the mortgage the same shall be construed as including the plural and feminine and neuter respectively where the fact or context so requires; and in any case where the mortgage is executed by more than one party all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several; and the heirs, executors, administrators, successors and assigns of any party executing the mortgage are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained.
- (b) Wherever the term "mortgage money" is used in the mortgage, the same shall be construed as meaning all money payable by the Mortgagor to the Mortgagee pursuant to the mortgage.
- (c) Wherever the term "the mortgage" or "this mortgage" is used in these Standard Mortgage Terms, the same shall be construed as meaning these Standard Mortgage Terms and the mortgage into which they are incorporated by reference.

31. ADDITIONAL COVENANTS

The covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.

32. CLAUSE TITLES

The clause titles herein are inserted for convenience of reference only and are deemed not to form part of the mortgage and are not to be considered in the construction or interpretation of the mortgage or any part thereof.

33. STATUTES

The mortgage is made in pursuance of the **Land Title Act** and the **Land Transfer Form Act** of British Columbia and in pursuance of the **National Housing Act**.

34. TRUE COPY

The Mortgagor acknowledges receipt of a true copy of the mortgage together with a copy of these Standard Mortgage Terms.