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Ministry of Government and Consumers Services  
Regulatory Services Branch

November 1, 2017

These STANDARD CHARGE TERMS shall be deemed to be included in every Charge/Mortgage which refers to them by their filing number, as provided in section 9 of the above Act.

This document sets out important terms which apply to the mortgage and are actually part of the mortgage. We recommend you read this carefully, and you may want to discuss the terms of the mortgage with a lawyer.

We are lending you money and we protect our interests through the mortgage on your property, which gives us certain rights, if you do not do what you promise to do. The specific terms that apply to your mortgage (for example, the interest rate) are set out in a document that you sign and is registered, or which is authorized by you, prepared in electronic format and registered electronically. We call this the registered mortgage.

### STANDARD CHARGE TERMS

Land Registration Reform Act  
 Filed by – Haventree Bank  
 Filed as number

STANDARD CHARGE TERMS  
 CLAUSES TYPES DE CHARGE  
 Filing No. 201713  
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(b) In consideration of you granting us the mortgage, and if you are not in default under any of your obligations under the mortgage, your loan or any agreement (collectively hereinafter referred to as a "default" or an "event of default"), we agree, subject to our rights under Section 8.1 hereof, to make the initial loan or extend the credit to you as described in the mortgage or the agreement and we may advance funds thereunder to you from time to time. Your charged interest in your property is security to us for

(a) The signed and registered mortgage evidences your mortgage and charge of your entire interest in your property to us as security for the indebtedness at the interest rate owed to us. If you are a tenant or a lessee of your property, the registered charge evidences that you are charging and subleasing your entire interest in your property to us for the entire term of the lease (except the last day), including any renewals and, if applicable, includes a charge over any option or right of first refusal to purchase the property which you may have.

2. THE MORTGAGE  
 2.1 Secures the Indebtedness

(v) **variable rate loan** means the variable rate principal amount and interest under a mortgage having a variable interest rate and described in the schedule to the registered mortgage or in an agreement.

(w) **variable rate mortgage** means the portion of the mortgage securing the variable rate loan.

(x) **variable rate principal amount** means the portion of the principal amount that bears interest at the variable interest rate.

(u) **variable interest rate** means the annual interest rate of the variable interest, calculated monthly, not in advance (unless otherwise stated in the mortgage or in any agreement), in the variable interest loan indicated in the mortgage or in any agreement. The variable interest rate changes from time to time based on the HavenTree Bank Prime Rate.

(t) **your property** means the land described in the registered mortgage and also includes all buildings, structures and other permanent constructions situate on the land at the time the mortgage is registered on title to your property or added later, as well as anything attached now or later to the land or to any building, structure or other constructions on the land. Your property also includes any improvements, substitutions, additions or alterations made to any building, structure, construction or to the land itself. If your property is a condominium unit or strata lot, your property also includes your interest in the common elements and any other interest that you may have in the assets of the condominium or strata corporation. References to your property shall mean all or any part of your property, the meaning requires.

(r) **we, us, and our** means the mortgagee or chargee described in the registered mortgage.

(s) **you and your** means each person, corporation and other entity who has signed the mortgage as a chargor, mortgagor or borrower and includes the personal and legal representatives of each such person, corporation and other entity.

(b) **taxes** means all taxes, assessments and levies of all kinds related to your property and includes any interest and penalties thereon, including, but not limited to, property taxes, local improvement assessments, school taxes and development charges. We may also include other costs paid by HavenTree Bank and associated with a cleanup of the property following a fire, flood, explosion or other destruction or damage, and any interest or additional charges related thereto.

(d) **registered mortgage** means the form of charge or mortgage (including all schedules) which references this set of standard charge terms, which standard charge terms you have or will acknowledge receipt of, by its filing number and which forms part of the mortgage that is or will be registered against the title to your property and which mortgage you have signed or will sign or, where your property is under the electronic registration system, which mortgage will be signed electronically pursuant to your authorization and registered electronically against title to your property.

(b) The initial loan may, at our sole discretion, be automatically renewed if we send you a notice offering to renew the outstanding loan amount at a certain rate or rates and upon certain terms before the balance due date and you do not respond in writing accepting one of the renewal terms offered or you do not pay the loan amount in full and have not made other arrangements with us for payment or extension of your loan on or before the balance due date. In such circumstances, the initial loan may, at our

(a) With your consent, we may, at our option change any part of the mortgage, including renewing or amending the initial loan, increasing the principal amount or any other term of the mortgage.

2.3 Mortgage Amendments and Renewals, including Automatic Renewals

(c) Our successors and assigns will also be bound by the terms of the mortgage and agreements.

(b) Your legal and personal representatives and anyone else to whom your property is transferred to will also be bound to the obligations and responsibilities under the mortgage and agreements.

(a) Each person who executes the mortgage and the agreements agree to be bound to the obligations, liabilities and responsibilities thereunder. If more than one person has signed the mortgage and/or the agreements, each person, jointly and severally, is responsible for meeting in full all payment and other obligations, liabilities and responsibilities required under the mortgage and the agreements.

2.2 Parties Bound by the Mortgage

(e) Once the entire amount of the indebtedness then outstanding has been repaid to us and after you have completed all of your obligations under the mortgage and agreements, and once you notify us in writing that your payment is to be the final and permanent payout of all your obligations under the mortgage and the agreements, at such time we will agree to sign a discharge of the mortgage following receipt of such final payment. We shall have a reasonable period of time after receipt of the final payment in which to prepare and issue the said discharge. If electronic registration is available for the property, we may register the discharge on your behalf and provide you or your lawyer with confirmation of registration.

(d) The mortgage secures a current account of the indebtedness owed to us and the mortgage is not satisfied or discharged by any intermediate payment of all or any part of the indebtedness. The mortgage shall also remain as continuing security for the payment of all other additional indebtedness you may incur. The mortgage is not released, discharged or reduced by any change in the amount, nature or form of any indebtedness or any renewal, extension, amendment or replacement of the mortgage, your loan or any of the agreements. The mortgage will not cease to operate and will not be extinguished or discharged except as provided in subparagraph (d) below.

(c) All erections, additions and improvements, fixed or otherwise which are now or any time hereafter put upon your property or any building thereon, and all apparatus and equipment attached to or added to such erections, additions or improvements, will be fixtures and form part of your property and be part of the security for payment of the indebtedness. Fixtures subject to this mortgage shall include all fences, boilers, oil and gas burners, stokers, blowers, electric light fixtures, switch plates and electrical outlet covers, furnaces, heating, piping, plumbing, aerials, air-conditioning (including central air conditioning and portable or window mounted units), ventilating, lighting and water heating equipment, cooking and refrigeration equipment (including refrigerators, stoves, washers and dryers and built in micro wave or toaster ovens), built in dishwashers, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, plant machinery, television antennae and cable connections, satellite dishes sprinklers, shutters and awnings, floor coverings, and all apparatus and equipment attached or added thereto.

payment of all your indebtedness owing to us from time to time and for the performance of all your obligations under the mortgage and agreements.

- (a) The interest rate applicable to the principal amount secured by the mortgage is that rate of interest shown in the registered mortgage. The interest rate payable by you on the initial loan is shown in the registered mortgage (or any schedule attached thereto) or in the agreement(s) governing that loan. The interest rate payable on any other indebtedness is that set out in the agreement relating to that part of the indebtedness.
- (b) Interest is secured and is payable on the indebtedness until each and every part of the indebtedness has been paid in full.
- (c) If your loan is a fixed rate loan:
  - (i) Interest is payable at the frequency shown on the registered mortgage or in the agreement related to that part of the indebtedness; and,
  - (ii) unless otherwise provided in the mortgage or in any agreement, interest on a fixed rate loan is calculated semi-annually, not in advance.
- (d) If your loan is a variable rate loan:
  - (i) the variable interest rate will change with any change in the Havenree Bank Prime Rate. If there is a change in the Havenree Bank Prime Rate, Havenree Bank may send you notice of the new variable interest rate, but if Havenree Bank fails to do so, you will still be liable to make all payments when due under the mortgage at the new variable interest rate. These notices form a part of the mortgage. A change in the variable interest rate will become effective on the day that that the Havenree Bank Prime Rate changes;
  - (ii) the variable interest rate payable may automatically be adjusted following the interest adjustment date and on the first day of each month thereafter;
  - (iii) interest is payable at the frequency shown on the registered mortgage or in the agreement evidencing that part of the indebtedness and unless otherwise provided, is calculated monthly, not in advance; and
  - (iv) we refer you to Section 11.13 of this set of standard charge terms which contains a table listing interest rates calculated monthly not in advance per annum together with the equivalent interest rates calculated half-yearly not in advance per annum. This table is provided in order to satisfy our requirement under the Interest Act (Canada) to provide equivalent interest rates calculated half-yearly not in advance per annum.

**3. INTEREST PROVISIONS**  
**3.1 Interest under the Mortgage and on the Indebtedness**

- (c) You do not have an automatic right to renew the initial loan, or any prior renewal thereof, and we may refuse to renew your loan at our sole discretion. You understand that the determination of whether or not a renewal of the initial loan or any other fixed rate loan or variable rate loan will be offered and the terms and conditions associated therewith shall always be and will remain at our sole and complete discretion.
  - (d) In the event we enter into a new agreement to renew or amend the terms of the initial loan or any renewal thereof with a co-borrower or with any other person who is obligated to pay the initial loan or any other part of the indebtedness, such actions will not release you from your obligations under the mortgage or agreement, even if you do not sign and/or are not advised of the new agreement to renew or amend the said loan.
  - (e) We do not have to register any agreement to renew or amend the terms of the initial loan on the title to your property in order to retain our rights under the mortgage against you or any other person, including protecting our priority for such renewed or amended loan, over any other mortgage.
- sole discretion, be renewed for the term and at the rate for automatic renewals we set out in the renewal notice we sent you. We may also automatically renew any other fixed rate loan or variable rate loan you have with us, if any.

3.2 Interest on Funds Advanced Before the Interest Adjustment Date

(a) Interest on funds advanced under the initial loan (and any other part of the indebtedness) before the interest adjustment date will be calculated at the interest rate set out in the registered mortgage or in the agreement evidencing that part of the indebtedness and, at our option, may be deducted from any portion of the principal to be advanced to you.

(b) In the alternative, such interest may, at our option, be debited from your bank account on the interest adjustment date or at such other time or times we may determine, at our sole discretion.

3.3 Compound interest

(a) If you do not make any payment when required under the mortgage or agreement, we will levy interest (hereinafter referred to as "compound interest") on all such overdue amounts including the unpaid interest and such amount may be added to your indebtedness prior to your next regular payment date under the mortgage.

(b) Compound interest, which is calculated at the same interest rate as payable on that part indebtedness, is payable both before and after the balance due date or maturity date, before and after default, and before and after any court judgment we obtain against you.

(c) Upon our demand, this compound interest must be paid to us immediately.

(d) For variable rate loans, such compound interest will be calculated every day at the variable interest rate on the full amount of the late payment.

4. REGULAR PAYMENTS DUE UNDER THE MORTGAGE

4.1 Bank account for payments

(a) You agree to maintain a bank account with a bank, trust company or credit union in Canada and provide authorization in a form satisfactory to us to facilitate our ability to automatically debit each regular payment and any and all other payments you owe to us when same become due and payable during the term of the loan and all renewals thereof.

(b) You agree to ensure that the said account always contains sufficient monies to fund each payment as same becomes due and payable.

(c) Failure to maintain sufficient funds in the account; cancelling the authorization to debit payments; or, if the closing of the account, may all result in your being held in default under your mortgage.

4.2 Currency and place of payment

(a) Except as provided in Section 4.1, you will pay the indebtedness to us in Canadian dollars at the address shown on the registered mortgage.

(b) We may, at our sole discretion, and upon us providing you with written notice, change our address for payment at any time and from time to time during the term of your loan and any renewal thereof.

4.3 Regular payments

(a) If your loan is a fixed rate loan:

(i) the amount of each regular payment, which includes an amount calculated as repayment of part of the fixed rate principal amount together with accrued interest at the fixed interest rate calculated from the interest adjustment date, is as shown in the registered mortgage or agreement governing the initial loan (and for other indebtedness, in the agreement evidencing that part of the indebtedness).



(b) Notwithstanding the above, if you are in default or otherwise not in compliance with your obligations under your loan, the mortgage or agreement(s), we may apply all and any part of such payments or any other money we receive towards any part of the indebtedness as we choose, in whatever proportions we so choose and in whatever order we choose, all at our sole discretion.

(a) The regular payments we receive from you will be applied in the following order: (a) if applicable, to pay life insurance premiums on the mortgage; (b) if applicable, to pay and bring into good standing any accounts related to the mortgage in which we hold funds for payment to others or from which amounts are debited, including tax accounts; (c) if applicable, to pay any collection expenses and related administration and processing fees; (d) to pay interest accumulated up to, but not including, the payment date; and (e) to reduce the principal amount.

4.5 How Payments are Applied

(d) All additional amounts payable on account of taxes and insurance which are being collected with your regular mortgage payment will at all times be payable at the same frequency and calculated in the same manner as your regular payments.

(c) In addition to any other remedy we might have under the mortgage, if you have changed your payment frequency to weekly, bi-weekly or semi-monthly and you are in default of payment of an amount which exceeds two (2) weekly payments, or one (1) bi-weekly or semi-monthly payment as applicable, your payment frequency will, at our sole discretion and without prior notice to you, revert to the monthly payment frequency. Any interest adjustment amount due to such reversion may, at our sole discretion, be immediately payable by you or may otherwise be added to the indebtedness.

(b) On a change of payment frequency an additional interest adjustment amount may be payable and we may also charge an administration, service or other processing fee to effect such change. All such fees shall be immediately payable by you or, at our sole discretion, may be added to the indebtedness.

(a) We may permit you to change the frequency of your regular payments due on your loan secured by the mortgage, to weekly, bi-weekly, semi-monthly or monthly. A weekly payment is equal to 1/4 of a monthly payment and is payable every seven (7) days. A bi-weekly payment is equal to 1/2 of a monthly payment and is payable every fourteen (14) days. A semi-monthly payment is equal to 1/2 of a monthly payment and is payable on the first and fifteenth day of every month.

4.4 Changing the frequency of your regular payments

(c) You must make these regular payments on the dates as set out starting with the first payment date up to and including the balance due date or maturity date.

(!!!!) If the amount of any regular payment to be paid by you is insufficient to pay the variable rate interest accrued under the mortgage at the time such regular payment is paid, you agree to pay us this shortfall immediately upon demand, falling which same may be deemed an event of default or, at our discretion, such amounts may be added to your indebtedness, and the interest accrued which remains unpaid shall itself bear interest at the variable interest rate until paid.

(!!) You acknowledge that the variable interest rate will vary automatically each time there is a change in the Haventree Bank Prime Rate with or without any notice to you; and

(i) the amount of each regular payment, which includes an amount calculated as repayment of part of the variable rate principal amount together with accrued interest at the variable interest rate on the variable rate principal amount calculated from the interest adjustment date, is as shown in the registered mortgage or agreement governing the initial loan (and for other indebtedness, in the agreement evidencing that part of the indebtedness);

(b) If your loan is a variable rate loan:

- (a) You agree to pay the initial loan and all other indebtedness as required by the mortgage and/or the agreement(s) relating to the indebtedness and to meet all of your other obligations under the mortgage.
- (b) In the event you make any claim against us for any matter relating to the mortgage, any agreement, life or other insurance related to your loan or renewal thereof, you agree to make such claim without abatement, set-off or any other claim diminishing your obligation to make all such payments as they become due.
- (c) You also agree to pay, immediately upon demand, all of our costs, including, but not limited to legal fees and expenses which we may incur, for investigating title to your

**7.1 Promise to Pay**

**7. PROMISES, ASSURANCES, COVENANTS AND OTHER OBLIGATIONS UNDER THE MORTGAGE**

- (a) In the event you transfer title, or agree to transfer title, to your property to anyone without obtaining our prior approval in writing, we may require you to immediately pay the entire indebtedness together with the applicable prepayment charge. Our acceptance of payment from any person who we have not first approved of in writing does not act as a waiver of our rights to demand the loan indebtedness to be repaid in full nor does it otherwise evidence our approval to such transfer.
- (b) In order to allow us to determine whether or not we will provide our approval, you agree to give us such information which we may require upon demand. Once we receive this information, we shall make our determination within a reasonable period of time and shall advise you as soon as thereafter possible. Although such consent will not be unreasonably withheld, the decision to approve or not will remain at our sole discretion.
- (c) If you request such approval, there may be an administration and/or processing fee which you will agree to pay immediately regardless as to whether or not the assumption is approved.
- (d) At our sole discretion we may release you from your obligations under the mortgage once same has been assumed, however, you understand and agree that such a release is not automatic and may not be granted. Likewise we may or may not, at our sole discretion, release any of the guarantors from their guarantee of the mortgage once same has been assumed. You agree to provide us with any reasonably requested information and documentation we may ask for in this regard.

**6. PROVISIONS RELATING TO AN ASSUMPTION OF THE MORTGAGE**

Your loan and each renewal thereof and every other part of the indebtedness secured by the mortgage is closed for the term of the loan with earlier payment permitted only as set out in our loan commitment or renewal agreement, unless otherwise expressly provided in any agreement.

**5. PREPAYMENT PROVISIONS AND RESTRICTIONS**

- (a) The outstanding balance of your loan must be repaid in full on the balance due date shown on the registered mortgage or the agreement governing your loan (and for each other part of the indebtedness on the balance due date or maturity date set out in the agreement relating to that part of the indebtedness).
- (b) You will be obligated to pay, and shall continue to pay, interest (including compound interest) on the outstanding balance, at the interest rate until all of the indebtedness has been repaid in full.

**4.6 Balance Due Date Payment**