

# MORTGAGE

## RECITALS

### WHEREAS:

- A. The Mortgagor is or is entitled to become the registered owner of the Lands;
- B. The Mortgagee has agreed to lend an amount not to exceed the Principal Sum to the Mortgagor (or its nominee) on the terms and conditions set out herein; and
- C. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favor of the Mortgagee.

**NOW THEREFORE** in consideration of the covenants and promises contained herein, the Mortgagor and Mortgagee covenant each with the other as follows:

## ARTICLE I - DEFINITIONS

1.1 In this Mortgage:

- (a) "Business Days" means days other than Saturdays, Sundays and statutory holidays in \_\_\_\_\_:
- (b) "Collateral Security" means the additional and collateral security, if any, which may be required by the Mortgagee to be granted or provided by the Mortgagor pursuant to the provisions of this Mortgage including, but without limiting the generality of the foregoing, the following:
  - (i) a loan agreement between the Mortgagee and the Mortgagor's nominee \_\_\_\_\_, dated effective the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Loan Agreement").
- (c) "Commitment Letter" means any written correspondence from the Mortgagee to the Mortgagor or its nominee \_\_\_\_\_, setting out the terms by which the Principal Sum will be advanced, as amended, modified, supplemented, restated or replaced, from time to time;
- (d) "Hazardous Substances" means any substance which is hazardous to person or property and includes, without limiting the generality of the foregoing:
  - (i) radioactive materials;
  - (ii) explosives;
  - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant;
  - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
    - A. endangers the health, safety or welfare of persons or the health of animal life;

- B. interferes with normal enjoyment of life or property; or
  - C. causes damage to plant life or to property;
- (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls; and
- (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee and the Lands;
- (e) "Improvements" means all improvements of every kind whether or not affixed to the Lands including without limitation all buildings, erections, improvements, machinery and plant, furnaces, boilers, elevators, escalators, mobile homes, plumbing, air conditioning, ventilating and refrigerating equipment, water heaters, wall to wall carpeting, plate glass, storm doors, storm windows, screens and screen doors and all apparatus and equipment appurtenant thereto whether moveable or stationary, with all proper, usual and necessary gears, tools accessories, equipment and appliances, which are now or may hereafter be placed or installed upon the Lands;
- (f) "Interest Rate" means Twelve and Three Quarters percent (12 3/4%) per annum, calculated annually and payable quarterly, not in advance;
- (g) "Interest Adjustment Date" has the meaning ascribed to such term in section 2.2(a) hereof;
- (h) "Lands" means that parcel or parcels of land situate in \_\_\_\_\_ and legally described in Schedule "A" attached hereto, together with all Improvements;
- (i) "Maturity Date" means the Business Day that the Mortgage Monies are due for repayment pursuant to the Loan Agreement;
- (j) "Mortgage" means this mortgage together with all Recitals and all Schedules attached hereto;
- (k) "Mortgage Monies" means the Principal Sum with interest thereon at the Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee;
- (l) "Mortgagee" means \_\_\_\_\_
- (m) "Mortgagee's Address" means \_\_\_\_\_, or such other address as the Mortgagee shall from time to time advise in writing;
- (n) "Mortgagor" means \_\_\_\_\_;
- (o) "Mortgagor's Address" means \_\_\_\_\_, or such other address as the Mortgagor shall from time to time advise in writing;
- (p) "Permitted Encumbrances" means those encumbrances described in Schedule "A" attached hereto;
- (q) "Principal Sum" means a sum not to exceed \$\_\_\_\_\_ in lawful money of \_\_\_\_\_;
- (r) "Prior Charge" means any mortgage, lien, agreement for sale, encumbrance, interest in land or other charge or claim upon or with respect to the Lands which has or may have or which may acquire priority to this Mortgage, including, without restriction, the Permitted Encumbrances;

- (s) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands;
- (t) "Receiver" means any person or persons appointed by the Mortgagee in accordance with section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (u) "Term" means the period of time from the first advance of the Principal Sum hereunder to and including the Maturity Date.

## 1.2 Preamble and Schedule Incorporated

The parties hereby confirm and ratify the matters contained and referred to in the preamble to this Mortgage and agree that the same and Schedule "A" attached hereto are expressly incorporated into and form part of this Agreement.

## 1.3. Schedule

The schedule to this Agreement is as follows:

Schedule "A" - Lands and Permitted Encumbrances

## ARTICLE II - ADVANCE OF FUNDS UNDER THE LOAN AGREEMENT

### 2.1 Loan of Principal Sum

The Mortgagee agrees to lend an amount not to exceed the Principal sum to the Mortgagor (or its nominee \_\_\_\_\_) upon the terms and conditions contained herein and as set forth in the Loan Agreement.

### 2.2 No Obligation to Advance Funds

Neither the preparation, execution or registration of this mortgage, nor the advance in part of the monies intended to be secured hereby, shall bind the Mortgagee to advance the monies intended to be secured hereby or any unadvanced portion thereof, it being understood and agreed that the advance of monies, or any part thereof, from time to time shall be in the sole discretion of the Mortgagee.

### 2.3 Repayment

- (a) The Mortgagor shall pay or cause to be paid to the Mortgagee at the Mortgagee's Address, in three (3) years, due \_\_\_\_\_, the Principal Sum together with interest at the Interest Rate, calculated annually in advance and payable semi-annually, not in advance, before and after maturity, default and judgment, with overdue interest at the Interest Rate from the date of advance of the Principal Sum, or such portion thereof (the "Interest Adjustment Date"), with the Mortgagor acknowledging that this Mortgage is given and taken as general and continuing collateral security and may secure the Loan Agreement, the Promissory Note or Note(s), a current or running account or a revolving line of credit and any other collateral security as may be granted, and the Mortgagor agrees that the Mortgage Monies shall include all amounts owing to the Mortgagee from time to time in respect of any such promissory note, note(s), current or running account or revolving line of credit and all indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee, whether present or future, direct or indirect, absolute or contingent, matured or not, and whether arising within or outside \_\_\_\_\_, and whether incurred by or arising from any agreement or dealing between the Mortgagee and the Mortgagor

or by or from any agreement or dealing with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor, or however otherwise incurred or arising, and whether the Mortgagor be bound alone or with another or others, and whether as principal, guarantor or surety; and

(b) the Principal Sum and all other Mortgage Monies, or the amount thereof remaining unpaid, shall become due and be paid on the Maturity Date.