

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by: [name of party filing document]

Filing Date:

Filing Number:

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by filing number, as provided in Section 9 of the Act.

GENERAL

1. Statutory Covenants Excluded

The implied covenants deemed to be included in a charge under sub-section 7(1) (paragraphs 1 and 2) of the *Land Registration Reform Act*, R.S.O. 1990 (as amended from time to time) shall be and are hereby expressly excluded and replaced by this Set of Standard Charge Terms which are covenants for the Chargor and the Chargor's successors, with the Chargee and the Chargee's successors and assigns.

2. Definitions

In this Set of Standard Charge Terms, the following words and phrases shall have the meanings set out below:

"Charge" means a charge/mortgage of land (Form 2) which refers to the filing number of this Set of Standard Charge Terms (including any schedule(s) attached hereto) and this Set of Standard Charge Terms, as any of the foregoing may be amended or replaced from time to time;

"Charge Debt" means the Principal Amount, interest and all other monies secured by this Charge;

"Chargor", "we", "our" and "us" means [INSERT NAME OF LENDER], its successors and assigns;

"Chargor", "you" and "your" means each person who signs the Charge as chargor, and the Chargor's heirs, executors, administrators, successors and assigns;

"Default" has the meaning ascribed to it in Section ____ herein;

"Guarantor" or "Guarantors" means each person (if any) who signs the Charge as guarantor of the monies secured hereby;

"Interest Adjustment Date", "First Payment Date", "Last Payment Date" and "Balance Due Date" mean those dates set out in Boxes 9(d), (f), (g) and (i), respectively of the Charge;

"Land" means the Land or real property described in Box 5 of the Charge, including all buildings, structures, fixtures (including those items set out in Section ____ herein) and improvements situated thereon;

"Lien" means any mortgage, charge, lien, pledge, security interest, levy, execution, attachment or other encumbrances (whether statutory or not);

"Principal Amount" means the amount set out in Box 9(a) of the Charge, or the balance thereof from time to time as calculated pursuant to the terms hereof.

"Specified Rate" means the rate specified in Box 9(b) of the Charge or as otherwise defined in the Charge;

“**Successor**” or “**Successors**” means an heir or heirs, an executor or executors, an administrator or administrators or an assign or assigns of the Chargor, and Guarantor(s), if any.

PAYMENT PROVISIONS

3. Interest to Interest Adjustment Date

Interest at the Specified Rate payable under the Charge up to and including the Interest Adjustment Date on the amounts advanced from time to time shall be calculated and compounded monthly from the date of such advances, and shall become due and be paid on the Interest Adjustment Date. The Chargee may require the interest on the advances of the Principal Amount from time to time and on all other amounts payable under the Charge (including all amounts specified to be added to the Charge Debt), calculated and compounded monthly from the date of such advance, to become due and payable in monthly instalments on the first (1st) day of the month following the first advance, and on the first (1st) day of each and every month thereafter, and the balance, if any of the aforesaid interest on advances shall become due and be paid on the Interest Adjustment Date. At the option of the Chargee, interest so due and payable may be deducted from any or all such advances.

4. Interest Payments

Except for the above interest payable up to the Interest Adjustment Date, wherever in the Charge reference is made to interest, it shall be deemed to be a reference to interest at the Specified Rate calculated semi-annually, not in advance.

5. Change of Interest Adjustment Date

The Interest Adjustment Date, the First Payment Date and the Balance Due Date, may, at the option of the Chargee, be changed, altered or varied, so that the Interest Adjustment Date shall be the first day of the month following the month in which the final advance of the Principal Amount is made by the Chargee (hereinafter sometimes referred to as the “revised Interest Adjustment Date”) and, in such event, the First Payment Date shall be the first (1st) day of the month next following the revised Interest Adjustment Date and the Balance Due Date shall be changed, altered or varied accordingly, with the intent that the period of the time commencing with the revised Interest Adjustment Date and ending on the Balance Due Date so varied, shall be equal to the period of time between the Interest Adjust Date and the Balance Due Date set out in the Charge. The Chargee shall be the sole judge of when the final advance has been made.

6. Monthly Payments

After the Interest Adjustment Date (or after the revised Interest Adjustment Date, as the case may be), the Principal Amount and interest shall be payable by monthly instalments in the amount set out in Box 9(h) of the Charge (the “**Monthly Payment**”) (which includes a proportion of the Principal Amount and interest) on the first (1st) day of each and every month in each and every year from and including the First Payment Date to and including the Last Payment Date and the balance, if any, of the Principal Amount and of the said interest shall become due and payable on the date last mentioned. Each Monthly Payment, when received, is to be applied firstly to interest calculated as aforesaid on the Principal Amount from time to time unpaid, and the balance, if any, of the Monthly Payment shall be applied on account of and in reduction of the Principal Amount.

7. Application of Monthly Payments

Notwithstanding the foregoing, in the case of Default by the Chargor, the Chargee may then apply any payments received during the period of Default in whatever order it may elect as between taxes, interest, repairs, compound interest, insurance premiums or any payments or other costs incurred or other advances made by the Chargee on behalf of the Chargor. In the event that the amount in arrears exceeds any payment received by the Chargee hereunder, such excess shall, at the sole option of the Chargee, be added to the Principal Amount and shall bear interest at the rate aforesaid.

8. Interest After Default

In the case of Default by the Chargor in payment of any sum to become due at any time appointed for payment in the Charge, compound interest shall be payable, and the sum for principal, interest or other amounts in arrears from time to time, before or after default or maturity, and before or after judgment, shall bear interest at the rate aforesaid, and all such sums and compound interest shall be charge upon the Lands.

9. No Obligation to Advance

Neither the preparation, execution nor registration of the Charge shall obligate us to advance the money secured by the Charge, nor shall the advance of a part of the money secured by the Charge obligate us to advance any unadvanced portion thereof, but nevertheless the security in the Lands will take effect forthwith upon your signing of the Charge. The expenses of examination the title, and of preparing the Charge, and all valuation fees and standby and commitment fees, together with all of our costs, will be secured by the Charge in the event that the whole or any balance of the Principal Amount is not advanced, and, at our option and without demand therefor, shall be payable forthwith with interest at the rate provided for in the Charge and upon Default, the power of sale given to us hereunder, and all other remedies available to us hereunder, shall be exercisable.

10. Acceleration of Principal and Interest

If the Chargor fails to observe or perform any of the terms, covenants, provisions, agreements or conditions contained in the Charge or in any charge to which the Charge is subject, the monies hereby secured shall forthwith become due and payable, at the option of the Chargee, and all of the powers of the Chargee shall become exercisable, and the powers of sale herein contained may be exercised as herein provided. The Chargee may in writing at any time or times after default by the Chargor, waive such default and upon such waiver, the time or times for payment of the Principal Amount shall be as set out in the above provision for redemption, provided that any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

11. Place of Payment

All payments on account of the Principal Amount, interest and other monies payable hereunder to us shall be payable at par in lawful money of Canada at such place in the Province of Ontario or other place in Canada as we shall designate in writing from time to time.

12. Time of Payment

Any payment received after 12:00 noon on any date shall be deemed, for the purpose of interest calculation, to have been made and received on the next banking day.

13. Receipt of Payment

In the event that any of the monies secured by the Charge are forwarded to us by mail, payment will not be deemed to have been made until we have actually received such monies, and you shall assume and be responsible for all risk of loss or delay from such mailing.

CHARGOR'S COVENANTS

14. Promise to Pay and Perform

You promise to pay or cause to be paid to us the Principal Amount and interest secured by the Charge in the manner and at the times and on the dates provided by the Charge, without any deduction or abatement, and to do, observe, perform, fulfil and keep all of the provisions, covenants, agreements and stipulations contained in the Charge, and to pay as they fall due all taxes, rates and assessments, whether municipal, local, provincial, federal or otherwise, which now are or may hereafter be imposed, charged or levied upon the Land and when required, shall provide us with receipts evidencing payment of the same.

15. Good and Marketable Title

You covenant, represent and warrant to us that, unless you are the tenant or lessee of the Land, that you are the lawful and beneficial owner of the Land, and that you have good and marketable title in fee simple to the Land free of any Liens or claims except those that you have reported in writing to us.

16. Right to Charge the Land

You covenant, represent and warrant to us that you have the right, power and lawful and absolute authority to charge the Land and to give the Charge to us upon the covenants contained in the Charge.

17. Further Assurances

You will, from time to time and at all times thereafter, at your expense, sign any other document or take any further action which we may, in our opinion or in the opinion of our solicitors, think necessary to ensure that all of your interest in the Land has been fully charged to us and that the Charge Debt is adequately secured.

18. No Act to Encumber

You covenant, represent and warrant to us that you have not done, omitted or permitted anything by which the Land may be subject to any Lien or adverse claim, except those that you have already reported to us in writing.

19. Insurance

- (a) You will insure without delay, and keep insured, in our favour and until the Charge is discharged, the Land and the buildings, erections and improvements, whether now existing or hereinafter erected, both during erection and thereafter (including all fixtures, furniture, equipment and other insurable property forming part thereof), and all present and future crops and other produce of the Land, against loss or damage by fire and other perils usually covered in fire insurance policies, with the broadest extended insurance coverage available (including but without in any way limiting or restricting the generality of the foregoing, insurance against loss or damage by wind, storm, hail, lightning, acts of God, explosion, riot, vandalism, impact by aircraft or vehicles, leakage or rupture of heating, plumbing or air conditioning or public water mains, plate glass coverage) and such other risks and hazards as we may from time to time require. You shall also maintain such loss of rental and other income insurance, and such public liability insurance, as may be satisfactory to us. Such insurance must be in a form satisfactory to us, and must be provided by a company approved by us for the replacement cost in Canadian dollars. Your policy must be in form satisfactory to us and must include extended perils coverage and the Canadian standard mortgage clause satisfactory to us stating that loss under the policy is payable to us. Such insurance shall not contain a co-insurance clause (or shall contain only such stated amount of co-insurance as we have approved) and shall not be subject to any statement of values. You shall, at our request, transfer to us all of the foregoing insurance policies and receipts.
- (b) If you fail to maintain insurance on the said buildings or any of them as set out above, or fail to maintain any such other insurance, or fail, upon request, to deliver a copy of any insurance policy or receipt to us, or fail to provide us with evidence, at our request, of any renewal or replacement of the insurance, at least fifteen (15) full days before your insurance expires or is terminated, we can, but are not obligated to, insure any or all of the said buildings or to effect such other insurance. What we pay for any insurance we obtain under this paragraph shall be added to the Charge Debt and be a charge upon the Land. If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim and do all things necessary to enable us to obtain payment of insurance proceeds. Insurance proceeds may, to the extent permitted by law, in whole or in part and, at our option, be applied to rebuild or repair the premises or paid to you or paid to any other person who owns or did own the Land, (as established by the registered title) or applied, at our sole discretion, in whole or in part on the Charge Debt or any part thereof, whether due or not then due. Our providing a copy of this

Charge 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.

- (c) If the insurance you obtain is not acceptable to us in our reasonable estimation or is not with a company or companies approved by us, we can require you to replace it with insurance which is acceptable, and/ or with a company or companies approved by us.
- (d) You will, upon demand, transfer all policies of insurance covering the buildings, erections or fixtures currently existing or to be erected on the Land (with the mortgage clause in a form approved by us) and the indemnity which may become due therefrom to us, and we will have a lien for the Charge Debt on all insurance on the said buildings, erections or fixtures and may elect to have this insurance money applied in reinstatement or towards payment of money secured hereby, whether due or not, but shall not be bound to accept the insurance money in payment of any Principal Amount not yet due.
- (e) If the Land includes a condominium unit 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.

THIS IS A 29-PAGE DOCUMENT.