



**LEAGUE SAVINGS
AND MORTGAGE**
A Credit Union Company

Form 15

MORTGAGE

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25
Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

Parcel Identifier:

Mortgagor:

_____ (Name)

_____ (Address)

Spouse of:

_____ (Name)

_____ (Address)

name of Mortgagor:

Mortgagor:

_____ (Name)

_____ (Address)

Spouse of:

_____ (Name)

_____ (Address)

name of Mortgagor:

Mortgagee:

LEAGUE SAVINGS AND MORTGAGE COMPANY

6074 Lady Hammond Road (Address)
Halifax, NS B3K 2R7

Guarantor:

_____ (Name)

_____ (Address)

Not Applicable

Manner of Tenure:

\$_____

Principal Sum:

Interest Rate:

How Interest Calculated:

See Schedule "G" attached

Interest Adjustment Date:

Term:

Payments:

\$_____

Payment Dates:

beginning on the _____ day of _____ and
continuing on a _____ basis thereafter.

Maturity Date:

Place of Payment:

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

Statutory Covenants and Conditions Excluded: 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112,
113, 114, 115, 116, 117 and 119

Optional Covenants and Conditions Included: LSM-1537, 139.404, 140.26

The mortgagor mortgages to the mortgagee in the specified manner of tenure, the specified parcel, to
secure repayment of the principal sum with interest as well after as before maturity as specified.

The mortgagor and the guarantor acknowledge(s) receipt of the text of the covenants and conditions which are contained in this mortgage by reference to a distinguishing number or by virtue of subsection 25(4) of the *Land Titles Act*, and agree(s) to be bound by them to the same extent as if set out at length herein.

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

Dated: _____

WITNESS:

.....

WITNESS:

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WITNESS:

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WITNESS:

.....

WITNESS:

.....

Mortgagor:

Spouse of

Name of Mortgagor

Mortgagor:

Spouse of

Name of Mortgagor

Guarantor:

SCHEDULE "G"

VARIABLE INTEREST

The interest rate payable by you on the loan amount is a variable rate expressed as a rate per annum, equal to our Variable Rate Mortgage (VRM) Base Rate with a variance of _____% per annum. Our Variable Rate Mortgage Base Rate is set on the first of each month equal to the Prime Rate of League Savings and Mortgage Company on that day.

Interest is calculated half-yearly not in advance. Interest at this variable rate is payable on the loan amount both before and after the final payment date, default and judgment. The interest rate will vary automatically. If League Savings and Mortgage Company Prime Rate changed during the month, your interest rate will not change until the first day of the following month. Wherever this mortgage or renewal refers to the interest rate payable on the loan amount, that expression means the VRM Base Rate plus or minus the number of percentage points per annum set out above calculated and payable as set out above.

At the time you sign this mortgage or renewal the VRM Base Rate is _____% per annum. The interest rate payable on the loan amount (base rate plus/minus the number of percentage points set out above) is _____% per annum calculated half-yearly not in advance which is equivalent to _____% per annum calculated monthly, not in advance.

This is a Variable Rate Mortgage with a Cap Rate, therefore the maximum interest rate payable by you on the loan at any time during the term will be _____% per annum, calculated half-yearly not in advance, based upon League Savings and Mortgage Company's _____ year posted rate.

After each VRM Base Rate change we will mail a notice showing your new interest rate and the date it became effective.

SAMPLE CALCULATION

Use this formula to calculate the interest on any amount for any period:

$$\frac{(\text{Principal} \times \frac{\text{Equivalent monthly rate}}{100}) \times \text{Number of days in that period}}{365}$$

(or 366 if in a leap year)

The amount on which you are calculating interest is called the principal and the interest rate is the interest rate payable on the loan amount under paragraph 4(a) of the Mortgage. Where the Mortgage refers to interest from a date, that means interest from and including the date. Where the Mortgage refers to interest to a date, that means interest to but excluding the date.

HERE IS AN EXAMPLE OF THE CALCULATION:

Assume that you wish to calculate the interest on \$50,000 from March 1 to April 1. Assume that the interest rate was 9% on March 1. Assume that the year is not a leap year. In calculating the period from March 1 to April 1, include the first date but exclude the second date, so that the number of days is 31.

The formula for calculating the interest on the principal from March 1 to April 1 is:

$$50,000 \times \frac{8.83579}{100} \times \frac{31}{365} = 375.22$$

Assume that the \$50,000 in this example is the balance of the principal amount owing on March 1 and that nothing else is owing on that day. Assume that the monthly loan payment is \$500. The payment on April 1 is applied as provided under paragraph 5(b) of the Mortgage as follows:

To pay interest from March 1 to April 1	\$375.22
To reduce the loan amount	\$124.78
	<u>\$500.00</u>

On April 1, the principal amount would be reduced to \$49,875.22. This would be the principal in the calculation on May 1. If the monthly loan payment had been only \$370.00, all of it would have been used to pay the interest and none to reduce the principal amount. The remaining interest of \$5.22 would have become deferred interest. On May 1 interest would have been calculated on both the loan amount of \$50,000 and the deferred interest of \$5.22.

OPTIONAL MORTGAGE COVENANTS AND CONDITIONS – LSM-1537

LEAGUE SAVINGS AND MORTGAGE COMPANY

1. DEFINITIONS

In this mortgage **you** and **your** mean each person who has signed this mortgage as mortgagor. **We, our** and **us** mean League Savings and Mortgage Company. **Mortgagor** includes one or more mortgagors. **Spouse** includes the spouses of the mortgagors. **Guarantor** includes one or more guarantors. **Transferee** includes one or more individuals who is/are being transferred ownership in the Borrower's property. **Your property** means the property described below. **Loan amount** means the principal amount loaned to you that is outstanding from time to time. Where the context requires, words in the singular include the plural.

In return for our making a loan to you as specified in this mortgage, called the **principal amount**, which you acknowledge having received from us, you hereby give us this mortgage.

2. LEGAL DESCRIPTION

The legal description of your property covered by this mortgage is identified as the Parcel Identifier Number on the face of the mortgage. Any buildings on your property and anything now or later attached or fixed to the buildings on your property, including additions, alterations, improvements, furnaces, boilers and ventilation equipment, installed or placed on your property are covered by this mortgage. However, no additions, alterations or improvements may be made by you without our prior written consent.

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

You will not use your property for any purpose other than that disclosed to us in the application for this mortgage without our prior written consent.

3. WHAT THIS MORTGAGE DOES

As owner of your property, you grant and mortgage your property to us and our successors and assigns (called our legal representatives) as security for repayment of your loan. This means you give your entire interest in your property to us and to anyone to whom this mortgage is transferred in any way. You release to us all of your claims on your property until you have complied with all of your obligations under this mortgage.

Termination of this Mortgage – Our interest in your property terminates when you have:

- a. Repaid the loan amount and all interest you may owe us as provided below; and
- b. Complied with all of your other obligations under this mortgage.

4. INTEREST

a. **Interest Rate** - Interest is payable on your regularly scheduled payment dates and calculated half-yearly, not in advance. The first half-yearly calculation of interest after the interest adjustment date (which is the date on which your mortgage term begins) shall be for the six month period commencing on that date. That calculation shall be made six months after the interest adjustment date and half-yearly calculations of interest shall continue to be made every six months thereafter. Interest is payable on the loan amount both before and after the final payment date as well as both before and after default, until the loan amount has been paid in full.

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

c. All interest and compound interest is a charge on your property.

d. At no time under this mortgage shall interest exceed any amount prohibited by any applicable federal and/or provincial law.

5. HOW YOU WILL REPAY YOUR LOAN

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

Before your regular loan payments begin, you will pay us interest at the above rate calculated daily not in advance, on all money we have advanced to you up to the interest adjustment date. Interest will be computed from the date of each advance up to but not including the interest adjustment date and shall become due and be paid on that date. The principal amount together with interest calculated from the interest adjustment date shall become due and be paid by you in regular **loan payments**.

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

6. YOUR TITLE TO YOUR PROPERTY

- a. As owner of your property, you certify that:
 - i. You are the lawful owner of your property;
 - ii. You have the right to convey your property to us;
 - iii. There are no encumbrances on the title to your property except those consented to us in writing;
 - iv. There are no limitations or restrictions on your title (excepting only building by-laws, zoning regulations and restrictions) to your property.
- b. You will not do anything that will interfere with our interest in your property.

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

7. WE ARE UNDER NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THIS MORTGAGE

If for any reason we do not wish to advance the entire principal amount or any part of it to you:

- a. We are not bound to advance the principal amount or any part of it to you, even though the mortgage is prepared, signed or registered. However, by signing this mortgage you convey (transfer) all of your interest in your property to us. You will reimburse us on demand for all expenses of investigating the title to your property and preparing and registering this mortgage.
- b. Until we are reimbursed for our expenses, they will be added to the loan amount and become a charge against your property. If you do not pay our expenses, the terms for "**ENFORCING OUR RIGHTS**", as set out herein, shall apply.

8. TAXES

- a. You will make payments to us on account of the property taxes payable on your property so that we may pay the taxes when they become due, unless otherwise agreed to by us. You will also pay the property tax administration fees that are or may be charged by us respecting the payment of taxes on your behalf.
- b. We can deduct from the final advance of the principal amount enough money to pay all taxes due on or before the interest adjustment date and which have not been paid on the date the final advance is made.
- c. The tax portion of your payments will be made on the same dates that your regular loan payments are to be paid to us. Each payment will consist of an equal portion of our estimate of a year's taxes next becoming due and payable. The payments should enable us to pay all taxes on or before the annual due date for the taxes. Or, if your taxes are payable in instalments, the payments should enable us to pay each and every instalment of taxes on your property on or before the date on which the instalment is due.
- d. If, however, the annual due date or the first instalment date for the payment of your taxes is less than one year from the interest adjustment date, you will pay us equal payments during that period and during the next 12 months. These equal payments will be based on our estimate of the total taxes payable for both periods so that we will receive enough money from you to pay all taxes for both of those periods.
- e. You will also pay to us on demand any amount by which the actual taxes on your property exceed our estimate of your taxes. Or, at our option, we may increase the payment to cover this amount.
- f. We will pay your taxes from the payments we receive from you as long as you are not in default under this mortgage. We are not obliged to make tax payments on the due dates or more often than once a year. If you have not paid us enough for taxes, we may still pay the taxes. This will create a deficit. Any deficit is immediately payable by you. Until paid, any deficit may be added to the loan amount and will be a charge against your property. We are under no obligation to advise you that a deficit has been created.
- g. We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than the prevailing rate prescribed by us in effect from time to time. We will charge you interest on the tax deficit at the interest rate payable on the loan amount until the deficit is paid to us in full.
- h. If you default in any loan payment, we may apply the money in your tax account towards the repayment of either the interest which is due and payable, the loan amount, or both.
- i. You will send us immediately upon their receipt, all assessment notices, tax bills or tax notices which you receive.

9. PAYMENTS WE CAN MAKE

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

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

10. LIFE INSURANCE

If life insurance on your life is assigned to us as additional security to this mortgage, you will pay all premiums pertaining to the life insurance. If you fail to maintain the life insurance and pay the premiums, we have the option to pay the premiums and any premium paid by us together with our administration fee for payment of your insurance, may be added to the loan amount and will be a charge against your property with interest at the interest rate payable on this loan.

11. PROPERTY INSURANCE

You will without delay insure, and keep insured in our favour and until this mortgage is discharged, all buildings covered by this mortgage. You will insure your property against loss or damage by fire and other perils usually covered in fire insurance policies and if required by us, you will also insure against loss or damage by plate glass breakage, boiler explosion and such other insurance risks or hazards as we may designate. You must keep the buildings insured for their full replacement costs in Canadian dollars. The insurance policy must contain the standard mortgage clause providing for loss payable to us, and an

undertaking by the insurer to notify us in writing, not less than 15 days prior to any material change, cancellation, failure to renew or termination of insurance. If, in our opinion, you do not provide adequate insurance, we can obtain insurance for you. Any premium paid by us along with our usual administration fee for arranging the payment of your insurance, may be added to the loan amount and will be a charge against your property with interest at the interest rate payable on the loan. You shall, at our request, transfer to us all insurance policies and receipts you have on the buildings and any proceeds from that insurance. You will give the insurance policies to us.

If you do not:

- a. Maintain adequate insurance, as required, on the buildings;
- b. Deliver a copy of any insurance policy or receipt to us at our request; or
- c. Provide us, at our request, with evidence of any renewal or replacement of the insurance, at least 10 full days before your insurance expires or terminates;

we can, but are not obliged to, insure any of the buildings.

If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds.

Insurance proceeds may, in whole or in part, at our option be:

- a. Applied to rebuild or repair the damaged buildings;
- b. Paid to you;
- c. Paid to any other person who owns or did own the property, as established by the registered title; or
- d. Applied, at our sole discretion, to the loan amount outstanding in whole or in part, whether due or not yet due.

12. ASSIGNMENT OF RENTS

As additional security for this loan, you assign and transfer to us all the rents and profits under any lease together with the benefits contained in any such lease, whether written or verbal, or any agreement for the use or occupancy of your property, in whole or in part. We shall not be responsible for the collection of any rent or for the performance of any terms or conditions contained in any such lease.

In the event you default in your payments under this mortgage, we may, without the concurrence of any person, appoint an agent to enter your property and collect any rents or rent or lease all or any portion of your property at such rental and on such terms as we may determine. All reasonable costs, charges and expenses will be immediately payable by you. Until paid, these costs will be added to the loan amount and will be a charge against your property. Interest is payable by you on these costs at the interest rate payable on the loan amount until the costs are paid to us in full.

13. KEEPING YOUR PROPERTY IN GOOD CONDITION

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

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

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

If this mortgage is made pursuant to the *National Housing Act* of Canada, we or the agent of Canada Mortgage and Housing Corporation ("CMHC") may, at any time before and after default of this mortgage and for any purpose deemed necessary by us or CMHC, enter upon your property to inspect the building and the property. Without limiting our rights generally, we or CMHC may enter upon your property to conduct any environmental testing, site assessment, investigation or study we or CMHC may deem necessary. The reasonable costs of such testing, assessment, investigation, or study with interest at the interest rate payable on this loan may be added to the loan amount and will be a charge against your property. Nothing done in the exercise of the powers in this paragraph puts us or our agents, CMHC or their agents in possession, management or control of your property.

14. ENVIRONMENTAL INSPECTIONS

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

15. REPAYMENT OF LOAN AMOUNT ACCELERATED

In addition to any other rights to accelerate repayment of the loan provided for in this Agreement, the loan amount together with all interest which is due and payable and to which we are entitled becomes immediately payable, at our option, if:

- a. You default in paying any regular loan payments, any portion of the loan amount, any interest that is due and payable or any other payment you are obliged to pay to us;
- b. You fail to comply with any of your obligations under this mortgage;
- c. Any lien is registered against your property or we receive written notice of any lien;
- d. Your property is abandoned;
- e. Any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for 30 consecutive days;
- f. You do or allow anything to be done to lessen the value of your property; or
- g. You declare bankruptcy or are otherwise unable to pay your debts.

16. ENFORCING OUR RIGHTS

- a. If you default in any obligation under this mortgage we can enter on your property at any time, without the permission of any person, and make all essential arrangements that we consider necessary to inspect, lease, collect rents, manage your property, repair, put in order or complete the construction of any building on your property. We may also enforce any of the following remedies:
 - i. **Sue you** – We may take such action as is necessary to collect the unpaid balance of the loan amount, the interest that is due and payable and our expenses.
 - ii. **Power of Sale** – On giving you four weeks notice in writing by registered or certified mail and on publishing notice in one of the public newspapers published in New Brunswick once in each week for four consecutive weeks we can sell and dispose of your property and the appurtenances or any part of it, by public auction or private contract, for such price or prices, for cash or otherwise, as seems fit to us. All contracts that shall be entered into and all conveyances that shall be signed by us for the purpose of completing any such sale shall be valid notwithstanding the fact that you were not a party or did not consent to them. We may bid and buy at any such sale.
 - iii. **Other** – We may take any other remedy available to us under the law.
 - iv. **Appoint a Receiver** - We may appoint a Receiver as described in "**APPOINTING A RECEIVER**", as set out herein.
- b. **Our expenses** – You will pay all our expenses of enforcing our rights. Our expenses include, but are not limited to, our costs of taking or keeping possession of your property, an allowance for the time and service of our employees utilized in so doing, our legal fees on a lawyer and own client basis and all other costs related to protecting our interest under this mortgage. All our expenses are immediately payable by you. Until paid, our expenses will be added to the loan amount and will be a charge against your property. Interest is payable by you on our expenses at the interest rate payable on the loan amount until our expenses are paid to us in full. These expenses can be deducted from the net proceeds of any sale or lease of your property. If the net proceeds from the sale or lease do not cover our expenses, you must pay us the difference immediately.
- c. **Judgments** – If we obtain court judgment against you for your failure to comply with any of your obligations to us under this mortgage, the judgment will not result in a merger of the terms of the judgment with our other remedies or rights to enforce your other obligations under this mortgage. We continue to be entitled to receive interest on the loan amount at the rate charged on the loan amount and at the same times as provided for in this mortgage. The rate of interest payable on any judgment until it has been paid in full shall be calculated and payable in the same way as interest is calculated under this mortgage and at the same interest rate paid on the loan amount until the judgment has been paid in full.

17. APPOINTING A RECEIVER

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

- a. The receiver has the right to:
 - i. Use any legal remedy (taken in your name or our name) to collect the income from your property;
 - ii. Take possession of your property or part of it;
 - iii. Manage your property and maintain it in good condition.
- b. From income collected, the receiver may:
 - i. Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer;
 - ii. Retain enough money to repay disbursements spent on collecting the income;
 - iii. Pay all taxes, fire insurance premiums, expenses of keeping your property in good condition, interest on those payments and all other charges and interest on those charges that may have priority over this mortgage;
 - iv. Pay us all interest that is due and payable under this mortgage and then pay us all or part of the loan amount whether it is due or not.

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

18. DELAY IN ENFORCEMENT OF OUR RIGHTS

Any delay or extension of time granted by us to you or any other person, in exercising the enforcement of any of our rights under this mortgage, does not affect our rights to:

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

19. CONSTRUCTION MORTGAGE TERMS

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

Interest on advance under a construction mortgage – We shall require you to pay us interest at the rate payable on the loan amount on each advance of the principal amount which we make to you from time to time. Interest will be computed from the date of the cheque for each advance up to but not including the interest adjustment date and shall become due and be paid on that date.

20. RELEASING YOUR PROPERTY FROM THIS MORTGAGE

We may establish the terms for the releasing of our interest in all or part of your property from this mortgage whether we receive value for our release or not. This means making a provision for discharging or partially discharging your property. If we release part of your property at any time from this mortgage, the rest of your

property will continue to secure the loan amount and all interest payable to us under this mortgage. We are only accountable for money actually received.

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

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

21. RENEWING OR OTHERWISE AMENDING THIS MORTGAGE

We may, from time to time, enter into one or more written agreements with you (or with anyone to whom your property is transferred) to amend and/or renew this mortgage by extending the time for payment, changing the interest rate payable, or otherwise altering the provisions of this mortgage. Whether or not there are any encumbrances on your property in addition to this mortgage at the time the agreement is entered into, it will not be necessary to register the agreement on title in order to retain priority for this mortgage, as amended, over any instrument registered after this mortgage. Any reference in this mortgage to this mortgage means this mortgage as amended by any such agreement or agreements.

If after the final payment date the balance of the principal amount together with all interest due and payable remains unpaid or if this mortgage has not been renewed or otherwise extended for payment, we may, at our option, without further consent by you, automatically renew this mortgage for a further one year closed term at the then current interest rate offered by us. The payment of principal, interest and taxes will commence on the next regularly scheduled date following the final payment date under this mortgage. You will pay our usual administrative fee for renewing this mortgage. You agree that the provisions of this automatic renewal shall again apply for each renewed term of this mortgage from time to time. All other terms and conditions of this mortgage except those amended by the renewal will remain unchanged.

22. TRANSFER OF THE MORTGAGED PREMISES

In the event of a transfer or proposed transfer of the mortgaged premises, in whole or in part, or of any interests therein to a Transferee, if:

- a. the Borrower fails to apply in writing for the approval of the Lender as to the Transferee and the terms and conditions of the transfer;
- b. the Lender does not approve in writing the Transferee;
- c. the Lender does not approve in writing the terms and conditions of the transfer, or
- d. the Transferee fails to enter into an assumption agreement satisfactory to the Lender, agreeing to assume the mortgage and any amendments thereto, and any collateral agreements and to pay the amount thereby secured and perform every covenant, condition and obligation contained in the mortgage and any amendments thereto, and any collateral agreements, to be performed by the Borrower thereunder (including this obligation) at the time and in the manner and in all respects as therein contained and to be bound by each and all of the terms, covenants, conditions and obligations of the mortgage and any amendments thereof,

then, in any such case, the outstanding principal balance of the mortgage shall, at the option of the Lender, immediately become due and payable together with all accrued interest and other monies owing thereunder, and any applicable penalties and charges associated with the payout of your mortgage as outlined in Schedule "C1" attached.

23. DISCHARGE

Upon the maturity of this mortgage, and providing you have complied with your obligations under this mortgage, we will prepare a discharge of mortgage ("Discharge"). If the property secured by this mortgage is a single family, owner occupied residence, upon maturity of the mortgage and if requested by you, we will give you an assignment of the mortgage ("Assignment"). You will give us a reasonable time in which to prepare and sign either the Discharge or the Assignment. You will pay our usual administrative fee for preparing either document and all legal and other expenses we incur in doing so. You will be responsible for the costs of registering any Discharge or Assignment.

24. FEES

Fees may be charged from time to time for fire insurance administration, renewals, releases, NSF cheques, audit confirmations, mortgage amendments, annual reviews, and general security agreements.

25. CONDOMINIUM PROVISIONS

If your property is a condominium, you must comply with the obligations set out below.

The Condominium Property Act as amended or re-enacted is called the "Act". Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression "condominium property" has the same meaning as the word "property" in the Act.

- a. You will comply with all of the obligations contained in this mortgage except as they may be modified by the Act, the declaration, by-laws, and rules of the condominium Corporation (the "Corporation") concerning your property and by the provisions contained in this mortgage.
- b. You will comply with the Act, declaration, by-laws and rules of the Corporation.
- c. You will provide us with proof of your compliance from time to time as we may request.
- d. You will pay the common expenses for your property to the Corporation on the due dates. Or, if we exercise our right to collect your contribution towards the common expenses from you, you will pay the same to us upon being so notified. We can accept a statement which appears to be issued by the

Corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due.

- e. You will forward to us any notices, assessments, by-laws, rules and financial statements of the Corporation.
- f. You will provide us, on request, with any documents and information that you receive from the Corporation or are entitled to receive.
- g. You will maintain all improvements made to your unit and repair them after damage.
- h. You will not do or let anyone else do anything that lowers the value of your property.
- i. Insurance - In addition to the insurance, which the Corporation must obtain, you must:
 - i. Insure all improvements that you or previous owners have made to your unit;
 - ii. Obtain insurance for those additional risks that we require;
 - iii. Insure your common or other interest in buildings which are part of the condominium property or assets of the Corporation if the Corporation fails to insure the buildings as required or if we require you to do so;
 - iv. Assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the Corporation;
 - v. Provide us with proof that the required insurance is in force, if we ask for it; and
 - vi. Do all that is necessary to collect insurance proceeds.

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

- i. All such policies shall contain an undertaking by the insurers to notify us in writing not less than 15 days prior to any material change, cancellation, failure to renew, or termination;
- ii. Your property must be covered against destruction or damage by fire and other perils usually covered by fire insurance policies for the replacement cost (the maximum amount for which it can be insured) in Canadian dollars;
- iii. We may stipulate the risks and perils that must be covered and what amounts you must insure for;
- iv. We may approve the insurance company; and
- v. We may say what terms the policy must contain.

With respect to the Corporation's insurance, we have the right to have the insurance proceeds used, as permitted by law, to repair or rebuild the buildings or to repay the loan amount and interest which is due and payable in full or in part or both.

If you fail to insure your property as required in this mortgage, you authorize us to obtain insurance, which you are required to obtain. Any premium paid by us may be added to the loan amount and will be a charge against your property with interest at the interest rate payable on the loan. But, we are under no obligation to obtain any insurance.

On the happening of any loss or damage, you or the Corporation shall comply fully with the terms of the policy or policies of insurance and without limitation the obligation of you to observe and perform all the duties and obligations imposed by the Act and the declaration and bylaws of the Corporation, shall comply with the insurance provisions of the declaration and you shall seek the full compliance by the Corporation of the foregoing covenants.

- j. You must pay certain other Expenses - In addition to our other rights and remedies contained in this mortgage, you will pay to us on demand, all our expenses in relation to:
 - i. Any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required);
 - ii. The enforcement of our right to have the Corporation or any owner comply with the Act, declaration, by-laws and rules; and
 - iii. Our exercising any voting rights we may have.

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

- k. Voting Rights - You authorize us to exercise your rights under the Act to vote, consent and dissent. You also authorize us to exercise your rights to:
 - i. Demand the Corporation purchase your unit and common interest, where provided under the Act;
 - ii. Elect to have the value of your unit and common interest or that of the condominium property determined by arbitration; and
 - iii. Receive your share of the Corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements.

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

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

- I. Our Additional Rights under this Mortgage - You authorize us to do the following:
 - i. Inspect your property at any reasonable time;
 - ii. Do any needed maintenance or repairs after damage;
 - iii. Inspect the Corporation's records; and
 - iv. Remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the Corporation.

- m. Repayment of your Mortgage may be Accelerated - The loan amount together with all interest which is due and payable and to which we are entitled becomes immediately payable, at our option if:
 - i. The Corporation fails to comply with the Act and the declaration, by-laws and rules of the Corporation;
 - ii. The Corporation fails to:
 - Insure all the condominium units and common elements according to law and according to any additional requirements of ours;
 - Insure its assets if we so require and according to our requirements;
 - Provide us with proof that the insurance is in force, if we ask for it; or
 - Do all that is necessary to collect insurance proceeds;
 - iii. The Corporation does not in our opinion manage the condominium property and assets in a careful way;
 - iv. The Corporation fails to keep the Corporation's assets in good repair and working order;
 - v. The Corporation makes any substantial modification to the common elements of the Corporation's assets without our approval;
 - vi. There has been substantial damage and the owners have voted for termination of the condominium;
 - vii. A sale of the condominium property or any part of the common elements is authorized;
 - viii. A court makes an order that the government of the condominium property by the Act be terminated;
 - ix. The condominium property ceases to be governed by the Act; or
 - x. You fail to comply with your obligations in this mortgage.
- n. Our rights will not be affected by the fact that we voted for or consented to the above termination, sale or order or to the condominium property not being governed by the Act.
- o. What we can do on Termination of the Corporation - If your property ceases to be governed by the Act:
 - i. All the terms of this mortgage apply to your interest in your property;
 - ii. You authorize us to agree with anyone to a partition of the condominium property. We can also pay or receive money to ensure that the partition is equal. And, we can execute all documents and do all acts needed to carry out the partition; and
 - iii. Any money received by us (after payment of all our expenses) will be applied to reduce your loan amount.

26. HEADINGS

The headings in this mortgage are deemed not to form part of this mortgage and have been inserted for convenience of reference only.

27. NATIONAL HOUSING ACT MORTGAGE

If this mortgage is made pursuant to the *National Housing Act* of Canada, the provisions of that Act and Regulations will apply to this loan.

28. CONSENT OF SPOUSE

By signing this mortgage the spouse of each mortgagor consents to this mortgage and releases any interest which he or she may have in the property covered by this mortgage as far as necessary to give effect to our rights under this mortgage.

29. WHO IS BOUND BY YOUR MORTGAGE

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

30. GUARANTEE

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

It is understood that League Savings can:

- a. Grant any extensions of time for payment;
- b. Increase the rate of interest payable under the mortgage;
- c. Automatically renew this mortgage in accordance with "**RENEWING OR OTHERWISE AMENDING THIS MORTGAGE**", as stated herein;
- d. Release the whole or any part of the mortgagor's property or other security from this mortgage; or
- e. Otherwise deal with the mortgagor, any other person (including any guarantor), any security (including this mortgage) or the mortgagor's property;

either before or after requiring payment from any person without affecting the guarantee. League Savings may require payment from any guarantor without first attempting to collect from the mortgagor or any other person (including any guarantor) or on any security (including this mortgage). My guarantee of this mortgage shall be binding upon my successors or personal representatives.

Where there is more than one guarantor, each guarantor agrees with League Savings to be collectively and individually (that is jointly and severally) responsible under this guarantee with the other guarantors and the mortgagor.

I acknowledge receiving a copy of this mortgage.

STATUTORY MORTGAGE COVENANT

118. This mortgage shall not operate by way of merger of any indebtedness of the mortgagor to the mortgagee or any contract or instrument by which the same may now or at any time hereafter be represented or evidenced, and no judgment obtained by the mortgagee shall operate by way of merger of this mortgage or in any way affect the security hereby created or the mortgagee's right to interest.

Form 55

AFFIDAVIT OF MARITAL STATUS

Land Titles Act, S.N.B. 1981, c.L-1.1, s.81

Deponent – Name: _____

Address:

(Spouse of Deponent: _____)

(Date of Domestic Contract:____) (Date of Court Order:
_____)

I, the deponent, make oath and say:

1. That I am a person conveying an interest in the attached instrument and have personal knowledge of the matters hereinafter deposed to;

DELETE INAPPLICABLE CLAUSES

2. That I am not married;

OR

That the name of my spouse is as specified above;

3. That I have no former spouse with a right under the *Marital Property Act* to any interest in or possession of the subject land;
 4. That the subject land has (not) been occupied by me and my spouse as our marital home;
 5. That my spouse has joined in this instrument and has consented to the disposition for the purpose of complying

with

OR

my spouse has released all rights to the marital home by reason of a domestic contract dated as specified

the marital home has been released by order of The Court of Queen's Bench of New Brunswick dated as

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this disposition has been authorized by The Court of Queen's Bench of New Brunswick by order dated as

Form 44

CERTIFICATE OF EXECUTION

Land Titles Act, S.N.B. 1981, c.L-1.1, s.55

Notary Public – Name: _____

Address: _____

Jurisdiction: _____

Place of Residence of Notary Public: _____

Person Who Executed the Instrument (multiple instances are allowed):

Place of Execution: _____

Date of Execution: _____

I, the notary public, a Notary Public in and for the jurisdiction specified above and residing at the place of residence specified above, do hereby certify:

1. That the person who executed the attached instrument personally appeared before me;
2. That the person is known to me or the person's identity has been proved to my satisfaction;
3. That I explained to the person the contents of the attached instrument to the best of my professional abilities;
4. That, after receiving the explanation, the person executed the attached instrument voluntarily at the place and on the date specified above;
5. That the person acknowledged that he or she is of the age of majority;
6. That I have ascertained that the name by which the person is identified in the attached instrument is the person's name in accordance with the *Naming Conventions Regulation* under the *Land Titles Act*, and
7. That I have signed the attached instrument next to the signature of the person for whom this Certificate of Execution has been prepared, with my name printed legibly underneath my signature.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Notarial Seal.

Place: _____

Date: _____

Notary Public (signature): _____

OPTIONAL MORTGAGE COVENANT AND CONDITION - #139.404
League Savings and Mortgage Company Prepayment
Privileges for Residential Mortgages - Schedule "C1"
As at the execution date of this mortgage and/or mortgage renewal

A. Prepayment Privileges

1. Regularly Scheduled Payments

During each regularly scheduled payment period you are permitted to pay up to double your contracted regularly scheduled payment without prepayment charges regardless of the contracted interest rate or the current posted interest rate, provided your regularly scheduled payments are up-to-date. This privilege is non-cumulative.*

2. Annually

In addition to increasing your regularly scheduled payment (as above), you are permitted to prepay, without prepayment charges, up to twenty (20%) percent of your outstanding balance once in any twelve (12) month period. Regular payments must continue without interruption. This privilege is non-cumulative.* Prepayments in excess of 20% will be charged a penalty on the amount of prepayment as outlined in section B (Prepayment Charges) below.

*These prepayment privileges without penalty are non-cumulative and cannot be used at the time you payout the principal amount of the mortgage in full.

B. Prepayment Charges

If you want to payout all or a portion (greater than 20%) of your mortgage balance before the end of your mortgage term, you will be charged a penalty. Your penalty will be the greater of: three (3) months interest at your contracted annual interest rate OR an interest rate differential on the amount of prepayment. The interest rate differential is calculated on the date the payout statement is prepared by multiplying the following: a) the difference between your contracted interest rate and the current posted interest rate** of a mortgage with a similar term to maturity (ie. a term equal to the time remaining on your mortgage - as shown in Table 1 below); b) the amount you want to prepay; and c) the number of months remaining on your mortgage term until maturity. For a detailed example of a comparison between the three (3) months interest calculation and the interest rate differential calculation see Table 2 below.

** For more information on posted interest rates, financial calculators or to obtain balance and payout information, please call us toll free at 1-800-668-2879 or visit our web site at www.lsm.ca

Table 1 - Similar Term to Maturity

Time Remaining on Your Mortgage	Mortgage with Similar Term to Maturity
Greater than 6 months and less than or equal to 18 months (i.e. 0.5 to 1.5 years)	1 year
Greater than 18 months and less than or equal to 30 months (i.e. < 1.5 to 2.5 years)	2 years
Greater than 30 months and less than or equal to 42 months (i.e. < 2.5 to 3.5 years)	3 years
Greater than 42 months and less than or equal to 54 months (i.e. < 3.5 to 4.5 years)	4 years
Greater than 54 months and less than or equal to 60 months (i.e. < 4.5 to 5.0 years)	5 years

Table 2 - Prepayment Charge Calculation

In this example, a member has a mortgage of \$100,000 that he/she wants to pay off 40 months and 15 days early. The member's contracted annual interest rate is 6%, and the current 3 year interest rate (mortgage with a similar term to maturity) is 5.50%.

- The 3 month interest penalty would be calculated using the member's contracted annual interest rate of 6%.
- The interest rate differential penalty would be calculated using the difference between the member's contracted annual interest rate and the current posted interest rate on a mortgage with a similar term to maturity. In this example, as the term remaining on the member's mortgage is 40 months and 15 days (or 3.375 years) it has a similar term to maturity as a 3 year mortgage (see Table 1). The interest differential is therefore equal to the difference between the member's interest rate of 6% and the current 3 year interest rate of 5.50% (i.e. 0.50%).

Examples of the calculations for the 3 month interest penalty and the interest rate differential penalty are shown below.

3 Months Interest:	OR	Interest Rate Differential (IRD)
Amount you want to prepay	\$100,000 (A)	Your interest rate 6.000% (A)
Your interest rate	6.000% (B)	Similar term to maturity rate (3 yrs) 5.500% (B)
(A) x (B) = Annual Interest	\$6,000 (C)	(A) - (B) = Rate Differential 0.500% (C)
(C) Annual Interest / 12 x 3 Mos	\$1,500 (3 mos interest penalty)	Amount you want to prepay \$100,000 (D)
		Your term to maturity 40.5 months (E)
		((C) x (D)) x ((E) / 12) \$1,687.50 (IRD penalty)

In the above example, the greater of the 3 months interest penalty (\$1,500) or the interest rate differential penalty (\$1,687.50) would be the interest rate differential penalty. Therefore, the mortgage prepayment penalty that would be charged in the above example would be the interest rate differential penalty of \$1,687.50.

C. Statutory Right of Prepayment

If the term of your mortgage is greater than 5 years, you may prepay the outstanding principal amount of your mortgage any time after the end of the 5th year after the interest adjustment date, provided you pay a penalty equal to the outstanding principal amount and interest owing to the date of prepayment, plus an amount equal to three (3) months interest calculated at your existing annual interest rate on the date of prepayment. The "term" of your mortgage means the period of time until your mortgage becomes due and payable unless renewed; it does not mean amortization.

OPTIONAL MORTGAGE COVENANT AND CONDITION – #140.26

League Savings and Mortgage Company

Fees for Residential Mortgages

1. Fire Insurance Administration Fee	\$100 plus cost of insurance premium
2. Renewal Fee	\$90
3. Release Fees	\$150 if refinancing with League Savings. \$300 if loan paid out prior to being fully amortized. \$150 if loan fully amortized.
4. NSF Cheque Fee	\$40 for each returned item.
5. Audit Confirmation Fee	\$15 per statement.
6. Amendment Fee	\$100
7. General Security Agreement, if applicable	A notice of this document will be registered in the Personal Property Registry for the amortized period of the loan and a fee charged to the mortgage account in accordance with provincial legislation.
8. Property Tax Administration Fee	As billed by your municipality, where applicable

League Savings and Mortgage Company reserves the right to make changes to the foregoing fees from time to time without notice to the mortgagor.

Equivalent Interest Rates
Schedule B2

Current Mortgage Rate Calculated Semi-annually not in advance	Equivalent interest rate calculated monthly not in advance	Current Mortgage Rate Calculated Semi-annually not in advance	Equivalent interest rate calculated monthly not in advance	Current Mortgage Rate Calculated Semi-annually not in advance	Equivalent interest rate calculated monthly not in advance
1.000%	0.9979%	9.000%	8.8357%	17.000%	16.4274%
1.125%	1.122%	9.125%	8.956%	17.125%	16.544%
1.250%	1.247%	9.250%	9.077%	17.250%	16.661%
1.375%	1.371%	9.375%	9.197%	17.375%	16.778%
1.500%	1.495%	9.500%	9.317%	17.500%	16.894%
1.625%	1.620%	9.625%	9.437%	17.625%	17.011%
1.750%	1.744%	9.750%	9.558%	17.750%	17.127%
1.875%	1.868%	9.875%	9.678%	17.875%	17.244%
2.000%	1.9917%	10.000%	9.7978%	18.000%	17.3599%
2.125%	2.116%	10.125%	9.918%	18.125%	17.476%
2.250%	2.240%	10.250%	10.038%	18.250%	17.592%
2.375%	2.363%	10.375%	10.158%	18.375%	17.709%
2.500%	2.487%	10.500%	10.277%	18.500%	17.825%
2.625%	2.611%	10.625%	10.397%	18.625%	17.941%
2.750%	2.734%	10.750%	10.517%	18.750%	18.057%
2.875%	2.858%	10.875%	10.636%	18.875%	18.173%
3.000%	2.9814%	11.000%	10.7561%	19.000%	18.2888%
3.125%	3.105%	11.125%	10.876%	19.125%	18.405%
3.250%	3.228%	11.250%	10.995%	19.250%	18.521%
3.375%	3.352%	11.375%	11.114%	19.375%	18.636%
3.500%	3.475%	11.500%	11.234%	19.500%	18.752%
3.625%	3.598%	11.625%	11.353%	19.625%	18.868%
3.750%	3.721%	11.750%	11.472%	19.750%	18.983%
3.875%	3.844%	11.875%	11.591%	19.875%	19.099%
4.000%	3.9671%	12.000%	11.7106%	20.000%	19.2142%
4.125%	4.090%	12.125%	11.830%	20.125%	19.330%
4.250%	4.213%	12.250%	11.949%	20.250%	19.445%
4.375%	4.336%	12.375%	12.068%	20.375%	19.560%
4.500%	4.458%	12.500%	12.186%	20.500%	19.676%
4.625%	4.581%	12.625%	12.305%	20.625%	19.791%
4.750%	4.704%	12.750%	12.424%	20.750%	19.906%
4.875%	4.826%	12.875%	12.543%	20.875%	20.021%
5.000%	4.9487%	13.000%	12.6613%	21.000%	20.1361%
5.125%	5.071%	13.125%	12.780%	21.125%	20.251%
5.250%	5.193%	13.250%	12.898%	21.250%	20.366%
5.375%	5.316%	13.375%	13.017%	21.375%	20.4810%
5.500%	5.438%	13.500%	13.135%	21.500%	20.5958%
5.625%	5.560%	13.625%	13.254%	21.625%	20.7106%
5.750%	5.682%	13.750%	13.372%	21.750%	20.8253%
5.875%	5.804%	13.875%	13.490%	21.875%	20.9400%
6.000%	5.9263%	14.000%	13.6083%	22.000%	21.0546%
6.125%	6.048%	14.125%	13.726%	22.125%	21.169%
6.250%	6.170%	14.250%	13.844%	22.250%	21.284%
6.375%	6.292%	14.375%	13.962%	22.375%	21.398%
6.500%	6.414%	14.500%	14.080%	22.500%	21.513%
6.625%	6.535%	14.625%	14.198%	22.625%	21.627%
6.750%	6.657%	14.750%	14.316%	22.750%	21.741%
6.875%	6.779%	14.875%	14.434%	22.875%	21.855%
7.000%	6.9000%	15.000%	14.5517%	23.000%	21.9696%
7.125%	7.021%	15.125%	14.669%	23.125%	22.084%
7.250%	7.143%	15.250%	14.787%	23.250%	22.198%
7.375%	7.264%	15.375%	14.904%	23.375%	22.312%
7.500%	7.385%	15.500%	15.022%	23.500%	22.426%
7.625%	7.507%	15.625%	15.139%	23.625%	22.540%
7.750%	7.628%	15.750%	15.257%	23.750%	22.654%
7.875%	7.749%	15.875%	15.374%	23.875%	22.767%
8.000%	7.8698%	16.000%	15.4913%	24.000%	22.8811%
8.125%	7.991%	16.125%	15.609%	24.125%	22.995%
8.250%	8.112%	16.250%	15.726%	24.250%	23.109%
8.375%	8.233%	16.375%	15.843%	24.375%	23.222%
8.500%	8.353%	16.500%	15.960%	24.500%	23.336%
8.625%	8.474%	16.625%	16.077%	24.625%	23.449%
8.750%	8.595%	16.750%	16.194%	24.750%	23.563%
8.875%	8.715%	16.875%	16.311%	24.875%	23.676%