Clear

LEAGUE SAVINGS AND MORTGAGE
A Credit Union Company

MORTGAGE

This mortgage is made on _____, 20_____.

BETWEEN:

"BORROWER(S)"

AND:

"SPOUSE OF THE BORROWER" (If spouse not a borrower)

AND:

"GUARANTOR"

AND:

LEAGUE SAVINGS AND MORTGAGE COMPANY, a body corporate, incorporated by an Act of the Parliament of Canada and subject to the Trust and Loan Companies Act, with its Head Office at Halifax Regional Municipality, Nova Scotia.

the "LENDER"

In this mortgage **you** and **your** mean each person who has signed this mortgage as Borrower. **We, our** and **us** mean the **Lender**. **Borrower** includes one or more Borrowers. **Spouse** includes the spouses of the Borrowers. **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 in the amount of **($_____)** _____ Canadian dollars (called the **principal amount),** which you acknowledge having received from us, you hereby give us this mortgage.

1. LEGAL DESCRIPTION

The legal description of your property covered by this mortgage is described in Schedule "A", see attached. Any buildings on your property and anything now or later attached or fixed to such buildings or 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.

2. WHAT THIS MORTGAGE DOES

As beneficial 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.

3. INTEREST

a. **Interest Rate** - The interest rate payable by you on the loan amount is _____% per year. 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. This interest rate 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 secured by this mortgage.

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

4. 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 the Lender's 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. In this mortgage, the interest adjustment date is _____, 20_____.
The principal amount together with interest calculated from the interest adjustment date shall become due and be paid by you in regular **loan payments**.

You will make the regular loan payments to us in equal instalments of ($_____) _____**dollars** each, beginning on _____, 20____ and continuing on a _____ basis thereafter and ending on _____, 20____. Each payment consists of a portion of the principal amount together with the interest due and payable on the loan payment date.

You will pay the balance of the principal amount together with all the interest due and payable, on the date last mentioned, which is called the **final payment date.**

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.

c. **Prepayment Privileges** – You will have no right or privilege to prepay your principal amount early except in accordance with the provisions of Schedule "C1", attached.

5. 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.

6. 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.

7. TAXES

Unless otherwise agreed to by us, 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. 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 and you agree to the following:

a) 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.

b) 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.

c) 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.

d) 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.

e) 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.

f) 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.

g) 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.

h) You will send us immediately upon their receipt, all assessment notices, tax bills or tax notices which you receive.

8. PAYMENTS WE CAN MAKE

We can pay off any claims or encumbrances against your property. 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.

9. 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.

10. 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.

11. 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.

12. 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 the mortgage insurer may, at any time before and after default of this mortgage and for any purpose deemed necessary by us or the mortgage insurer, enter upon your property to inspect the building and the property. Without limiting our rights generally, we or the mortgage insurer may enter upon your property to conduct any environmental testing, site assessment, investigation or study we or the mortgage insurer 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, the mortgage insurer or their agents in possession, management or control of your property.

13. ENVIRONMENTAL INSPECTIONS

We (including in this section the mortgage insurer if this is an 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.

14. 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.

15. 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. Sale of your property – We may take such proceedings to sell your property by foreclosure, including foreclosure, sale and possession or by power of sale under the applicable laws of the Province in which the property is located and give ou whatever notice is required under the applicable laws. We may also ask a court to order the sale of your property. If the court makes such order, it will supervise the sale proceedings. The net proceeds of the sale will be used to pay our expenses, the interest that is due and payable and the unpaid balance of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale of your property is less than what you owe us, plus our expenses, you must pay us the difference.

Power of Sale – Prince Edward Island – if the property is located in the Province of Prince Edward Island and if you default in making any payment for one month, we can on one week's notice to you, enter on your property and:

a) Take possession of it;
b) Sell all or part of your property by private sale or public auction for the price and on those terms that can be obtained;
c) Lease it on such terms and for whatever period we may decide upon

Notice may be given to you at our option, if default continues for three months, we may enter on, sell or lease your property without any notice unless notice is required by law. The net proceeds of the sale or lease will be used to pay our expenses, the interest that is due and payable and the unpaid balance of loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale or lease of our property is less than what you owe us, plus our expenses, you must pay us the difference. You agree not to make any claims concerning the sale or lease of our property against anyone who buys or leases it from us, or anyone who buys or leases it after that time.

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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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 payment 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.

21. 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 charges associated with the payout of your mortgage as outlined in Schedule “C1” attached.

22. TRANSFERRING THE MORTGAGE

If you sell your Property, and you are not in default in any obligation under this mortgage, you can either move the mortgage to your new property or the Transferee who buys your property can apply to assume the mortgage by doing what is required by Section 23. You cannot do both.
You can only exercise the option to move your mortgage to a new property within 90 days after the sale of your property. To move the mortgage to a new property, you must:

a. meet our mortgage approval criteria;
b. sign a new mortgage; and
c. pay any processing and administration fees, legal costs and property valuation fees, and any other expenses we incur.

If the new principal amount is the same or less than the current outstanding balance when you sell your property, the interest rate set out herein will apply to your new mortgage and the maturity date for the new mortgage will be the same as your current mortgage.
If your new principal amount is less than the current outstanding balance when you sell your property, you must pay us:

a. the difference between your new principal amount and the current outstanding balance; and
b. the prepayment penalty calculated in accordance with the Prepayment Privileges pursuant to Schedule "C1".

If your new principal amount is more than the current outstanding balance, the interest rate for your new mortgage will be a rate that blends the interest rate under this mortgage and the interest rate we offer you for a new mortgage with a term similar to the remaining term of your current mortgage and having the same Prepayment Privileges as under this mortgage.

You must pay the applicable prepayment penalty when you sell your property, but if you give us a first mortgage on your new property within ninety days as of the sale, we will refund all or part of the prepayment penalty (depending on the amount of the new mortgage and if you meet the conditions above.)

23. ASSUMPTION OF THE MORTGAGE

You must continue to meet all your obligations under this mortgage if you sell or transfer your property.

If you either agree to or actually do transfer your interest in your property, either directly or indirectly, to a Transferee without our approval the outstanding balance will immediately become due and payable in full at our option, and you will be required to pay the applicable prepayment penalty on the outstanding balance.

We may set conditions that you and the new owner must meet as for our approval, including but not limited to the Transferee signing an assumption agreement.

No change in the ownership of the property or any agreement reached between us and the Transferee will in any way affect or prejudice our rights against you or any other person liable for the payment of the amounts secured hereunder where we have not approved the transfer. We may enter into agreements with the Transferee without notice to you and without your approval. You will not be released from your obligations even if we accept money from a transferee or if the transferee agrees to assume, renew, extend, or amend the mortgage without notice to you.

24. 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.

25. FEES

The attached Schedule "C2" outlines fees currently in effect for this mortgage. If you do not pay any of these fees when due, we may add them to the balance owing on your mortgage and additional interest will accrue on such unpaid fees at the rate set herein

26. CONDOMINIUM PROVISIONS

If your property is a condominium, you must comply with the obligations set out in Schedule "C4", see attached.

27. HEADINGS

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

28. SCHEDULES

All schedules to this mortgage shall form part of this mortgage.

29. 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.

30. CONSENT OF SPOUSE

By signing this mortgage the spouse of each Borrower 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.

31. 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 Borrowers signing this mortgage are collectively and individually (that is jointly and severally) bound to comply with all obligations under this mortgage.

32. SIGNING THIS MORTGAGE

If you have read this mortgage and you agree to its terms, sign in the spaces provided for your signatures. Witnesses must sign in the spaces provided for the witnesses' signatures. Necessary legal seals should be added next to your signatures.

You acknowledge receiving a copy of this mortgage.

X_____	**x**_____ (Seal)
WITNESS	BORROWER
X_____	**x**_____ (Seal)
WITNESS	BORROWER
X_____	**x**_____ (Seal)
WITNESS	SPOUSE OF BORROWER

GUARANTEE

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

It is understood that the Lender can:

i. Grant any extensions of time for payment;
ii. Increase the rate of interest payable under the mortgage;
iii. Automatically renew this mortgage in accordance with "**RENEWING OR OTHERWISE AMENDING THIS AGREEMENT**", as stated herein;
iv. Release the whole or any part of the Borrower's property or other security from this mortgage; or
v. Otherwise deal with the Borrower, any other person (including any guarantor), any security (including this mortgage) or the Borrower's property;

either before or after requiring payment from any person without affecting the guarantee. The Lender may require payment from any guarantor without first attempting to collect from the Borrower 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 the Lender to be collectively and individually (that is jointly and severally) responsible under this guarantee with the other guarantors and the Borrower.

I acknowledge receiving a copy of this mortgage.

X_____	**X**_____ (Seal)
WITNESS	GUARANTOR
X_____	**X**_____ (Seal)
WITNESS	GUARANTOR

AFFIDAVIT OF LEGAL AGE AND SPOUSAL STATUS

I/We, _____

of _____

in the _____ of _____, make oath and say:

1. The *Family Law Act* is referred to in this affidavit as the "Act". I (We) have read the definitions of spouse* and family home** below.

2. I am (We are each) at least 19 years of age.

CHECK ONE BOX ONLY

3. ☐ We are spouses of one another and neither of us has any other spouse.

☐ I was not a spouse at the time of making this mortgage

☐ I am a spouse and _____ is my only spouse

☐ I am a spouse and I have only one spouse,

CHECK ANY BOX WHICH APPLIES

4. ☐ The property covered by this mortgage has never been occupied by me and my spouse as our family home.

☐ My spouse has released all rights to the property covered by this mortgage by a separation agreement.

☐ My spouse has released all rights to the property covered by this mortgage by a marriage contract.

☐ The property covered by this mortgage is not designated as a family home pursuant to section 22 of the Act and an instrument designating another property as a matrimonial home of me and my spouse is registered under Section 21 and not cancelled.

5. ☐ That I have no former spouse with whom I have entered into Domestic Contract that is a marriage contract or Separation Agreement that would effect this property.

X _____

X _____

(SEVERALLY) SWORN BEFORE ME

at the _____ of _____)

in the _____ of _____)

this ____ day of _____, _____.)

_____

A Commissioner of the Supreme Court of Prince Edward Island
*** A Notary Public in and for _____

** "Spouse" means either of a man and woman who:*

(i) are married to each other,
(ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity, or
(iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabitating or have cohabitated within the preceding year.

*** "Family home" means every property in which a married person has an interest and that is, or if the spouses are living separate and apart, was at the time of separation ordinarily occupied by the person and his or her spouse as the family residence in their family home.*

**** Where affidavit is sworn outside Prince Edward Island, it may be sworn before a notary public in and for the place where sworn and he or she must impress his or her official seal here.*

CERTIFICATE OF ACKNOWLEDGEMENT

Province of _____)

_____ of _____)

I, _____, a notary public duly commissioned, appointed and sworn in and for the _____ of _____, residing and practicing at _____ in the _____ of _____, certify that on the _____ day of _____, 20 __, _____ named in this mortgage (and consent of spouse) personally appeared before me at _____ and acknowledged to me that he (she) (they) signed, executed and delivered the mortgage (and consent of spouse) as and for his (her) (their respective) act and deed for the purposes set out in it.

In testimony of which I have signed this certificate and affixed my notarial seal to it at the place and on the date given above.

_____

*A Notary Public in and for _____

* Acknowledgment must be taken before a notary public in and for the place where taken and he or she must impress his or her official seal here.

CERTIFICATE OF ACKNOWLEDGEMENT
OF WITNESS

On _____, 20 _____, _____ a subscribing witness to the foregoing mortgage personally appeared before me. The witness having been duly sworn by me, made oath and said that

Check one box

☐ the party (parties) to the mortgage did sign, seal and deliver it in his/her presence.

☐ _____
(Name of corporation)

caused the mortgage to be executed in its name and on its behalf and it's corporate seal to be thereunto affixed by its proper officers in his or her presence.

_____
A Commissioner of the Supreme Court of Prince Edward Island

*A Notary Public in and for _____

*Where acknowledgment is taken outside Prince Edward Island, it may be taken before a notary public in and for the place where taken. If so, he or she must impress his or her official seal here.

SCHEDULE "A"

DATED:_____20_____

BETWEEN:

Mortgagor

TO

LEAGUE SAVINGS AND MORTGAGE COMPANY, a body corporate, incorporated by the Act of the Parliament of Canada and subject to the Trust and Loan Companies Act, with Head Office in the City of Halifax in the County of Halifax, Province of Nova Scotia.

Mortgagee

MORTGAGE

$

SCHEDULE "C1"
PREPAYMENT OPTIONS
FOR RESIDENTIAL MORTGAGES
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.

SCHEDULE "C2"
FEES
AS AT THE EXECUTION DATE OF THIS MORTGAGE AND/OR MORTGAGE RENEWAL

1	Fire Insurance Administration Fee	-	$100.00 plus cost of insurance premium
2	Renewal Fee	-	$90.00
3	Release Fees	-	$150.00 if refinancing with League Savings - $300.00 if loan paid out prior to being fully amortized - $150.00 if loan fully amortized
4	NSF Cheque Fees	-	$40.00 per occurrence
5	Audit Confirmation Fee	-	$15.00 per statement
6	Amendment Fee	-	$100.00
7	General Security Agreement (PPSA), if applicable	-	The document will be registered for the amortized period of the debt and a fee charged to the mortgage account in accordance with provincial legislation.
8	Property Tax Administration Fee, where applicable	-	As billed by your municipality.

Note: League Savings and Mortgage Company reserves the right to make changes to the above fees from time to time. In the event of fee changes, we will provide you with 30 days notice.