



The Land Titles Act, 2000 **(Province of Saskatchewan)**

AGF TRUST COMPANY

ADDITIONAL MORTGAGE TERMS AND CONDITIONS (ADJUSTABLE RATE MORTGAGE)

The provisions contained in these Additional Mortgage Terms and Conditions are incorporated into and form part of the Main Body of this Mortgage to which these Additional Mortgage Terms and Conditions are attached (the Main Body of this Mortgage and these Additional Mortgage Terms and Conditions are collectively referred to herein as the "Mortgage").

All capitalized terms utilized in these Additional Mortgage Terms and Conditions but not otherwise defined shall have the respective meanings ascribed to such terms in the Main Body of this Mortgage.

1. INTEREST RATE

Within a reasonable time after each change in the AGF Trust Mortgage Prime Rate, the Lender may mail to the Borrower, at his or her last known address according to the Lender's records, a notice of the changed interest rate and its effective date. The interest rate will vary in accordance with this provision even if the Lender fails to send to the Borrower such a notice or the Borrower fails to receive it and the Borrower will still be liable to make all payments when due under this Mortgage at the new interest rate. The AGF Trust Mortgage Prime Rate in effect at any time is available on the Lender's website at www.agf.com. Interest is calculated daily and compounded semi-annually, not in advance, and is payable on the amount of the Mortgage before and after the Balance Due Date, and both before and after default and judgment, until the amount of the Mortgage has been paid in full.

2. PAYMENTS

The Borrower shall make payments of principal and interest in the amount and frequency shown in the Main Body of this Mortgage, until the Balance Due Date. The amount of the principal and interest payment will change after each change in the AGF Trust Mortgage Prime Rate and will be recalculated after each change in the AGF Trust Mortgage Prime Rate based on the current AGF Trust Mortgage Prime Rate and the remaining amortization period on the Mortgage. New payments will become effective on the next payment date or the payment date immediately thereafter following each change in the AGF Trust Mortgage Prime Rate.

Any and all funds received by the Lender for payment under this Mortgage after 2:00 p.m. Eastern Standard Time will be deemed to be received on the next business day.

3. PRE-AUTHORIZED CHEQUE PLAN

All payments made under this Mortgage by the Borrower shall be made by pre-authorized cheque payment plan as approved by the Lender. The Lender shall not be obligated to accept any payment excepting payment made by pre-authorized cheque. Failure to make all payments in the manner required by the Lender shall be an act of default and the Lender shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

4. ARREARS OF INTEREST AND OTHER CHARGES

All interest in arrears is to become principal and to bear interest at the rate set out in the Mortgage, payable at the times, in the manner and at the place provided for the payment of interest, from the time the same becomes due and payable. In the event that the sums hereby secured or any part thereof be not paid at the time or times set forth in the Mortgage for payment thereof, the Borrower will for so long as such sums or any part thereof remain unpaid or owing on the security hereof, or during the continuance of this security, pay interest from day-to-day as hereinbefore provided on such sums or so much thereof as shall for the time remain due, owing or unpaid during the continuance of this security. Provided that in the event of any default being made in payment of any instalment of interest secured under this Mortgage the same shall thereupon become part of the principal hereby secured under this Mortgage the same shall thereupon become part of the principal hereby secured and shall bear interest from the time when the

same became due at the rate aforesaid, and on each day when any instalment of interest falls due hereunder in each and every year until the whole of the said principal and interest secured hereby is fully paid and satisfied, all sums of money, whether interest or otherwise then due and remaining unpaid shall become principal and bear interest at the rate aforesaid. The Borrower covenants and agrees that the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants nor affect the right of the Lender to interest at the above rate on any moneys due or owing to the Lender during the continuance of this security under any of the covenants herein contained or on any judgment to be recovered thereon.

5. CONVERSION OPTION

The Borrower, when not in default under any terms or conditions contained in this Mortgage, may, at any time without penalty, convert this Mortgage to a closed fixed rate term mortgage for a new term which will be the lesser of either the remaining term of the Mortgage or a minimum three (3) year fixed term. To exercise this option, the Borrower shall make a written request signed by the Borrower and the Guarantor(s), if any, and delivered to the Lender to the attention of its administration department, and the applicable interest rate and terms will be those in effect as at the date of receipt by the Lender of such written request. The Borrower will sign a conversion agreement which will contain all of the amended terms and conditions of this Mortgage. The fixed interest rate will be guaranteed for twenty-one (21) days from the date the conversion agreement is issued. The amount of the payment of principal and interest will be based on the remaining amortization period. The amortization period will not change and re-amortization of the Mortgage will not be permitted. The new term will commence and the new fixed interest rate will take effect, on the next scheduled payment date or the payment date immediately thereafter as determined by the Lender. Upon conversion to a fixed rate term mortgage, all of the features and benefits of the adjustable rate mortgage will no longer apply including, without limitation, the prepayment provisions contained herein, and the Borrower and the Guarantor(s), if any, will adopt the features and benefits of the fixed rate term mortgage which will prevail.

The Lender may request the Borrower and the Guarantor(s), if any, to execute an amending/modification agreement in form and substance acceptable to the Lender setting out the amended terms of the Mortgage, but the written notice of the intention to exercise the option referred to above will be binding on the Borrower and the Guarantor(s), if any, and the Lender shall be entitled to rely thereon whether or not an amending/modification agreement is executed.

The Borrower will be responsible to pay the following costs and expenses as a result of converting this Mortgage to a closed fixed rate term mortgage: (i) any administration and processing fees of the Lender; (ii) any interest that results from a change in the frequency of the Borrower's regular payments, as well as any deferred interest; and, (iii) all legal expenses, including the cost of preparation and registration of an amending/modification agreement, if applicable. If the Borrower fails to make such payment, the Lender may declare the Borrower to be in default under the terms and conditions of this Mortgage or may add such costs and expenses to the Mortgage, or the Lender may do both.

6. PREPAYMENT PRIVILEGE

The Mortgage has a fixed term, and may not be repaid before the Balance Due Date, except as set out below.

The Borrower may, without penalty and if not in default hereunder:

(a) Make lump sum payments (of not less than \$100 each) of up to twenty percent (20%) of the original principal amount of the Mortgage in each twelve month period starting on the Interest Adjustment Date as shown on the Main Body of this Mortgage or the anniversary of that date; and/or

(b) Increase the amount of the regular principal and interest payment amount by up to twenty percent (20%) of the original amount once in each twelve month period starting on the Interest Adjustment Date as shown on the Main Body of this Mortgage or the anniversary of that date.

These privileges expire if not exercised in a given twelve-month period, and may not be accumulated from period to period. These privileges do not apply where the Borrower wishes to prepay the Mortgage in full or make a prepayment of more than twenty percent (20%) of the original principal amount of the Mortgage.

If the Lender accepts any additional amount of money by way of prepayment or otherwise, it shall apply the monies to the balance of the principal then remaining unpaid, provided always that any such prepayment shall not entitle the Borrower to reduce or to omit to pay the monthly instalment payments which the Borrower is bound to make hereunder.

7. PREPAYMENT CHARGES

Should the Borrower wish to repay the Mortgage in full or repay more than twenty percent (20%) of the original principal amount of the Mortgage prior to the Balance Due Date, then so long as the Borrower is not in default hereunder the Borrower may prepay all or a portion of the outstanding principal balance of the Mortgage by paying that amount, together with all accrued and unpaid interest on that amount, and three (3) month's interest calculated on the principal amount being prepaid at the AGF Trust Mortgage Prime Rate in effect at the time.

8. DEFAULT

The Borrower agrees that in the event of any default hereunder, including, without limitation, in the payment of principal or interest or any of the monies hereby secured or any monies payable hereunder or any part thereof, then, and in such case, the whole principal monies hereby secured shall, at the option of the Lender, become due and payable in like manner to all intents and purposes as if the time herein mentioned for payment of such principal money had fully come and expired. In the event of the Borrower's making a breach of any of the covenants in this Mortgage contained then such breach shall be deemed to be a default in payment of interest, and the Lender shall, at his option, be, at liberty to call in forthwith the whole of the principal and interest secured by this Mortgage and eject all persons in possession of the mortgaged lands. The parties hereby agree that the powers in this paragraph contained must be actually invoked to become effective and that nothing contained shall cause any limitation period to commence to run unless and until the Lender shall actually exercise the option hereinbefore contained.

9. INSURANCE

The Borrower further covenants with the Lender that the Borrower will forthwith insure and during the continuance of this security keep insured against loss or damage by fire each and every building on the said lands or which may hereafter be brought or erected thereon to the extent of their respective full insurable values with an insurance company acceptable to the Lender, and if required by the Lender, the Borrower will also insure against loss or damage by plate glass breakage, boiler explosion, loss of business profits and such other insurable risks or hazards as the Lender may designate; AND that the Borrower will pay all premiums and sums of money necessary for such purposes as the same shall become due and will assign and deliver over to the Lender the policy or policies of insurance and the receipt or receipts thereto appertaining. And if the Borrower shall neglect to keep the said buildings or risks or any of them insured as aforesaid, or to pay the said premiums, or to deliver such receipts, then it shall be lawful for the Lender to insure the said buildings and risks and all monies expended by the Lender with interest at the rate aforesaid computed from the time or times of advancing the same, shall be repaid by the Borrower to the Lender on demand, and in the meantime the amount of such payments shall be added to the said principal sum hereby secured and shall bear interest at the rate aforesaid from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said principal sum and all such payments shall become a part of the principal secured by this Mortgage and shall be a charge upon the said lands and all the Borrower's estate and interest therein. Evidence of the renewal of such insurance shall be produced to the Lender at least seven days before the insurance then existing shall expire otherwise the Lender may insure as hereinbefore provided. All such insurance shall have loss payable to the Lender and shall be subject to mortgage clauses acceptable to the Lender.

10. INSURANCE PROCEEDS

It is hereby agreed that all monies received by virtue of any policy or policies of insurance may, at the option of the Lender, either be forthwith applied in or towards substantially rebuilding, reinstating and repairing the said building, or in or towards the payment of the last instalment of principal falling due under and by virtue of these presents and in the case of a surplus in or towards the payment of the instalment next preceding in point of time of payment, and so on until the whole of the principal hereunder shall be paid, and in the case of a surplus, then in or towards payment of interest at the rate aforesaid and so on until the whole of the principal sum and interest hereunder shall be fully paid and satisfied, the balance, if any, to be paid to the Borrower.

11. PROOF OF LOSS

The Borrower further agrees to furnish, forthwith on the happening of such loss or damage by fire or other hazard or peril, and at the Borrower's expense, all the necessary proofs of loss and to do all the acts necessary to enable the Lender to obtain payment of the insurance money.

12. ATTORNMENT

For the purpose of better securing the punctual payment of the interest on the said principal sum, the Borrower does hereby attorn to and become tenant of the Lender for the said lands, at a yearly rental equivalent to the annual interest payable hereunder, to be paid in manner and on the days and times before appointed for the payment of the said interest; and on payment thereof the same shall be taken to be, and shall be, in satisfaction of the said interest; but nothing in this provision shall make the Lender chargeable or accountable as Lender in possession. Provided also, that the Lender may at any time after default in payment or performance of any covenant or condition hereunder, enter into and upon the said lands, or any part thereof, and determine the tenancy hereby created, without giving any notice to quit.

13. ASSIGNMENT OF RENTS

For better securing the payment of all monies secured hereunder, the Borrower hereby grants, assigns and transfers to the Lender all leases with respect to the lands mortgaged hereunder, including all renewals and extensions thereof, together with all rents and other monies payable thereunder, and all benefits and advantages to be derived therefrom; provided that nothing herein or any actions taken by the Lender to enforce its rights hereunder shall have the effect or be deemed to have the effect of making the Lender a mortgagee in possession or responsible for the collection of rent or other monies, or for the performance or observance of any covenants, terms and conditions contained in any of such leases.

14. RECEIVER-MANAGER

That if default shall be made in the payment of the principal sum, interest or any other monies hereby secured or any part thereof or in the due performance of any other covenants herein contained, then in every such case:

- (a) The Lender may appoint a receiver or a receiver/manager of the rents, profits and incomes of the lands and such receiver or receiver/manager so appointed shall be deemed to be the agent of the Borrower and the Borrower shall be solely responsible for the acts or defaults and for the remuneration and expenses of the receiver or receiver/manager. All monies received by the receiver or receiver/manager, after providing for payment of all costs, charges and expenses of or incidental to the exercise of any powers of the receiver or receiver/manager, shall be applied in or towards satisfaction of the monies owing pursuant to this Mortgage and the receiver or receiver/manager shall have the power to:
 - (i) take possession of, collect and get in the property, rents and profits charged by this Mortgage or any additional or collateral security granted by the Borrower to the Lender and for that purpose take any proceedings in the name of the Borrower or otherwise;
 - (ii) carry on or concur in carrying on the business which the Borrower is conducting on and from the mortgaged lands;
 - (iii) lease or rent all or any portion of the mortgaged lands and for this purpose to execute contracts in the name of the Borrower, which contracts shall be binding
- (b) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Lender may have from time to time.

15. DISTRESS

If the Borrower shall make default in payment of any part of the said principal or interest or any other monies hereby intended to be secured at any day or time hereinbefore limited for the payment thereof, it shall and may be lawful for the Lender, and the Borrower does hereby grant full power and license to the Lender to enter, seize and distrain upon the said lands, or any part thereof, and by distress warrant to recover by way of rent reserved as if the case of a demise of the said lands, as much of said principal, interest and other monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent.

16. RIGHT TO LEASE

It is also covenanted between the Borrower and the Lender that if the Borrower shall make default in payment of the principal sum and interest thereon or any part thereof at any of the before appointed times, then the Lender shall have the right and power, and the Borrower does hereby covenant with the Lender for such purpose, and does grant to the

Lender full license and authority for such purpose when and so often as in the Lender's discretion the Lender shall think fit to enter into possession, either by itself or the Lender's agent of the said lands, and to collect the rents and profits thereof, and to make any demise or lease of the said lands, or any part thereof for such terms, periods, and at such rent as the Lender shall think proper, and that all proceedings for sale or foreclosure may be taken either before or after and subject to such demise or lease.

17. TAXES

Subject as hereinafter in this paragraph provided, the Borrower will pay when and as the same fall due all taxes, rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged lands or on this Mortgage or on the Lender in respect of this Mortgage; provided that in respect of municipal taxes, school taxes and local improvements rates (hereinafter referred to as "taxes") chargeable against the mortgaged lands, at the option of the Lender, all or any of the following will apply:

- (a) The Lender may deduct from the final advance of the monies secured by this Mortgage an amount sufficient to pay the taxes which have become due and are unpaid at the date of such final advance and/or a reasonable amount to establish an account for the payment of taxes which have accrued to the date of such advance.
- (b) The Borrower agrees to pay to the Lender in monthly instalments, at the same time and dates hereinbefore fixed for payment of principal and interest, one-twelfth (1/12) of the amount as estimated by the Lender, of the taxes next becoming due and payable, including any other levy. The Lender may adjust this amount from time to time and will notify the Borrower in advance if it does so. The Borrower shall also pay to the Lender on demand, the amount, if any, by which the actual taxes exceed such estimated amount.
- (c) The Borrower shall forthwith, upon receipt, deliver to the Lender, any and all assessment notices, tax notices, or other notices affecting imposition of taxes with respect to the subject property. The Borrower agrees that should failure to forward such notices to the Lender result in penalty of any nature whatsoever, the Borrower shall be responsible for payment of such penalty.
- (d) It is agreed that the Lender shall be entitled to charge to the Borrower all reasonable costs, charges and expenses which may be incurred in connection with the collection and payment of the taxes and any other levy aforesaid, which is to become part of the principal hereby secured and be a charge on the said lands in favour of the Lender and shall at the option of the Lender be payable by the Borrower on demand.
- (e) The Lender shall allow the Borrower credit for interest at the rate established by the Lender from time to time on the minimum monthly balances standing in the tax account from time to time, such interest to be credited to the mortgage account not less frequently than once each year; and the Borrower shall be charged interest, at the mortgage rate, on the debit balance, if any, in the Borrower's tax account outstanding after payment of taxes by the Lender, until such debit balance is fully repaid.
- (f) The Lender agrees to apply such deduction and payment on the taxes chargeable against the said lands so long as the Borrower is not in default under any covenant proviso or agreement contained herein, but nothing herein contained shall obligate the Lender to apply such payment on account of taxes more often than yearly. Provided, however, that if before any sum or sums so paid to the Lender shall have been so applied, there shall be default by the Borrower in respect of any payment of principal or interest as herein provided, the Lender may apply such sum or sums in or towards payment of the principal and/or interest in default.

18. POWER OF SALE

Upon default being made hereunder, the Lender shall be entitled to sell and convey the mortgaged lands, without entering into possession of the same and without giving any notice to the Borrower of the Lender's intention so to do, and either before or after and subject to any demise or lease made by the Lender as hereinbefore provided. Provided that any sale made under the powers hereby given may be on such terms as to credit or otherwise as shall appear to the Lender most advantageous, and for such price as can be reasonably obtained therefore, and that sales may be made of any portion or portions of the mortgaged lands, from time to time to satisfy any interest or any part of the principal overdue, leaving the principal or balance thereof to run at interest payable as aforesaid, and that the Lender may make any stipulation as to title or otherwise as to the Lender may seem proper, and the Lender may buy in or rescind or vary any contract for sale of any of the said lands and resell without being responsible for any loss occasioned thereby, and for any of the said purposes may make and execute such agreements and assurances as shall be by the Lender deemed necessary.

19. DISCHARGE

The Borrower shall not be entitled to a discharge of this Mortgage until and unless the Borrower shall have kept and performed all the covenants, provisos, agreements and stipulations herein contained, whether the Lender has taken legal proceedings thereon and recovered judgment or otherwise, and it is agreed that the Lender shall have a reasonable time after payment in full of the monies due and owing by the Borrower hereunder within which to deliver a discharge of this Mortgage to the Borrower and the Lender shall be entitled to charge a reasonable fee to the Borrower for the preparation and execution of such discharge.

20. MORTGAGEE NOT BOUND TO ADVANCE

It is further agreed between the Borrower and the Lender that the Lender shall not be bound for any reason whatsoever to advance the money hereby intended to be secured nor shall the Lender, in the event of advancing or having advanced a portion, be bound to advance the balance hereof. And it is further agreed that the Lender may release any part or parts of the said lands at any time at the Lender's discretion, either with or without any consideration therefore, without responsibility therefore and without thereby releasing any other part of the said lands, or any collateral security, or any person from this Mortgage, and from any of the covenants herein contained or contained in any collateral security.

21. FIXTURES

It is hereby declared and agreed that any erection, machinery, fixed or otherwise, buildings or improvements hereafter put upon the said lands shall thereupon become fixtures, and be part of the realty and form a part of this security.

22. WASTE

The Borrower further covenants and agrees that the Borrower will not permit or suffer any act of waste upon the said lands; and will during the existence of these presents well and sufficiently repair, maintain, amend and keep the buildings now or hereafter on the said lands and all fixtures and things thereunto belonging in good and substantial repair.

23. RIGHT OF ENTRY

The Lender or any agent or representative of the Lender may, at any time, before and after default, and for any purpose deemed necessary by the Lender, enter upon the Lands to inspect the lands and buildings thereon. Without in any way limiting the generality of the foregoing, the Lender (or its agents or representatives) may enter upon the Lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Lender and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the interest rate under this Mortgage, shall be payable by the Borrower forthwith and shall form part of the monies secured by this Mortgage. The exercise of any of the powers enumerated in this clause shall not deem the Lender, or its agents or representatives to be in possession, management or control of the Lands.

The granting of the loan that is the subject of this Mortgage or any part thereof is not to be construed or relied on by the Borrower and the Guarantor(s), if any, as representing a confirmation of the value or condition of the underlying property whether or not appraisals or inspections are carried out with respect to the Lands; nor is it to be construed or relied on by the Borrower and the Guarantor(s), if any, as representing a confirmation of the ability of Borrower and the Guarantor(s), if any, ability to pay the Mortgage.

24. FARM LANDS

In the case that this is a mortgage on farm lands the Borrower agrees that the Lender may insure the crops now or hereafter in the said lands if any of the said lands are now or shall hereafter be brought under cultivation for the amount of their full insurable value against loss or damage by hail or otherwise and all premiums therefore shall be recoverable and dealt with as hereinbefore provided in the case of premiums for fire insurance; AND further that the Borrower will if any part of the said land be now under cultivation or if any part of the said land shall hereafter during the continuance of this security be brought under cultivation, cultivate all such part or parts in the most prudent manner so as to maintain the said land in a good state of cultivation; PROVIDED, however, that the Borrower may summerfallow in a prudent manner one-third of all broken acres of such cultivated land (if any) in any year.

25. WAIVER

It is agreed that the waiver of one or more defaults under this Mortgage shall not be construed as a waiver of any subsequent or other default and it is further agreed that the foreclosure, cancellation or any other dealing with any other security for the monies advanced hereunder or secured hereby shall not release nor affect this Mortgage and that the taking of this Mortgage or the foreclosure or cancellation of or any other dealing with or proceedings under this Mortgage shall not release or affect any other security held by the Lender for the monies advanced or secured hereby.

26. FEES

It is agreed that all fees and charges of the Lender's solicitor in connection with the preparation and registration of this Mortgage and passing on the Borrower's title to the said lands, and in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever, as between solicitor and client, whether any action or other judicial proceedings to enforce such payment has been taken or not shall be paid by the Borrower forthwith.

The Lender may also charge reasonable fees for all administrative services including, but not limited to, those outlined in the "Schedule of Additional Fees" which has been provided to the Borrower with the Statement of Disclosure and the Borrower agrees to pay all such charges. The Lender will charge its fees in effect at the time the Lender processes the request.

Any fees or charges payable by the Borrower hereunder must be paid immediately. If the Borrower makes default in paying such fees or charges, the Lender may withhold services or approval for which the fee remains owing, declare that the Borrower is in default under this Mortgage, add these fees to the amount of the Mortgage, or do any combination of the foregoing. Interest will be charged to the Borrower on these fees at the interest rate under this Mortgage from the date the fees are incurred.

27. SHORT COVENANTS

The Borrower hereby covenants with the Lender that the Borrower

- (a) Has a good title to the land;
- (b) Has a right to mortgage the land;
- (c) And that on default the Lender shall have quiet possession of the land, free from all encumbrances;
- (d) Will execute such further assurances of the land as may be requisite;
- (e) Has done no act to encumber the land;

28. ENUREMENT

It is agreed that this Mortgage and all the covenants herein shall be binding upon and enure to the benefit of the executors, administrators, successors and assigns of the parties hereto respectively and wherever the singular or masculine is used throughout this Mortgage the plural or feminine or a body corporate shall be implied wherever the context so requires. It is further agreed that if this Mortgage is entered into and executed by more than one person then all the covenants and stipulations herein contained and implied shall apply to and be binding upon all the mortgagors jointly and severally.

29. INVALID PROVISIONS

If any provision of this Mortgage shall be found to be or be deemed illegal or invalid, the remainder of the Mortgage shall not be affected thereby.

30. WAIVER OF SASKATCHEWAN LEGISLATION

The Borrower, if a corporation, hereby covenants and agrees with the Lender that:

- (a) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in *The Land Contracts (Actions) Act*, aforesaid, with respect to this Mortgage; and
- (b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to:
 - (i) this Mortgage;
 - (ii) any mortgage, charge or other security for the payment of money made, given or created by this mortgage;
 - (iii) any agreement or instrument renewing or extending or collateral to this mortgage or renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in subparagraph (ii) of this paragraph (b) of this section; or
 - (iv) the rights, powers or remedies of the Lender under this mortgage or any mortgage, charge, other security, agreement or instrument referred to or mentioned in subparagraph (ii) or subparagraph (iii) of this paragraph (b) of this section.

31. FINANCIAL STATEMENTS

The Borrower covenants and agrees that, if so required by the Lender, during the term or the within Mortgage, the Borrower shall furnish or cause to be furnished to the Lender within ninety (90) days after the close of its financial year, a detailed copy in duplicate of the report by the independent auditors of the Borrower, complete with detailed balance sheets, profit and loss statements, and supporting schedules commencing with the current fiscal year, signed by the Borrower where the Borrower is an individual or where the Borrower is a company signed and approved by two directors of the Borrower.

32. PRIOR MORTGAGES

If the Borrower makes default in the performance of the covenants or conditions contained in any prior mortgage, charge or encumbrances, secured upon the said lands, then the entire unpaid balance hereby secured together with interest, shall, at the option of the Lender, become forthwith due and payable without notice or demand. The Lender shall be at liberty in case of such default to pay any arrears or other sums payable under the said mortgage, agreement for sale, or encumbrances, or payoff all or any portion of the principal and/or interest thereby secured. Any amounts so paid by the Lender shall

- (i) be added to the amount hereby secured;
- (ii) bear interest at the stipulated rate until paid,
- (iii) be a charge upon the said lands, and
- (iv) unless repaid to the Lender upon demand, shall be recoverable from the Borrower in the same manner as if such sum had been originally secured hereby.

33. PAYMENT UPON DEFAULT

In the event that the Borrower is in default hereunder and the Lender commences foreclosure proceedings or other legal proceedings, the Borrower agrees that the Borrower shall not be entitled to payout the full amount of the principal sum hereby secured; but only to pay to the Lender the instalments or other monies in arrears or to remedy the default where the default is other than the payment of money.

34. RENEWAL

If the Mortgage is not renewed or paid by the Balance Due Date, then provided that the Borrower is not in default hereunder, at the Lender's option only, the Lender may deem this Mortgage to be renewed as of the Balance Due Date for a further one year open term at the interest rate offered by the Lender that is in effect on the Balance Due Date.

35. EXTENSIONS BINDING ON BORROWER

The Borrower also covenants and agrees with the Lender that any agreement for renewal, amendment or extension of the term of this Mortgage shall not have to be registered but shall be effectual and binding on the Borrower and on any subsequent mortgagee of or party interested in the mortgaged lands or any part thereof, to all intents and purposes, including, without limitation, any increase in the interest rate or monthly payments, and shall take priority as against any assignee or subsequent mortgagee or encumbrancer or such party when deposited in or held at the office of the Lender and shall not release nor affect any covenant or agreement herein or collateral hereto.

36. CONDOMINIUM

In the event that the lands charged hereunder are or become subject to *The Condominium Property Act, 1993* (Saskatchewan) (the "CPA"), the Borrower covenants and agrees with the Lender that the Borrower will observe and perform each and everyone of the following covenants and provisions:

- (a) To observe and perform all obligations under the CPA and all amendments thereto, and any acts passed in substitution thereof, and the by-laws of the condominium corporation of which the Borrower is a member by virtue of the Borrower's ownership of the lands charged by this Mortgage (herein sometimes called the "Condominium Corporation") and any amendments thereto;
- (b) To pay promptly when due any and all unpaid fees, contributions, assessments, instalments or payments due to the Condominium Corporation in respect of the lands charged by this Mortgage, failing which the Lender may, at its sole option, pay such assessments, instalments or payment due to the Condominium Corporation and/or at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Mortgage and proceed to exercise its rights herein;
- (c) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Lender, the Lender may distrain for arrears of any fees, contributions, assessments, instalments or payment due to the Lender or arising by virtue of the covenants in this paragraph contained;
- (d) Subject to the CPA, the Borrower hereby irrevocably assigns to the Lender all of the Borrower's rights under the CPA and any bylaws, rules and regulations, as amended from time to time of the Condominium Corporation;
- (e) Subject to the CPA, the Borrower hereby irrevocably assigns to the Lender all of his rights to vote at all meetings and in the exercise of all powers of the Condominium Corporation and whether or not such rights touch upon or concern his title or interest in the unit and/or fractional interest in the common property, or otherwise, unless the Lender waives its rights herein. The Borrower hereby acknowledges receipt of written notice that the Lender intends to exercise such power to vote. The Lender shall not by virtue of such assignment be under any obligation to vote or to protect the interests of the Borrower and shall not in any way be responsible for the result of any exercise of the power to vote or any failure to exercise the power to vote. Notwithstanding such assignment, the Borrower may, at any duly called meeting of the Condominium Corporation of which the Lender has received written notice, exercise its right to vote if the Lender is not, by its authorized representative, agent or proxy, present at such meeting, provided that the Borrower votes against any resolution of the members of the Condominium Corporation which could materially adversely affect the Lender's security under this Mortgage;
- (f) At the Lender's request, the Borrower shall deliver to the Lender such proxies or other instruments as may be considered requisite by the Lender to confer such power of voting upon the Lender;
- (g) The Borrower hereby irrevocably authorizes the Lender as the authorized agent of the Borrower at any time, and from time to time, to apply to the Condominium Corporation for copies of bylaws, financial statements, notices, minutes, information relating to levies, fees, contributions and assessments and any other information or certificates available under the CPA related to the lands charged by this Mortgage;
- (h) The Borrower shall ensure the Lender promptly receives all notices of the Condominium Corporation, including any notices of breaches;
- (i) No action taken by the Borrower under this section 36 of the Mortgage will make the Lender a mortgagee in possession;
- (j) The covenant of the Borrower to insure hereof may be observed or performed by the Condominium Corporation if it effects and maintains insurance satisfactory to the Lender in which event the Borrower is discharged from observance or performance of said covenant to insure and all insurance monies received by virtue of any policy or

policies of insurance effected by the Condominium Corporation shall be applied and used by the Lender as required by the provisions of the CPA.

- (k) In the event that the Borrower sells, transfers, assigns or conveys any parking unit(s) encumbered by this Mortgage while retaining title to (or ownership of) the dwelling unit so encumbered by this Mortgage, or in the event that the Borrower sells, transfers, assigns or conveys the aforementioned parking unit(s) as well as the said dwelling unit but to different purchasers, transferees or assignees, then in either case the total outstanding principal and interest indebtedness secured by this Mortgage shall become due and payable.

37. EXPROPRIATION

In the event that the lands charged hereunder or any part thereof are expropriated by any government, authority, body or corporation having powers of expropriation, the full amount of all monies then secured hereunder shall forthwith become due and payable together with a bonus equal to three months' interest at the rate set out herein on the principal sum then outstanding.

38. PARAGRAPH HEADINGS

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

39. DUE ON SALE

In the event of sale, conveyance, lease, or transfer of the title to the mortgaged property to a purchaser, grantee, transferee, mortgagee, or lessee not approved in writing by the Lender, then, at the option of the Lender, all monies secured under this Mortgage shall become due and payable.

40. ADDITIONAL MORTGAGE TERMS AND PARAMOUNTCY

In the event of any conflict, inconsistency or ambiguity between the following documents they shall be interpreted in the following priority:

- Priority 1 - Main Body of this Mortgage
- Priority 2 - Additional Terms and Conditions

41. CHARGE

The Borrower hereby grants, mortgage and charges to and in favour of the Lender all right, title and interest of the Borrower in and to the said lands as security for the payment of the said principal and interest and all other monies owing under this Mortgage, and the performance of all covenants, agreements and obligations secured by this Mortgage upon the terms set out in this Mortgage.