



Standard Mortgage Terms (For the Province of British Columbia)

**FILED BY: AGF Trust Company
FILING NUMBER: MT030097**

FILING DATE: May 21, 2003

These standard mortgage terms shall be deemed to be included in and form part of every mortgage which incorporates and refers to them to by their filing number, as provided in section 219 of the Land Title Act.

NOTICE TO OWNERS OF OTHER CHARGES

The Mortgage may at the sole option of the Lender be renewed and consequently amended at the Maturity Date with or without an increased Interest Rate notwithstanding there may exist Other Charges at the time of such renewal or amendment. Such renewal or amendment may or may not be registered in the appropriate Land title office, but shall take effect and be binding on the Borrower **and on the owner of any Other Charges** and shall take priority against any Other Charges immediately on the date of such renewal or amendment. Owners of Other Charges are warned to contact the Lender to determine the current Maturity Date and Interest Rate.

Table of Contents

2	DEFINITIONS	3
3	WHAT THE MORTGAGE DOES.....	5
4	INTEREST	5
5	PAYMENT OF THE MORTGAGE MONEY	6
6	PREPAYMENT OF THE MORTGAGE MONEY	6
7	BORROWER'S PROMISES AND AGREEMENTS.....	6
8	AGREEMENTS BETWEEN THE BORROWER AND AGF.....	8
9	INSURANCE.....	9
10	TAXES	10
11	DEFAULT	10
12	CONSEQUENCES OF A DEFAULT	11
13	RECEIVER	12
14	ASSIGNMENT OF RENTS.....	14
15	ASSIGNMENT OF PROCEEDS.....	14
16	SUBDIVISION.....	14
17	CONSTRUCTION MORTGAGE.....	15
18	LEASEHOLD MORTGAGE	15
19	STRATA LOT MORTGAGE	16
20	CURRENT OR RUNNING ACCOUNT MORTGAGE.....	16
21	ENVIRONMENTAL MATTERS	17
22	COVENANTOR'S PROMISES AND AGREEMENTS.....	17
23	CORPORATE BORROWER OR COVENANTOR	17
24	EXECUTION UNDER SEAL.....	18
25	GENERAL.....	18
26	RECEIPT OF COPY OF THE MORTGAGE TERMS.....	19

2 DEFINITIONS

In the Mortgage:

- 2.1 "Act" means the British Columbia Land Title Act and any regulations and amendments thereto in effect at the time of execution and delivery of the Mortgage;
- 2.2 "Assignment of Rents" means the provisions of the Mortgage in the section of the Mortgage Terms called " Assignment of Rents";
- 2.3 "Borrower" means the person or persons described in the Mortgage Form as the borrower or mortgagor and who signed the Mortgage Form as the borrower or mortgagor and the heirs, personal representatives, successors and assigns of the Borrower;
- 2.4 "Borrower's Promises and Agreements" means anyone or more of the Borrower's obligations, promises and agreements contained in the Mortgage, in the section of the Mortgage Terms called "Borrower's Promises and Agreements" or elsewhere;
- 2.5 "Business" means any business conducted on the Land;
- 2.6 "Commitment" means any commitment document(s) issued by the Lender to the Borrower for the Mortgage and by application(s) for the Commitment;
- 2.7 "Company" means the Borrower or the Covenantor if the Borrower or the Covenantor is a non-reporting company incorporated under the laws of British Columbia or a private or non-reporting company incorporated under the laws of a jurisdiction other than British Columbia;
- 2.8 "Condominium Act" means the British Columbia Condominium Act and any regulations and amendments thereto in effect at the time of execution and delivery of the Mortgage;
- 2.9 "Court" means a Court, Judge, Master or Registrar having jurisdiction in any manner arising out of the Mortgage;
- 2.10 "Covenantor" means the person or persons who signed the Mortgage Form as the covenantor or as the covenantors and the heirs, personal representatives, successors and assigns of the Covenantor;
- 2.11 "Covenantor's Promises and Agreements" means any one or more of the Covenantor's obligations, promises and agreements contained in the Mortgage, in the section of the Mortgage Terms called "Covenantor's Promises and Agreements" or elsewhere;
- 2.12 "Default" includes each of the events of default listed in the section of the Mortgage Terms called "Default";
- 2.13 "Income" means any rents and profits of or arising from or in any way connected with the Land, the Business or the Rental Agreements;
- 2.14 "Interest" means interest at the interest Rate;
- 2.15 "Interest Act" means the Canada interest Act and any regulations and amendments thereto in effect at the time of execution and delivery of the Mortgage;
- 2.16 "Interest Adjustment Date" means the interest adjustment date shown on the Mortgage Form;
- 2.17 " Interest Calculation Period" means the period or periods for the calculation of Interest shown on the Mortgage Form;

- 2.18 "Interest Rate" means the interest rate or rates shown on the Mortgage Form;
- 2.19 "Land" means all the Borrower's present and future interest in the Land described in the Mortgage Form including every incidental right, benefit or privilege attaching to that Land or running with it and all buildings and improvements that are now or later constructed on or made to that Land and all apparatus and equipment now or later attached to or added to such buildings and improvements, which apparatus and equipment shall be fixtures;
- 2.20 "AGF" means AGF Trust Company, which is the lender described in the Mortgage Form, and its successors and assigns;
- 2.21 "Lease" means with respect to any part of the Land in which the Borrower has a leasehold interest, the lease or leases under which such leasehold interest is created and any lease or leases with respect to all or any part
- or
- the Land which may be entered into in replacement of or renewal of such lease or leases, as any of the foregoing may be amended from time to time;
- 2.22 "Loan Payment" means the amount of each periodic payment shown on the Mortgage Form;
- 2.23 "Maturity date" means the balance due date shown on the Mortgage Form and is the date on which all unpaid Mortgage Money becomes due and payable, or such earlier date on which AGF can lawfully require payment of the Mortgage Money;
- 2.24 "Mortgage" means the Mortgage Form and the Mortgage Terms;
- 2.25 "Mortgage Form" means the document prescribed by regulation under the Act as Part I of Form B which makes reference to the Mortgage Terms, and includes all schedules and addenda to such document;
- 2.26 "Mortgage Money" means the Principal Amount, interest and any other money owed by the Borrower under the Mortgage, the payment of which is secured by the Mortgage;
- 2.27 "Mortgage Terms" means these standard mortgage terms;
- 2.28 "Other Charges" means any mortgage, agreement for sale, Land use contract or other charge of any kind whatsoever of or against the Land;
- 2.29 "Payment Date" means each payment date commencing on the first payment date shown on the Mortgage Form;
- 2.30 "Permitted Encumbrances" means charges affecting the Land or the Borrower's interest in the Land consented to in writing by AGF;
- 2.31 "Place of Payment" means the place of payment shown on the Mortgage Form or any other place specified in a written notice given by AGF to the Borrower under the Mortgage Terms;
- 2.32 "Prime" means that fluctuating rate of interest charged by AGF and called by AGF its prime rate, as it is designated by AGF from time to time;
- 2.33 "Principal Amount" means the amount of money shown as the principal amount on the Mortgage Form as reduced by payments made by the Borrower from time to time, or increased by the advance or re-advance of money to the Borrower by AGF from time to time, and includes all money that is later added to the Principal Amount under the Mortgage Terms;

- 2.34 "Receiver" means a receiver or receiver-manager of the Land or the Business or the rents and profits of the Land or the Business;
- 2.35 "Rental Agreements" means all rental agreements, leases or similar agreements or arrangements, whether written or oral, of, for or in any way connected with or relating to the Land;
- 2.36 "Taxes" means all taxes, rates, assessments, local improvement rates, utilities and similar charges levied on the Land by any lawful authority.

3 WHAT THE MORTGAGE DOES

- 3.1 In return for AGF agreeing to lend the Principal Amount to the Borrower, the Borrower grants and mortgages the Land and any additional or greater interest in the Land that the Borrower may later acquire to AGF as security for repayment of the Mortgage Money and for performance of all the Borrower's Promises and Agreements.
- 3.2 If the Land comprises or includes a lease, the last month of the term of the lease is excluded from the Mortgage;
- 3.3 This means that:
- 3.3.1 the Mortgage shall be a charge on the Land; and
- 3.3.2 the Borrower releases to AGF all the Borrower's claim to the Land until the Borrower has paid the Mortgage Money to AGF, in accordance with the Mortgage Terms, and has performed all of the Borrower's Promises and Agreements.
- 3.4 The Borrower may continue to remain in possession of the Land as long as the Borrower performs all of the Borrower's Promises and Agreements.
- 3.5 When the Borrower has paid the Mortgage Money and performed all the Borrower's Promises and Agreements under the Mortgage and AGF has no obligation to make any further advances or re-advances, AGF will no longer be entitled to enforce any rights under the Mortgage and the Borrower will be entitled, at the Borrower's cost, to receive a discharge of the Mortgage. The discharge must be signed by AGF and must be registered by the Borrower in the Land title office to cancel the registration of the Mortgage against the Land.

4 INTEREST

- 4.1 The Borrower promises and agrees that:
- 4.1.1 Interest is chargeable on the Mortgage Money and is payable by the Borrower, both before and after Default and the Maturity Date;
- 4.1.2 Interest is not payable in advance; this means that interest must be earned before it is payable;
- 4.1.3 Interest on advances or re-advances of the Principal Amount starts on the date and on the amount of each advance or re-advance and accrues on the Principal Amount until the Borrower has paid all the Mortgage Money;
- 4.1.4 Interest payable on any part of the Principal Amount advanced before the Interest Adjustment Date is due and payable to AGF on the Interest Adjustment Date;
- 4.1.5 at the end of each interest Calculation Period, unpaid accrued interest will be added to the Principal Amount and bear interest; this is known as compound interest;

4.1.6 a certificate of an officer of AGF shall be conclusive evidence of Prime from time to time;

4.1.7 when Prime increases or decreases, then and so often as that may happen, the interest payable under the Mortgage, if it is related to Prime, shall be increased or decreased accordingly.

5 PAYMENT OF THE MORTGAGE MONEY

5.1 The Borrower promises to pay the Mortgage Money to AGF at the Place of Payment in accordance with the payment provisions set out in the Mortgage.

5.2 Payments received by AGF after 1 :00 p.m. or on a Saturday, Sunday or holiday shall be deemed to be received on and shall not be applied to the Mortgage Money until the next day which is not a Saturday, Sunday or holiday.

5.3 The Borrower shall supply to AGF for the term of the Mortgage a pre-authorized account payment form acceptable to AGF for all payments under the Mortgage.

5.4 If a payment under the Mortgage is not paid, not honoured by the Borrower's financial institution or paid late, the Borrower shall pay AGF a fee of \$35.00 on each such occasion, in addition to any other remedies in the Mortgage.

6 PREPAYMENT OF THE MORTGAGE MONEY

6.1 The Borrower does not have the right to prepay all or any part of the Mortgage Money unless such right is set forth in the Mortgage, and then only exactly as set forth in the Mortgage.

6.2 If the Mortgage is not in default, the Borrower may, once in each calendar year during the term of the Mortgage:

6.2.1 prepay any amount up to 20% of the Principal Amount, without notice or bonus, and where any such additional payment is made the payment of the Mortgage Money shall then be accelerated so that the Borrower shall pay the loan Payment provided for in each and every month, commencing with the month immediately following the month in which the portion of the Principal Amount is prepaid and continuing until all the Mortgage Money shall have been fully paid; and/or

6.2.2 increase the amount of the loan Payments by an amount equal to 20% of the then current loan Payments, without notice or bonus.

6.3 This prepayment privilege when not exercised in a particular calendar year shall not be cumulative.

7 BORROWER'S PROMISES AND AGREEMENTS

7.1 The Borrower promises and agrees:

7.1.1 to comply with all terms and conditions of any Other Charges;

7.1.2 to sign any other document that AGF reasonably requires to ensure that payment of the Mortgage Money is secured by the Mortgage or by any other security the Borrower has agreed to give to AGF;

7.1.3 to keep all buildings and improvements which form part of the Land in good condition and to repair them as AGF reasonably requires;

- 7.1.4 not to tear down any building or improvements or part of a building or improvement which forms part of the Land or to do anything that has the effect of reducing the value of the Land or otherwise commit waste on the Land;
- 7.1.5 not to construct, alter or add to any buildings or improvements on of the Land without the prior written consent of AGF, and then only in accordance with all accepted construction standards, building codes, government requirements and plans and specifications approved in writing by AGF;
- 7.1.6 if the Borrower has rented the Land or any part of the Land to a tenant, to keep records of all rents received and of all expenses paid by the Borrower in connection with the Land and, at least annually, have a statement of revenue and expenses for the Land prepared by a professional accountant and to immediately give a copy of the statement to AGF, if AGF requires the Borrower to do so;
- 7.1.7 to pay all of AGF's costs, including actual legal costs, to:
 - 7.1.7.1 inspect the Land;
 - 7.1.7.2 investigate title to the Land;
 - 7.1.7.3 prepare and register the Mortgage, including all necessary steps to advance and secure the Mortgage Money and to report to AGF;
 - 7.1.7.4 collect the Mortgage Money;
 - 7.1.7.5 enforce the terms of the Mortgage, including efforts to compel the Borrower to perform the Borrower's Promises and Agreements;
 - 7.1.7.6 do anything which the Borrower has promised to do but has not done;
 - 7.1.7.7 prepare a discharge of the Mortgage when the Borrower has paid all money due under the Mortgage and the Borrower wants it to be discharged;
 - 7.1.7.8 prepare Mortgage Money statements for discharge or assumption purposes or otherwise;
 - 7.1.7.9 prepare a renewal, extension or assumption agreements or documents; or
 - 7.1.7.10 effect an assumption or transfer of the Mortgage.
- 7.1.8 to arrange, if AGF requires the Borrower to do so, for all loan Payments to be made by pre-authorized chequing;
- 7.1.9 to pay any money which, if not paid, would result in a default under any Other Charges or which might result in the sale of the Land if not paid;
- 7.1.10 to pay and cause to be discharged any Other Charges which are not charges of or against the Land permitted by AGF under the Mortgage;
- 7.1.11 that the Borrower owns the Land and has the right to mortgage the Land to AGF;
- 7.1.12 that the Borrower's title to the Land is subject only to;
 - 7.1.12.1 those charges and encumbrances that are registered in, the Land title office at the time the Borrower signed the Mortgage Form; and

7.1.12.2 any unregistered charges and encumbrances that AGF has agreed to in writing;
and

7.1.13 that, subject to the immediately foregoing, the Borrower;

7.1.13.1 has not granted any Other Charges;

7.1.13.2 has no knowledge of any other claims against the Land;

and

7.1.14 that the Commitment is part of the Mortgage and if any part of the Commitment is inconsistent with any part of the Mortgage that part of the Commitment shall supersede that part of the Mortgage; and

7.1.15 all promises, agreements and representations of the Borrower in the Commitment are true.

7.2 The Borrower assigns to the lender all his right and title to any and all money payable to the Borrower by any Purchaser of the Land.

8 AGREEMENTS BETWEEN THE BORROWER AND AGF

8.1 Any money paid to AGF under the Mortgage shall:

8.1.1 prior to a Default, be applied first in payment of Interest, second in payment of the Principal Amount and third in payment of any other money owed by the Borrower under the Mortgage;

and

8.1.2 after a Default, be applied in any manner AGF chooses.

8.2 AGF may at any reasonable time inspect or have appraised the Land and any buildings and improvements which form part of it and the Borrower will pay Beneficial a fee for such inspection or appraisal.

8.3 If AGF takes possession of the Land AGF will not be responsible for maintaining and preserving the Land and need only account to the Borrower for any money which AGF actually receives in connection with the Mortgage or the Land.

8.4 AGF may spend money to perform any of the Borrower's Promises and Agreements which the Borrower has not performed and any money so spent shall be added to the Principal Amount and be secured by the Mortgage, bear interest from the date that the money was so spent, and be immediately due and payable to AGF.

8.5 If the Borrower wants to give any notice to AGF, the Borrower must do so by having it delivered personally to an AGF representative.

8.6 If AGF wants to give any notice to the Borrower, AGF may do so by having it delivered personally to the Borrower or by sending it by mail to the last address of the Borrower known to AGF.

8.7 Any notice sent by mail is deemed to have been received 5 days after it is mailed.

8.8 The Borrower is not released from the Borrower's Promises and Agreements only because the Borrower sells the Land.

- 8.9 If the Borrower has mortgaged or charged anything else to AGF to secure payment of the Mortgage Money, AGF may take all lawful proceedings under any of the mortgages or charges in any order that AGF chooses.
- 8.10 The Mortgage is in addition to and not in substitution for any other security held by the lender for the Mortgage Money.
- 8.11 AGF's right of consolidation applies to the Mortgage and to any other mortgages given by the Borrower to AGF. This means that if the Borrower has mortgaged other property to AGF the Borrower will not have the right, after a Default, to payoff the Mortgage or any mortgage of other property unless the Borrower pays AGF all money owed by the Borrower under the Mortgage and all of the mortgages of other property.
- 8.12 AGF does not have to advance or re-advance the Principal Amount or the rest or any further part of the Principal Amount to the Borrower unless AGF wants to even though:
- 8.12.1 the Borrower has signed the Mortgage;
 - 8.12.2 the Mortgage is registered in the Land title office; or
 - 8.12.3 AGF has advanced to the Borrower part of the Principal Amount.
- 8.13 AGF may deduct from any advance of the Principal Amount:
- 8.13.1 any Taxes that are due;
 - 8.13.2 any interest that is due and payable to the date of the advance;
 - 8.13.3 the legal costs of AGF to prepare and register the Mortgage including other necessary steps to advance and secure the Mortgage Money and to report to AGF;
 - 8.13.4 any insurance premium;
 - 8.13.5 any appraisal or inspection fees; or
 - 8.13.6 any other money owing to the lender by the Borrower.

9 INSURANCE

- 9.1 The Borrower promises and agrees:
- 9.1.1 to insure and keep insured against the risk of fire and other risks and losses that AGF asks the Borrower to insure against, with an insurance company licensed to do business in British Columbia and acceptable to AGF, all buildings and improvements on the Land to their full insurable value on a replacement cost basis and to pay all insurance premiums when due;
 - 9.1.1.1 The insurance policy or policies required by the Mortgage Terms shall contain a standard mortgage clause approved by AGF and shall state that payment of any loss shall be made to AGF at the Place of Payment and, if the Mortgage is not a first mortgage, the amount of any payment made by the insurance company shall be paid to the Borrower's lenders in the order of their priorities.
 - 9.1.1.2 The Borrower gives up any statutory right to require the insurance proceeds to be applied in any particular manner .

- 9.1.2 to send a true copy of each insurance policy and renewal certificate to AGF at the Place of Payment;

10 TAXES

10.1 The Borrower promises and agrees:

- 10.1.1 to pay all Taxes when they are due and to immediately send to AGF at the Place of Payment all notices of Taxes which the Borrower receives;
- 10.1.2 if AGF requires the Borrower to do so, to pay to AGF;
 - 10.1.2.1 on each Payment Date the amount of money estimated by AGF to be sufficient to permit AGF to pay the Taxes when they are due; and
 - 10.1.2.2 any money in addition to the money already paid towards Taxes so that AGF will be able to pay the Taxes in full;
- 10.1.3 to apply for all government grants, assistance and rebates in respect of Taxes.

11 DEFAULT

11.1 Default occurs under the Mortgage if:

- 11.1.1 the Borrower breaks any of the Borrower's Promises and Agreements;
- 11.1.2 the Covenantor breaks any of the Covenantor's Promises and Agreements;
- 11.1.3 the Borrower breaks any promise or agreement which the Borrower has made to AGF in a mortgage of any other Land or other property or in any other agreement the Borrower has made with AGF even though the Borrower may not have broken any of the Covenantor's Promises and Agreements;
- 11.1.4 the Covenantor breaks any promise or agreement which the Covenantor has made to AGF in a mortgage of any other Land or other property or in any other agreement the Covenantor has made with AGF even though the Covenantor may not have broken any of the Covenantor's Promises and Agreements;
- 11.1.5 the Borrower or the Covenantor breaks any of their respective promises and agreements in the Commitment;
- 11.1.6 any of the representations of the Borrower or the Covenantor in the Commitment are false;
- 11.1.7 the Borrower or the Covenantor breaks any of their respective promises and agreements in any Other Charges;
- 11.1.8 the Borrower or the Covenantor becomes bankrupt or insolvent;
- 11.1.9 the Land is abandoned or is left unoccupied for 30 or more consecutive days, or construction of any building or improvement on the Land ceases for 30 or more consecutive days, without the prior written consent of the lender;
- 11.1.10 the Land or any part of it is expropriated;

- 11.1.11 the Borrower sells or agrees to sell all or any part of the Land or if the Borrower leases all or any part of the Land without the prior written consent of AGF;
 - 11.1.12 the Borrower gives another mortgage or charge of the Land to someone other than AGF without the prior written consent of AGF;
 - 11.1.13 the Borrower does not discharge any Judgment or similar charge registered in the Land title office against the Land within 30 days after its registration; or
 - 11.1.14 the Borrower allows any claim of builders lien to remain registered in the Land title office against the Land for more than 30 days after its registration, unless the Borrower;
 - 11.1.14.1 diligently disputes the validity of the claim by taking all necessary legal steps to do so;
 - 11.1.14.2 gives reasonable security to AGF to pay the claim in full if it is found to be valid;
 - 11.1.14.3 authorizes AGF to use, if it chooses, the security to pay the lien in full,
 - 11.1.15 there is default under the lease; or
 - 11.1.16 a Receiver is appointed.
- 11.2 If a Default occurs under the Mortgage, it will have the same effect as though a Default had occurred under any other mortgage or agreement between the Borrower and AGF or the Covenantor and AGF.

12 CONSEQUENCES OF A DEFAULT

- 12.1 If a Default occurs, all the Mortgage Money then owing to AGF will, if AGF chooses, at once become due and payable.
- 12.2 If a Default occurs, the Borrower waives any rights and benefits arising from clause 15 of schedule 6 of the British Columbia Land Transfer Form Act;
- 12.3 If a Default occurs and involves the failure of the Borrower or the Covenantor to pay any money required to be paid by either of them under the Mortgage, AGF may make that payment and add it to the Principal Amount, without in any way waiving or excusing that Default;
- 12.4 If a Default occurs AGF may, in any order that AGF chooses, do anyone or more of the following:
- 12.4.1 demand payment of all the Mortgage Money;
 - 12.4.2 sue the Borrower for the amount of money due;
 - 12.4.3 sue the Covenantor for the amount of money due;
 - 12.4.4 take proceedings and any other legal steps to compel the Borrower to keep the Borrower's Promises and Agreements;
 - 12.4.5 take proceedings and any other legal steps to compel the Covenantor to keep the Covenantor's Promises and Agreements;
 - 12.4.6 enter upon and take possession of the Land;
 - 12.4.7 apply to the Court for an Order that the Land be sold;

- 12.4.8 apply to the Court to foreclose the Borrower's interest in the Land so that when the Court makes its final order of foreclosure the Borrower's interest in the Land will be absolutely vested in and belong to AGF;
- 12.4.9 appoint a Receiver;
- 12.4.10 without becoming a mortgagee in possession, enter on and take possession of the Land without the permission of anyone and make any arrangements AGF considers necessary to:
 - 12.4.10.1 inspect, lease, collect rents or manage the Land;
 - 12.4.10.2 complete the construction of any building or improvement on the Land; or
 - 12.4.10.3 repair any building or improvement on the Land;
- 12.4.11 take whatever action is necessary to take, recover and keep possession of the Land.
- 12.5 The Borrower will pay to AGF on demand all costs incurred by AGF in enforcing the Mortgage. These costs include AGF's cost of taking and keeping possession of the Land, the costs of the time and services of AGF or AGF's employees for so doing, AGF's actual legal costs and all other costs incurred by AGF to protect AGF's interest under the Mortgage. These costs will be added to the Principal Amount, be payable on demand and bear interest until they are fully paid.
- 12.6 If AGF obtains Judgment against the Borrower as a result of a Default, the remedies in the Mortgage may continue to be used by AGF to compel the Borrower to perform the Borrower's Promises and Agreements.
- 12.7 If AGF obtains Judgment against the Covenantor as a result of a Default, the remedies in the Mortgage may continue to be used by AGF to compel the Covenantor to perform the Covenantor's Promises and Agreements.
- 12.8 AGF will continue to be entitled to receive Interest on the Mortgage Money until all Judgments are paid in full.
- 12.9 If AGF does not exercise any of AGF's rights on the happening of a Default or does not ask the Borrower or the Covenantor to cure it, AGF is not prevented from later compelling the Borrower or the Covenantor to cure that Default or exercising any of those rights in connection with that Default or any later Default of the same or any other kind.

13 RECEIVER

- 13.1 The Borrower appoints both AGF and any agent of AGF as the Borrower's attorney to appoint a Receiver.
- 13.2 AGF or AGF's agent may, if any Default happens, appoint a Receiver and the Receiver:
 - 13.2.1 will be the Borrower's agent and the Borrower will be solely responsible for the Receiver's acts or omissions;
 - 13.2.2 has power, either in the Borrower's name or in the name of AGF, to demand, recover and receive the income and start and carry on any action or Court proceeding to collect the income;
 - 13.2.3 may give receipts for the income which the Receiver receives;
 - 13.2.4 may carry on the Business;

- 13.2.5 may lease or sublease the Land or any part of it on terms and conditions that the Receiver chooses;
 - 13.2.6 may complete the construction of or repair any building or improvement on the Land;
 - 13.2.7 may take possession of all or part of the Land;
 - 13.2.8 may manage the Land and maintain it in good condition;
 - 13.2.9 has the power to perform, in whole or in part, the Borrower's Promises and Agreements;
 - 13.2.10 has the power to do anything that, in the Receiver's opinion, will maintain and preserve the Land or the Business or will increase or preserve the value or income potential of the Land or the Business.
- 13.3 From the income received the Receiver may do any of the following in any order the Receiver chooses:
- 13.3.1 retain a commission;
 - 13.3.2 pay all costs in connection with the receivership or to collect the income;
 - 13.3.3 pay all Taxes and the cost of maintaining and preserving the Land or the Business, completing the construction of any building or improvement on the Land, supplying goods, utilities and services to the Land or the Business and taking steps to preserve the Land from damage by weather, vandalism or any other cause;
 - 13.3.4 pay any money that might, if not paid, result in a default under any Other Charges or that might result in the sale of the Land if not paid;
 - 13.3.5 pay taxes in connection with anything the Receiver is entitled to do under the Mortgage;
 - 13.3.6 pay interest to AGF that is due and payable;
 - 13.3.7 pay all or part of the Principal Amount to AGF whether or not it is due and payable;
 - 13.3.8 pay any other money owed by the Borrower under the Mortgage; and
 - 13.3.9 pay insurance premiums.
- 13.4 The Receiver may borrow money for the purpose of doing anything the Receiver is authorized to do.
- 13.5 Any money borrowed by the Receiver, and any interest charged on that money and all the costs of borrowing, will be added to and be part of the Mortgage Money.
- 13.6 A Receiver may be removed by AGF and AGF may appoint another in the Receiver's place.
- 13.7 The costs of the Receiver will be a charge on the Land and will rank prior to the Mortgage.
- 13.8 The costs of the Receiver may be paid by AGF and be added to the Mortgage Money.
- 13.9 Nothing done by the Receiver under this section will make AGF a mortgagee in possession.

14 ASSIGNMENT OF RENTS

- 14.1 This section applies if the Mortgage Form states that the Mortgage contains an assignment of rents.
- 14.2 AGF will not exercise its rights in this section unless a Default occurs.
- 14.3 The Borrower assigns to AGF all Rental Agreements and all rights and benefits under the Rental Agreements and all the income.
- 14.4 AGF will not be responsible for the collection of the Income or any part of the Income or for the performance of any of the terms or conditions of the Rental Agreements.
- 14.5 AGF need only account for whatever money AGF actually receives by virtue of the Assignment of Rents less whatever costs AGF may incur, and such money when received by AGF shall be applied on account of the Mortgage Money.
- 14.6 The Borrower and AGF acknowledge that the Assignment of Rents is an additional and collateral security for the Mortgage and not in substitution for or in satisfaction of it, and that the Mortgage will not be merged with the Assignment of Rents, and in case of a Default AGF may at its option take proceedings under either the Mortgage or the Assignment of Rents or both.
- 14.7 The Borrower will not accept prepayment of the Income due or becoming due and will only accept payment in due course.
- 14.8 The Income received by the Borrower will, unless otherwise permitted in writing by AGF, be held by the Borrower in trust for AGF and will be paid to AGF on demand.
- 14.9 Nothing in this section will make AGF a mortgagee in possession.

15 ASSIGNMENT OF PROCEEDS

- 15.1 The Borrower assigns to AGF all proceeds received, receivable, paid or payable by or to the Borrower:
- 15.1.1 pursuant to any claim or action that the Borrower may have against any contractor, subcontractor, architect, supplier, material man, designer, installer, manufacturer of equipment or any similar parties;
 - 15.1.2 pursuant to any insurance held by any of the immediately preceding parties;
 - 15.1.3 pursuant to any insurance for any public liability or property damage claim the Borrower may have against any parties;
 - 15.1.4 pursuant to any sale or disposition of the Land, the Business or the Borrower.
- 15.2 The Borrower shall hold any of the proceeds set forth above and received by it as trustee for AGF.

16 SUBDIVISION

- 16.1 This section applies if the Land is subdivided.
- 16.2 The Mortgage will charge each subdivided lot as security for payment of all the Mortgage Money.
- 16.3 AGF is not required to discharge the Mortgage as a charge on any of the subdivided lots unless all the Mortgage Money is paid.

16.4 Even though AGF is not required to discharge any subdivided lot from the Mortgage, AGF may agree to do so in return for payment of all or a part of the Mortgage Money. If AGF discharges a subdivided lot, the Mortgage will continue to charge the subdivided lot or lots that have not been discharged.

17 CONSTRUCTION MORTGAGE

17.1 This section applies if the Mortgage is intended to finance any construction, alteration or addition on or to the Land.

17.2 The Borrower promises and agrees that:

17.2.1 AGF may make advances of the Principal Amount to the Borrower based on the progress of construction; AGF will decide whether or not any advances will be made, the amount of the advances, and when they will be made;

17.2.2 AGF may erect up to two signs of reasonable prominence on the Land indicating that AGF has provided the Mortgage Money;

17.2.3 All plans, specifications, materials and workmanship shall be subject to the approval of AGF.

18 LEASEHOLD MORTGAGE

18.1 This section applies if the Land is or includes a leasehold interest.

18.2 The Borrower promises and agrees that:

18.2.1 the lease is owned by the Borrower subject only to those charges that are registered against the Land in the Land title office at the time the Borrower signs the Mortgage Form;

18.2.2 the lease is in good standing;

18.2.3 the Borrower has complied with all the Borrower's promises and agreements in the lease;

18.2.4 the Borrower has paid all rent that is due and payable under the lease;

18.2.5 the lease is not in Default;

18.2.6 the Borrower has the right to mortgage the Lease to AGF;

18.2.7 the Borrower will comply with the Lease and not do anything that would cause the lease to be terminated;

18.2.8 the Borrower will immediately give to AGF a copy of any notice or request received from the Landlord;

18.2.9 the Borrower will immediately notify AGF if the Landlord advises the Borrower of the Landlord's intention to terminate the lease before the term expires; and

18.2.10 the Borrower will sign any other document AGF requires to ensure that any greater interest in the Land that is acquired by the Borrower is charged by the Mortgage.

18.2.11 the Borrower will not, without first obtaining the written consent of AGF, surrender or terminate the lease;

18.2.12 the Borrower will not, without first obtaining the written consent of AGF, agree to change the terms of the lease.

18.3 AGF may perform any promises or agreements of the Borrower under the lease.

18.4 Nothing done by AGF under this section will make AGF mortgagee in possession.

19 STRATA LOT MORTGAGE

19.1 This section applies if the Land described in the Mortgage Form is or becomes a strata lot created under the Condominium Act.

19.2 The Borrower will fulfill all of the Borrower's obligations as a strata lot owner under the condominium Act and the bylaws, rules and regulations of the strata corporation and will pay all money owed by the Borrower to the strata corporation.

19.3 The Borrower gives to AGF the right to vote for the Borrower under the bylaws of the strata corporation but AGF is not required to do so or to attend or vote at any meeting or to protect the Borrower's interest.

19.4 At the request of AGF, the Borrower will give AGF copies of all notices, financial statements and other documents given by the strata corporation to the Borrower.

19.5 The Borrower appoints AGF to be the Borrower's agent to inspect or obtain copies of any records or other documents of the strata corporation that the Borrower is entitled to inspect or obtain.

19.6 If the strata corporation transfers, charges or adds to the common property or amends its bylaws without the consent of AGF, and if, in AGF's opinion, the value or the Land is reduced, that shall be a Default.

19.7 AGF may pay all money owed by the Borrower to the strata corporation and add that amount to the Mortgage Money.

19.8 Nothing done by AGF under this section will make AGF a mortgagee in possession.

20 CURRENT OR RUNNING ACCOUNT MORTGAGE

20.1 This section applies if the Mortgage Form states that the Mortgage secures a current or running account.

20.2 AGF may, on one or more occasions, advance and re-advance all or part of the Principal Amount and the Mortgage:

20.2.1 will be security for payment of the Principal Amount as advanced and re-advanced and for all other money payable to AGF under the Mortgage;

20.2.2 will not be considered to have been redeemed only because;

20.2.2.1 the advances and re-advances made to the Borrower have been repaid; or

20.2.2.2 the accounts of the Borrower with AGF cease to be in debit; and

20.2.3 remains effective security for further advances and re-advances until the Borrower has received a discharge of the Mortgage.

21 ENVIRONMENTAL MATTERS

21.1 The Borrower promises and agrees that, to the best of the Borrower's knowledge, no condition exists with respect to the storage or discharge into the earth or its atmosphere of effluents, waste or other materials, solid, liquid or gaseous of the Borrower, nor has any waste been disposed of in any way or manner which would cause the Borrower to be liable for fines or penalties under any applicable laws or rules or to incur expenses of any sort to correct any such condition. The Borrower has not received any notice, nor to the best of the Borrower's knowledge is any such notice pending, from any governmental body claiming any material violation of any environmental, zoning, building, health or safety law or ordinance requiring any work, repairs, construction, alterations, noise reduction, clean-up or installation which has not been complied with by the Borrower .

22 COVENANTOR'S PROMISES AND AGREEMENTS

22.1 As AGF would not have agreed to lend the Principal Amount to the Borrower without the Covenantor's Promises and Agreements and in consideration of AGF advancing all or part of the Principal Amount to the Borrower at the request of the Covenantor, the Covenantor promises and agrees:

22.1.1 to pay all the Mortgage Money when due; and

22.1.2 to keep and perform all the Borrower's Promises and Agreements;

22.2.3 the giving of extra time to the Borrower to;

22.2.3.1 do something that the Borrower has agreed to do; or

22.2.3.2 cure a Default;

22.2.4 any other dealing between the Borrower and AGF that concerns the Mortgage or the Land;

22.2.5 the bankruptcy, insolvency, dissolution, death or incapacity of the Borrower; or

22.2.6 the sale of the Land.

22.3 All the Covenantor's Promises and Agreements shall be binding on the Covenantor until all the Mortgage Money is fully paid to AGF.

22.4 The Covenantor promises and agrees that AGF may, at its sole option, enforce the Covenantor's Promises and Agreements, the Borrower's Promises and Agreements or any other security in the Mortgage in any order or combination the Lender may choose.

22.5 The Covenantor is a primary debtor to the same extent as if the Covenantor had signed the Mortgage as a Borrower and is not merely a guarantor or a surety and the Covenantor's Promises and Agreements are joint and several with the Borrower's Promises and Agreements. This means that the Covenantor and the Borrower are both liable to perform all the Borrower's Promises and Agreements.

22.6 If more than one person signs the Mortgage Form as Covenantor, the promises are both joint and several.

23 CORPORATE BORROWER OR COVENANTOR

23.1 This section applies if the Borrower or the Covenantor is a Company.

- 23.2 The Company will first obtain AGF's prior written approval of any change in its control or AGF ownership by:
- 23.2.1 the transfer of any shares or voting rights by its members;
 - 23.2.2 the issuance or allotment of its shares to any person not a shareholder on the date of execution of the Mortgage;
 - 23.2.3 the appointment or election of directors other than those holding office on the date of execution of the Mortgage; or
 - 23.2.4 reorganization or amalgamation.
- 23.3 The Company promises and agrees that:
- 23.3.1 it is and shall during the term of the Mortgage be validly existing and in good standing under the laws of the jurisdiction of its incorporation and legally qualified to carry on business in British Columbia;
 - 23.3.2 it has all such powers and authorizations necessary to enable it to execute the Mortgage as Covenantor;
 - 23.3.3 it has duly executed and delivered the Mortgage, so that the Mortgage is in full force and effect and constitutes a legal, valid and binding obligation of the Company;
 - 23.3.4 it has all such powers and authorizations necessary to enable it to own and operate or develop the Land or enable it to execute and deliver the Covenant;
 - 23.3.5 there are no outstanding unpaid judgments or claims against the Company and no actions, suits or proceedings pending or threatened against or affecting the Company or the Land which would result in a material adverse effect on its financial position or business affairs or its ability to meet its obligations under the Mortgage.

24 EXECUTION UNDER SEAL

- 24.1 The Borrower and the Covenantor promise and agree that the Mortgage shall be deemed to be executed by all parties under seal and that the Mortgage accordingly is a deed.

25 GENERAL

- 25.1 The Mortgage binds the Borrower and the Covenantor and their successors, executors, administrators and assigns.
- 25.2 Each person who signs the Mortgage as a Borrower is jointly and severally liable for all of the Borrower's Promises and Agreements as though each such Borrower had been the only Borrower to sign.
- 25.3 Each person who signs the Mortgage as a Covenantor is jointly and severally liable for all of the Covenantor's Promises and Agreements as though each such Covenantor had been the only Covenantor to sign.
- 25.4 If any part of the Mortgage is not enforceable all other parts will remain in effect and be enforceable against the Borrower and the Covenantor.
- 25.5 In the Mortgage the singular includes the plural and the masculine includes the feminine and body corporate and vice versa, where the context requires.

- 25.6 The headings in the Mortgage Terms are inserted for convenience only and in no way affect the meaning or interpretation of the Mortgage.
- 25.7 Any addition to or modification, amendment, or variation of the Mortgage to be effective must be in writing and signed by a representative of AGF.
- 25.8 The Mortgage shall be interpreted and enforced in accordance with the laws of British Columbia.
- 25.9 No waiver of nor neglect by AGF to enforce any rights under the Mortgage on breach of any covenant, agreement, condition, or proviso shall be deemed a waiver of any right on any subsequent breach of that right or any other covenant, agreement, condition, or proviso of the Mortgage.
- 25.10 The Borrower and Covenantor promise and agree that any of the Borrower and Covenantor shall at the request of and in the sole discretion of AGF execute further assurances that may be required to give effect to the Mortgage.

26 RECEIPT OF COPY OF THE MORTGAGE TERMS

26.1 The Borrower and the Covenantor acknowledge having received a true copy of the Mortgage Terms and a true copy of any additions, amendments or deletions to the Mortgage Terms as contained in or attached to the Mortgage Form.

Officer Signature(s) Execution Date

Y	M	D

Borrower(s) Signature(s)

Covenantor(s) Signature(s)

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence AQ1, R.S.B.C., 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

END OF SET