SET OF STANDARD MORTGAGE TERMS
(Collateral Mortgage)
Land Titles Act (Alberta)

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This set of Standard Mortgage Terms is deemed to be included in every Charge/Mortgage of Land in which this set is referred to by its filing number, as provided for by the *Land Titles Act* (Alberta).

This set of Standard Mortgage Terms includes important terms which apply to the Charge/Mortgage and are deemed to form part of the Charge/Mortgage by reference. We recommend you read the Standard Mortgage Terms carefully and you may want to discuss the terms of the Charge/Mortgage with a lawyer.

CONTENTS

1. DEFINITIONS

The following words have the meanings set out below when used in this set of Standard Mortgage Terms:

- ***Approved*** means agreed to in writing by the Bank, and "Approve" and "Approval" have corresponding meanings.
- ***Balance Due Date*** means the date shown in the Charge/Mortgage as the date when the Charge/Mortgage matures, and is the date on which the Charge/Mortgage must be repaid or renewed.
- ***Bank*** means Shinhan Bank Canada, as lender under the Charge/Mortgage, and "we", "us" and "our" also refer to the Bank.
- ***Charge/Mortgage*** means the charge/mortgage of the Property granted in favour of the Bank for the purpose of securing repayment of the Outstanding Amount and the performance of your obligations to the Bank, and includes: (i) the registered Charge/Mortgage; (ii) this set of Standard Mortgage Terms; (iii) any schedules attached to the Charge/Mortgage; and (iv) any renewal, extension, amendment, or replacement of the Charge/Mortgage.
- ***CMHC*** means Canada Mortgage and Housing Corporation.
- ***Default*** means an occurrence or event where you have not kept a Promise under the Charge/Mortgage.
- ***Deferred Interest*** means the portion of accrued interest not covered by your regular payments, which is added to the Outstanding Amount and itself accrues interest.
- ***Dower Consent*** means the written consent of a spouse under the *Dower Act* (Alberta) (homestead consent), and where applicable, the *Family Property Act* (Alberta), where required for the validity of the Charge/Mortgage.
- ***First Payment Date*** means the date of the first regular payment under the Charge/Mortgage.
- ***Guarantor*** means a Person who has agreed to guarantee your obligations under the Charge/Mortgage.
- ***Interest Adjustment Date*** means the date from which interest is calculated on money advanced to you, and is usually one payment period before the First Payment Date.
- ***Interest Rate*** means the interest rate for your mortgage loan as determined by the Bank and set out in the commitment letter, term sheet or loan agreement with the Bank.
- ***Interest Rate Differential (IRD)*** means the amount calculated by the Bank by multiplying i) the amount of any Prepayment by (ii) the excess, if any, of your Interest Rate over the Posted Rates for a closed fixed-rate mortgages, and then by iii) the time remaining in the Term, calculated on the basis used by the Bank for interest accrual.
- ***Mortgage Default Insurer*** means CMHC or other institution that provides mortgage default insurance and has been Approved.
- ***Outstanding Amount*** means all money owing under the Charge/Mortgage at any time, including the unpaid portion of the Principal Amount, accrued interest, deferred interest, enforcement and legal costs (on a solicitor–client basis), insurance premiums, taxes, and any other charges owing to the Bank pursuant to the Charge/Mortgage.
- ***Person*** means any individual, partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, executor, administrator or legal representative.
- ***Posted Rate*** means the annual interest rate(s) applicable to residential mortgage loans, as determined and set from time to time by the Bank.
- ***Prepayment*** means the repayment of part or all of the Outstanding Amount ahead of schedule, and in respect of which prepayment charges may apply.
- ***Principal Amount*** means the principal amount of money loaned to you by the Bank, whether or not identified in the Charge/Mortgage.
- ***Promise*** means everything you agree to do and confirm under the Charge/Mortgage, and includes your covenants, representations and warranties under the Charge/Mortgage as well as your payment and performance obligations under the Charge/Mortgage, and "covenant" has a corresponding meaning.
- ***Property*** means the lands described in the Charge/Mortgage (including all buildings, structures, fixtures and improvements located on or at such lands, whether existing at the date of the Charge/Mortgage or at any other point during the Term) over which the Bank

has (or will have) a security interest pursuant to the Charge/Mortgage. For condominium properties, "Property" includes your unit, your interest in common elements, and any rights in the assets of the condominium corporation. For leasehold properties, "Property" includes your leasehold interest (excluding the last day of the term).

- ***Secured Amount*** means the debts and liabilities described in Section 2.6 of this Mortgage.
- ***Term*** means the period of time from the Interest Adjustment Date to the Balance Due Date.
- ***Trigger Rate*** means, in a variable rate mortgage, the rate at which your regular payment no longer covers the full amount of interest accrued, resulting in negative amortization. When this occurs, we may require an increase in your payments or a lump sum to cover interest.
- ***SHBC Prime Rate*** means the annual variable reference rate of interest that the Bank declares from time to time as its prime rate for Canadian dollar loans made by the Bank in Canada.
- ***Taxes*** means all present and future property taxes, rates, assessments, levies, fees, and similar charges against the Property, including any interest and penalties.
- ***You*** means the Person that has signed or granted the Charge/Mortgage in favour of the Bank, as well as the heirs, successors, personal and legal representatives, and permitted assigns of such Person.

2. OPERATION OF THE MORTGAGE

By granting the Charge/Mortgage, you mortgage and charge your entire interest in the Property to us as security for repayment and performance of the Secured Amount.

You agree that the Charge/Mortgage secures not only the specific mortgage loan set out in the Charge/Mortgage, but also all other present and future obligations of any kind that you owe to the Bank, whether as borrower, guarantor, or otherwise.

You may remain in possession of the Property as long as you are not in Default and you keep all your Promises. Our interest in the Property ends once the entire Secured Amount has been repaid in full and satisfied.

2.1 Your Responsibility for the Charge/Mortgage

Each Person who signs or grants the Charge/Mortgage is jointly and severally liable with each other and also severally liable for all of the obligations secured by the Charge/Mortgage. This means that each Person is responsible for meeting all obligations and repaying the Outstanding Amount, including all principal, interest, compound interest, costs, and expenses.

- Your liability includes contingent obligations, whether direct or indirect, present or future, absolute or contingent, matured or not, and whether incurred by you alone or with others.
- Your legal and personal representatives, heirs, successors, permitted assigns and anyone to whom your property is transferred must also meet the obligations in the Charge/Mortgage.

2.2 Your Interest in the Property

You covenant, represent and warrant as follows in favour of the Bank:

- that you are the legal owner of the Property and have the absolute right to sign and grant the Charge/Mortgage to us;
- that by signing and granting the Charge/Mortgage. you mortgage and charge your entire interest in the Property to us;
- that you will not interfere in any way with our security interest in the Property, nor permit any other Person to interfere in any way;
- that you will sign and deliver any other document and do any other act that, in our opinion, is necessary to ensure that all of your interest in the Property is mortgaged to us and that the Outstanding Amount is adequately secured.

You may remain in possession of the Property as long as you are not in Default and you continue to keep all of your Promises.

2.3 Construction Mortgage

If any portion of the Principal Amount is to be used to pay for construction, alteration, addition, or improvement of the Property, the following will apply:

- We may, at our discretion, make progress advances of the Principal Amount based on construction progress;
- We may retain or apply funds from any advance to comply with the holdback provisions of the *Prompt Payment and Construction Lien Act* (Alberta) or any similar legislation;
- We may require evidence of compliance with lien legislation, building permits, and construction progress before disbursing; and
- We may obtain an order to remove any construction lien, including by providing a financial guarantee or other security if we consider it necessary, and you must immediately repay all costs we incur in doing so, and such costs will be added to the Outstanding Amount.

2.4 Material Changes

Any agreement we make with you, or with any borrower, guarantor, or other party liable for the Outstanding Amount (including extensions of time, renewals, amendments, or changes to the interest rate or repayment terms) shall not release or affect the liability of any Person bound by this Charge/Mortgage. We are not required to register any renewal, extension, or amendment on title to preserve our rights or the priority of the Charge/Mortgage, and the Charge/Mortgage, as renewed, extended, or amended, shall continue to have the same priority over subsequent encumbrances.

2.5 Duty to Comply with the Law

You agree to comply with all laws, by-laws, regulations, and orders affecting the Property, including zoning, land use, building, safety, and environmental protection requirements. If you fail to comply, we may take steps to remedy the non-compliance, but we are not obligated to do so. Any costs and expenses we incur in remedying non-compliance will be immediately payable by you, will bear interest at the Interest Rate, and will be added to the Outstanding Amount.

2.6 Covenants Regarding Property and Right to Mortgage

You covenant, represent and warrant in favour of the Bank as follows:

- that you now have good right, full power and lawful and absolute authority to mortgage the Property and to grant the Charge/Mortgage to us upon the terms and provisions contained in the Charge/Mortgage;

- that you have not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the Property (or any part of the Property) is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as disclosed by the records of the land titles office;

- that at the time of the delivery for registration of the Charge/Mortgage, you own and hold, and you are rightfully and lawfully seized of, a good, perfect, absolute and indefeasible estate in fee simple in and to the Property described in the Charge/Mortgage without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat our secured interest in the Property pursuant to the Charge/Mortgage; and

- that you will pay or cause to be paid to us the full amount of the Outstanding Amount (including the Principal Amount and interest thereon) that is secured by the Charge/Mortgage in the manner of payment provided, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge/Mortgage and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the Property.

2.7 Secured Amount

The Charge/Mortgage secures all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by you to the Bank, whether as borrower, guarantor, or otherwise, up to the maximum principal amount stated in the Charge/Mortgage, together with interest and related costs permitted by law. Repayment of the mortgage loan portion alone does not entitle you to a discharge; the Charge/Mortgage remains in full force until the entire Secured Amount is fully repaid and we have given Approval to a discharge.

2.8 Further Advances and Re-Advances

We may, at our discretion, make further advances or re-advances under the Charge/Mortgage up to the maximum principal amount. Pursuant to section 104 of the *Land Titles Act* (Alberta), on registration of a mortgage for a specific principal sum (including a revolving credit up to a specific principal sum), the mortgage obtains priority for advances and obligations secured pursuant to its terms, subject to the statute and any registered interests.

2.9 Continuing Security and Priority

This Charge/Mortgage is a continuing security and does not constitute a novation. It secures fluctuating balances and remains effective even if the Secured Amount is paid down to nil. Its priority is not affected by any amendment, renewal, extension, capitalization of arrears, or re-advance, whether or not registered on title.

3. INTEREST

You shall pay interest to us on the Principal Amount and on any costs that are incurred by us for which you are liable, in each case at the Interest Rate. Interest shall accrue and be payable from the time that the Principal Amount is funded by us and from the time that we incur costs, as applicable, at the Interest Rate and with the same frequency specified by the Charge/Mortgage.

3.1 Fixed Interest Rate

If the Charge/Mortgage sets out a fixed interest rate:

- Interest is calculated at the fixed annual rate shown in the Charge/Mortgage;
- Interest is calculated half-yearly, not in advance, within the meaning of the *Interest Act* (Canada);
- Interest is payable on each regular payment date specified in the Charge/Mortgage; and
- Interest continues to be payable at the fixed rate before and after the Balance Due Date, maturity, Default, and any court judgment, until the Outstanding Amount is paid in full.

3.2 Variable Interest Rate

If the Charge/Mortgage sets out a variable interest rate:

- The interest rate will be the SHBC Prime Rate, plus or minus any adjustment specified in the Charge/Mortgage;
- The SHBC Prime Rate may change from time to time, and any change will automatically change your interest rate on the same day, without notice to you;
- Interest is calculated daily, not in advance, on the Outstanding Amount; and

- Interest is payable on each regular payment date, both before and after the Balance Due Date, maturity, Default, and judgment, until the Outstanding Amount is paid in full.

3.3 Trigger Rate

If you have a variable rate mortgage and interest rates increase to the point that your regular payment is equal to or less than the interest portion of that payment, the Charge/Mortgage will no longer amortize and negative amortization will occur.

When this occurs (the "Trigger Rate"), we may require you to:

- increase your regular payment amount;
- make a lump sum payment; or
- take both actions,

so that the full interest portion of your payment is covered and amortization is maintained.

3.4 Interest Before the Interest Adjustment Date

If we advance all or part of the Principal Amount before the Interest Adjustment Date, then the following shall apply:

- **Accrual of Interest** – Interest will accrue on the funds advanced from the date of advance to the day before the Interest Adjustment Date, at the Interest Rate set out in the Charge/Mortgage.
- **Payment Obligation** – You must pay this interest to us on the Interest Adjustment Date, unless we require you to pay it on an earlier date.
- **Monthly Interest Payments** – If advances are made more than 30 days before the Interest Adjustment Date, we may require you to make monthly interest payments on the accrued amount, starting on the first day of the following month until the Interest Adjustment Date.
- **Deduction from Advance** – At our option, we may deduct the accrued interest from the amount of any advance we make to you.
- **Adjustment of Dates** – If the final advance is not made within 12 months of the date of your application, we may reset the Interest Adjustment Date to a date 12 months after your application, and the Term will start on that date.

3.5 Compound interest on Overdue Amounts

If you do not pay any amount when due under the Charge/Mortgage:

- We will add the overdue interest or payment to the Outstanding Amount, and charge compound interest on it at the Interest Rate;
- Compound interest will be calculated and payable at the same frequency as your regular payments;
- All overdue interest and compound interest form part of the Outstanding Amount and will continue to bear interest until fully paid; and
- You must pay this additional interest immediately on our demand.

3.6 Payment Frequency Changes

You may request to change the frequency of your regular mortgage payments to any option we offer for your type of mortgage loan at the time of your request.

- To process the change, you must immediately pay any applicable interest adjustment amount and any administration or processing fees.
- If you do not pay these amounts when due, we may declare you in Default and/or add such amounts to your Outstanding Amount.
- Once your payment frequency is changed, interest will continue to be calculated and compounded based on the new payment schedule.

3.7 Interest on Other Obligations under Secured Amount

Interest applies to all obligations forming part of the Secured Amount.

Each obligation bears interest at the rate provided in the agreement creating it, or, if no rate is specified, at the Bank's Prime Rate + 5% per annum. Such interest accrues from the date the amount is incurred until repaid, and continues both before and after Default, judgment, and maturity, to the extent permitted by law. All such interest forms part of the Secured Amount, subject to the maximum principal amount stated in the Charge/Mortgage.

4. TERMS OF PAYMENT

You promise to make all payments required under the Charge/Mortgage in full, on time, and in the manner set out in this Section. Unless otherwise agreed, all payments must be made without any set-off, abatement, counterclaim, or deduction, and you must continue making payments until the Outstanding Amount is repaid in full.

4.1 Currency and Place of Payment

All payments must be made in Canadian dollars, unless the Charge/Mortgage specifies another currency. You must maintain a deposit account at a Canadian financial institution and authorize us to withdraw each payment automatically when it is due.

- You must keep sufficient funds in the account to cover each payment.
- You may not cancel your authorization to withdraw or close the account without Approval.
- If your financial institution refuses a withdrawal for any reason (including insufficient funds or closed account), you must pay any fee charged by your financial institution, as well as our administrative fee for the returned item.

4.2 Regular Mortgage Payment

You promise to repay the Principal Amount and interest to us by making regular payments on the dates specified in the Charge/Mortgage, starting with the First Payment Date and continuing until the Balance Due Date.

Each payment will be applied in the following order, unless otherwise required by law:

a) to pay any collection expenses, legal fees, or enforcement costs;
b) to pay any creditor insurance premiums (if applicable);
c) to pay property taxes (if applicable);
d) to pay any compound interest outstanding and owed to us;
e) to pay accrued interest then due and payable;
f) to pay fees, charges and costs owing to us; and
g) to reduce the Principal Amount (unless your mortgage is interest-only, in which case regular payments do not reduce the Principal Amount).

You must pay any Outstanding Amount in full on the Balance Due Date.

If you are in Default, or if the Charge/Mortgage secures other obligations as part of the Secured Amount, we may adjust your payment schedule or amount to include principal, interest, taxes, insurance premiums, or other charges we consider appropriate. This may include requiring you to make accelerated or additional payments to cover those obligations.

4.3 Payments on Variable Interest Rate Mortgage

If you have a variable rate mortgage, changes to the SHBC Prime Rate will automatically change the amount of interest that accrues on your mortgage loan.

- If the interest rate decreases, a greater portion of your regular payment will go towards reducing the Principal Amount.
- If the interest rate increases, a smaller portion of your regular payment will go towards reducing the Principal Amount.
- If the Trigger Rate is reached (see Section 3.3), we may require you to increase your payment, make a lump-sum payment, or both, to ensure that your payment covers accrued interest and amortization is maintained.

4.4 Payments Before the Interest Adjustment Date

If we advance all or part of the Principal Amount before the Interest Adjustment Date, you must pay interest accrued on the advance as described in Section 3.4.

4.5 Changing Regular Payment Amount

a) **Increasing Payments** – You may increase the amount of your regular payment at any time without paying a prepayment charge, provided that the total increases during the Term do not exceed 100% of your original regular payment amount.
b) **Decreasing Payments** – You may request to reduce your regular payment amount, provided that the reduced payment will not extend your amortization period beyond the Term. Any reduction requires Approval.
c) **Eligibility** – These options apply only to properties with no more than four residential units, or a single residential condominium unit, and not used for commercial or industrial purposes. Administration fees may apply.

4.6 Payment on Default

If you are in Default, all payments you owe become immediately due and payable. We may change your payment schedule so that your payments include principal, interest, property taxes, and insurance premiums (if applicable).

- We may also require you to pay accrued interest up to the next payment date upon notice. If you do not, this interest will be added to the Outstanding Amount.
- If you miss any required payment, fail to meet any of your obligations, or if any lien or claim is registered against the Property, we may declare that the entire Outstanding Amount, together with all applicable charges and fees, is immediately due and payable.

4.7 Application of Payments

Payments you make under this Charge/Mortgage may be applied, at the Bank's discretion, to any part of the Secured Amount.

We may choose to apply payments first to unsecured obligations, or to any other debt you owe us, before applying them to the Charge/Mortgage.

Despite any direction from you, we may apply and appropriate any payment received under this Charge/Mortgage to any part of the Secured Amount, in any order we choose, including to unsecured obligations before applying to the Charge/Mortgage. Acceptance of any payment marked "paid in full" or with similar wording does not release any remaining balance of the Secured Amount unless we expressly agree in writing.

5. PREPAYMENT PROVISIONS

You may have the right to prepay part or all of the Outstanding Amount before the Balance Due Date, depending on whether your mortgage loan is open or closed, and subject to any prepayment charges set out below. None of the prepayment options are available if you are in Default.

5.1 Repayment of Mortgage Loan Not a Discharge

Repaying the Principal Amount and interest on the Charge/Mortgage alone does not entitle you to a discharge. The Charge/Mortgage remains in full force until all Secured Amounts have been repaid in full and we have given Approval to discharge.

5.2 Prepayment Charges – Mortgage Loan

Depending on whether your mortgage loan is open or closed, and whether fixed or variable, prepayment charges such as three months' interest or an Interest Rate Differential (IRD) may apply.

5.3 Prepayment without Prepayment Charges

a) **Open Mortgage** – If you have an open mortgage, you may prepay all or any part of the Outstanding Amount at any time, without paying a prepayment charge. The minimum prepayment is $500.

b) **Annual Prepayment Privilege** – If you have a closed mortgage, you may, once in each 12-month period beginning on the Interest Adjustment Date, prepay up to 10% of the Outstanding Amount without paying a prepayment charge. This privilege is not cumulative and cannot be carried forward to a future year.

5.4 Prepayment with Prepayment Charges

If you want to prepay more than the annual 10% privilege under a closed mortgage, or if you want to prepay the entire Outstanding Amount of a closed mortgage before maturity, you must pay a prepayment charge.

a) **Closed Fixed Rate Mortgage** – The prepayment charge will be the greater of:

i. three months' interest on the amount prepaid, calculated at your Interest Rate; or

ii. the Interest Rate Differential (IRD) on the amount prepaid.

The chart below indicates how we calculate a term similar to the time remaining in the Term.

Term remaining on your mortgage	Use following rates
Less than or equal to 18 months	1 year rate
Greater than 18 months and less than or equals to 30 months	2 year rate
Greater than 30 months and less than or equals to 42 months	3 year rate
Greater than 42 months and less than or equals to 54 months	4 year rate
Greater than 54 months and over	5 year rate

* Current SHBC Prime Rate for mortgage can be found at www.shinhan.ca

b) **Closed Variable Rate Mortgage** – The prepayment charge will be three months' interest on the amount prepaid, calculated at your variable Interest Rate at the time of prepayment.

5.5 Prepayment After Five Years

If your mortgage loan has a Term longer than five years and you are an individual, you may prepay the entire Outstanding Amount at any time after the end of the fifth year of the Term. In this case, your prepayment charge will be three months' interest on the Outstanding Amount, calculated at your Interest Rate. For this purpose, the Interest Adjustment Date will be deemed to be the date of the mortgage.

5.6 Prepayment of Other Obligations

Prepayments of any other credit facilities forming part of the Secured Amount (including loans, line of credits, or other obligations) will be subject to the terms of those facilities.

For greater certainty, discharging or prepaying one obligation does not discharge the Charge/Mortgage unless and until all obligations forming part of the Secured Amount are satisfied.

5.7 Repaying the Incentive

If we have provided you with an incentive, such as a cash back or rebate, and you prepay all or part of your mortgage loan before the end of the Term, you must repay to us all or a proportionate part of the incentive, in addition to any applicable prepayment charge.

- The repayment amount will be calculated by dividing the value of the incentive by the number of months in the Term, and multiplying that by the number of months remaining in the Term (including the month in which you prepay).

5.8 General Prepayment Provisions

a) Prepayments do not change your regular payment dates unless you also exercise an option to change your regular payment amount under Section 4.5.
b) You must continue to make regular payments until the Outstanding Amount is paid in full.
c) If you prepay the entire Outstanding Amount, you must also pay accrued interest, any applicable prepayment charge, and any other amounts owing under the Charge/Mortgage up to the date of prepayment.

5.9 Commercial Mortgage and Prepayment Provisions

If the Property securing the Charge/Mortgage contains more than four residential units, or is used in whole or in part for commercial, industrial, mixed-use, or other non-residential purposes, then the prepayment privileges set out in this Section 5 do not apply.

For such commercial or non-residential mortgages:

a) **No Prepayment Rights** – You have no right to prepay all or any portion of the Outstanding Amount before the Balance Due Date, except with Approval.
b) **Bank's Discretion** – Any Approval for prepayment shall be at the sole discretion of the Bank, on such terms and conditions as the Bank may require.
c) **Prepayment Charge** – If the Bank Approves a prepayment, you shall pay to the Bank, in addition to all accrued and unpaid interest, a prepayment charge as specified in the mortgage commitment letter, term sheet or other agreement between you and the Bank. Such charge may include, without limitation, a yield maintenance amount, breakage cost, or an amount equivalent to several months' interest, as determined by the Bank.
d) **Superseding Agreement** – In the event of any conflict between the terms of this Section 5.6 and the provisions of any mortgage commitment letter, term sheet, or supplemental agreement entered into between the Bank and you, the provisions of such commitment letter, term sheet or agreement shall govern.

6. AMENDMENT, EXTENSION, AND RENEWAL

6.1 Renewal Offer

If you are not in Default, we may offer you a renewal of your mortgage loan for an additional term shortly before the Balance Due Date. The renewal agreement will set out the available mortgage products, interest rates, and any new or amended terms.

- We may request updated financial or personal information from you before offering renewal.
- You agree to sign and return the renewal agreement before the Balance Due Date for the renewal to be effective.
- Renewal of the mortgage is at our sole discretion, and we are not obligated to offer a renewal.

6.2 Automatic Renewal

If we offer you a renewal and you do not sign and return the renewal agreement by the required date, we may, at our option, automatically renew your mortgage for a further term. The automatic renewal will be on the terms set out in the renewal agreement we provided to you, including the interest rate specified.

6.3 Amendments and Extensions

We may agree to amend, extend, or otherwise change the terms of your mortgage loan. Any amendment, extension, or renewal will not release you or any guarantor from your Promises and obligations under the Charge/Mortgage, unless we expressly provide a written release. Any amendment, extension, or renewal will not affect the priority of the Charge/Mortgage, which will continue to rank ahead of subsequent encumbrances even if the amendment, extension, or renewal is not registered on title, to the extent permitted by the *Land Titles Act* (Alberta).

6.4 Early Renewal

If you request a renewal of your mortgage loan prior to the Balance Due Date, you must pay any applicable prepayment charge in accordance with Section 5.2, unless otherwise agreed by us in writing.

6.5 No Right to Renewal

You have no right to require us to renew or extend your mortgage loan. Any renewal, extension, or amendment is entirely at our sole discretion.

6.6 Renewal, Extension, or Amendment of Other Obligations

The Charge/Mortgage also secures any renewal, extension, amendment, replacement, or continuation of any other obligation forming part of the Secured Amount, whether or not such change is registered on title. The priority of the Charge/Mortgage is not affected by any such renewal, extension, amendment, replacement, or continuation. You remain bound by the Charge/Mortgage until all obligations forming part of the Secured Amount are fully repaid and satisfied.

6.7 Portability (Residential Mortgages only)

If you sell the Property and purchase a new property, and you are not in Default, we may, at our sole discretion, permit you to transfer (“port”) your mortgage loan to the new property.

To qualify for portability, you must:

- Meet our mortgage approval and credit requirements at the time of transfer;
- Provide a new Charge/Mortgage over the new property in such form as required by us; and
- Pay all legal, registration, appraisal, processing, and administrative fees and costs we incur.

If the new principal amount is less than the Outstanding Amount, you must immediately repay the difference, together with any applicable prepayment charges.

Any incentive or cash back amount may need to be repaid or adjusted in accordance with Section 5.4, as required by us.

If mortgage default insurance or creditor insurance applies, you are responsible for determining whether such insurance can also be transferred.

7. DUE ON SALE, ASSUMPTION, OR TRANSFER

7.1 Obligation to Obtain Approval

You must obtain Approval before transferring, selling, leasing, or otherwise disposing of any interest in the Property, or before allowing another person to assume your obligations under the Charge/Mortgage. This requirement applies to any direct or indirect transfer, including by sale, lease, conveyance, assignment, gift, or trust.

If the Property is a homestead under the *Dower Act* (Alberta), any transfer, lease, or mortgage requires the non-titled spouse’s written consent and acknowledgment, unless a statutory exception applies.

7.2 Consequences of Unauthorized Transfer

If you transfer or agree to transfer the Property, or any part of it, without Approval:

- The Outstanding Amount will immediately become due and payable in full, at our option;
- You must also pay any applicable prepayment charge under Section 5.2; and
- Our acceptance of any payment from a new owner will not constitute Approval of the transfer and will not release you from your obligations under the Charge/Mortgage.

7.3 Assumption of Mortgage

We may, at our sole discretion, permit a purchaser or transferee of the Property to assume your obligations under the Charge/Mortgage. If we agree to do so:

- the purchaser or transferee must sign an assumption agreement in the form required by us;
- even if the purchaser or transferee assumes the Charge/Mortgage, you and any Guarantor shall remain liable for the Outstanding Amount and for keeping all Promises under the Charge/Mortgage, unless we expressly release you and any Guarantor in writing; and
- we may amend the terms of the Charge/Mortgage with the new owner without releasing you or any Guarantor from your obligations, unless we expressly release you and any Guarantor in writing.

7.4 Information and Approval

You agree to provide us with any financial or personal information reasonably required in order to allow us to assess whether to provide Approval to a transfer or assumption. We will review the information and decide in our sole discretion whether to grant such Approval.

7.5 Fees and Costs

If we provide Approval to a transfer or assumption, you must pay all applicable administration and processing fees, legal fees, and other costs we incur in connection with reviewing and approving the transfer or assumption.

7.6 Collateral Mortgage Continuation

The Charge/Mortgage remains effective and continues to secure the Secured Amount despite any transfer, sale, lease, or assumption of the Property, unless we expressly release it in writing.

You remain liable for all obligations forming part of the Secured Amount unless we expressly release you.

Repayment of the mortgage loan or assumption of the mortgage by a purchaser does not discharge this Charge/Mortgage unless and until all obligations forming part of the Secured Amount have been repaid in full and we provide Approval to discharge.

8. OBLIGATIONS

8.1 Property Title

You covenant, represent and warrant as follows in favour of the Bank:

- that you are the lawful and absolute owner of the Property in fee simple, free from all encumbrances other than those that have been Approved;
- that you will protect and preserve the Property, your title to the Property and our security interest in the Property at all times;
- that the Property conforms to every description or plan you have given us;
- that if we recover possession of the Property, we are entitled to quiet possession of the Property, free from all claims except those that have been Approved; and.
- that you will execute any further documents or instruments necessary to confirm our security interest in the Property or to otherwise give effect to this Charge/Mortgage.

8.2 Renting or Leasing Your Property

a) If the Property is owner-occupied, you covenant, represent and warrant that no part of the Property is rented or occupied by a tenant and that you will not rent, lease, or enter into any tenancy agreement without Approval (which we may withhold in our sole discretion);

b) If the Property is a rental property:
- you shall assign to us as additional security all current and future leases, lease agreements, renewals, rents payable, and rights under such leases, whether arising before or after default;
- you will not accept prepayments of rent for periods longer than one month without Approval;
- we may, at our option, collect rent directly from tenants, enforce, amend, or terminate leases, or make payments to tenants to secure possession or cooperation, and you irrevocably appoint us as your attorney for these purposes; and
- our acceptance of rent from a tenant does not constitute consent to the tenancy.

c) If you lease the Property without Approval, or if you fail to comply with any obligations regarding rentals, such lease and/or rental will be deemed to have been entered into with intent to hinder or defeat our rights and we will have the right and option to declare the Outstanding Amount immediately due and payable.

8.3 Insurance

a) You must maintain insurance on the Property (including all buildings, structures, fixtures, and improvements) for the full replacement value, against loss or damage by fire and extended perils, and any additional risks as reasonably required by us.

b) If the Property produces rental income, you must also obtain loss of rental income insurance and public liability insurance.

c) All insurance must be with an insurer licensed in Canada, contain a standard mortgage clause approved by the Insurance Bureau of Canada, and name us as first loss payee and additional insured.

d) Policies must provide at least 15 days' written notice to us before cancellation, lapse, or material change.

e) You must provide us with a certificate of insurance, certified copy of the insurance policy, or other evidence of insurance on request, and with proof of renewal at least 15 days before expiry.

f) If you fail to maintain required insurance, we may obtain insurance at your expense but we are under no obligation to do so.

g) You assign to us all proceeds of insurance. At our option, proceeds may be applied to reduce the Outstanding Amount, to repair or rebuild the Property, or both. Despite any loss, you remain liable to pay the Outstanding Amount in full.

8.4 Hazardous Risks and Illegal Activities

a) You must not use, or permit others to use, the Property in any manner that is illegal, unsafe, or likely to reduce its value.

b) You certify that to the best of your knowledge the Property has never been and will not be used for the manufacture, storage, treatment, or disposal of hazardous substances except in compliance with all applicable laws.

c) We, CMHC, or any Mortgage Default Insurer may at any time enter the Property to inspect for environmental compliance.

d) At our request, you must provide environmental reports or audits in respect of the Property. If any report or audit discloses the existence of any hazardous substances in amounts or in nature that are not in compliance with applicable law, or if remediation of any hazardous substances is required, you must undertake and comply with any remediation and/or removal requirements at your expense.

e) If we incur costs for investigation, testing, remediation, or compliance, you must pay them immediately, and they will be added to the Outstanding Amount.

f) Any breach of this section allows us to declare the Outstanding Amount immediately due and payable.

g) You agree to indemnify and hold us, CMHC, and any Mortgage Default Insurer harmless from all losses, damages, costs, liabilities, and claims of any kind (including third-party claims and regulatory orders) arising directly or indirectly from the presence, release, or escape of any hazardous substance on, in, or under the Property, whether arising before, during, or after the Term. This indemnity shall survive repayment of the Outstanding Amount and the discharge of the Charge/Mortgage.

8.5 Repairs

You must keep the Property (including all buildings, fixtures, and improvements) in good condition and repair according to the standards of a prudent owner of similar property. You must not allow any part of the Property to deteriorate, become unsafe, or fall below the standard required by applicable laws, by-laws, or regulations. If we require, you must provide evidence that all repairs have been properly completed to such required standard and paid for in full.

- If damage to the Property (including any buildings, fixtures or improvements) occurs, you must promptly repair and remediate such damage or, if repair and remediation is not feasible, restore or replace the damaged portions.
- If you fail to maintain or repair the Property (including the buildings, fixtures or improvements), we may do so at your expense, and such costs will be added to the Outstanding Amount.
- You must also comply with all laws, by-laws, regulations, and orders relating to the condition, use, and occupancy of the Property.

8.6 Improvements or Alterations

You must not demolish, remove, or substantially alter any building or structure on the Property, nor make any additions or improvements, without Approval.

If we provide Approval to alterations or improvements, you covenant, represent and warrant as follows:

- You will obtain all required permits before commencing any work and you will comply with all applicable building codes, zoning, and other legal requirements and provide them to us on request;
- All work must be completed promptly, using proper materials and accepted standards, and in compliance with all applicable laws and codes.
- You will pay all costs, including statutory holdbacks under the *Prompt Payment and Construction Lien Act* (Alberta), and ensure that no construction lien is registered against the Property;
- If you fail to diligently complete the work or if the work departs from accepted standards or from that which was Approved, we may enter the Property, take possession of equipment, tools, and materials, and complete the work at your expense, and costs we incur will be added to the Outstanding Amount; and
- You will indemnify us against any construction liens or claims that may arise in connection with the work.

We may obtain an order to remove any construction lien or provide financial security to do so, and any costs we incur will be immediately payable by you, will bear interest at the Interest Rate, and will be added to the Outstanding Amount.

8.7 Costs and Expenses

You must pay all costs and expenses we incur in connection with the Charge/Mortgage, including:

- costs of preparing, registering, amending, renewing, enforcing, or discharging the Charge/Mortgage;
- costs of collecting the Outstanding Amount;
- costs of protecting or preserving the Property; and
- legal fees and disbursements on a solicitor–client basis.

8.8 Taxes and Levies

You must pay all property taxes, rates, assessments, levies, and charges on the Property when due.

- If we require, you must pay to us on each regular payment date one-twelfth of the estimated annual property taxes, so we can pay them on your behalf.
- If you fail to pay property taxes when due, we may pay them and add the amount to the Outstanding Amount, with interest at the Interest Rate.

8.9 Assignment of Other Rights

As further security, you assign and transfer to us all of your rights and benefits in connection with the Property, whether existing now or arising in the future, including:

- guarantees, warranties, and indemnities relating to the construction, condition, or repair of the Property;
- insurance proceeds (in addition to those described in Section 8.3);
- compensation, expropriation awards, or payments from any governmental authority or other entity in connection with the Property; and
- claims against third parties relating to damage, defects, or loss involving the Property.

All such rights, proceeds, and payments form part of the Outstanding Amount and must be delivered or paid to us immediately.

8.10 Other Covenants

You agree to observe and perform all other covenants, obligations, and conditions in the Charge/Mortgage. Without limiting the generality of the foregoing, you also agree:

- to provide us with any information we reasonably request about the Property, your financial circumstances, or any leases affecting the Property;
- to sign such further documents or instruments as we may require to better secure the Outstanding Amount or to give effect to this Charge/Mortgage;
- not to do anything, or omit to do anything, that could adversely affect our security or the value of the Property;
- to promptly pay all costs and expenses we incur in enforcing or preserving our rights; and
- to promptly notify us of any change of status, including a change in the spousal status of the Borrower or a change in the legal title or beneficial ownership of the Property, the intention being that we shall be kept fully informed of the names and addresses of the owner or owners for the time being of the Property and of any spouse who is not an owner but who has a right of possession in the land by virtue of the *Family Law Act* (Alberta).

9. RIGHTS OF THE BANK

9.1 No Obligation to Advance

We are not obligated to advance all or any part of the Principal Amount, even if the Charge/Mortgage is registered. Any advance is subject to Approval, and we may set conditions before advancing. If we choose not to advance, or not to advance the full amount, the Charge/Mortgage will remain valid security for the Outstanding Amount actually advanced and any other obligations secured.

9.2 Enforcing Our Rights

If you are in Default, we may exercise any rights and remedies available under the Charge/Mortgage, the *Law of Property Act* (Alberta), or any other applicable law. Without limiting the foregoing, the following remedies are available to us:

9.2.1 Acceleration; Judicial Foreclosure; Judicial Sale

a) We may require immediate payment of the Outstanding Amount.

b) We may commence foreclosure proceedings in the Court of King's Bench of Alberta and seek (i) an order nisi (fixing a redemption period), (ii) conduct of sale and a judicial sale, and/or (iii) an order of foreclosure (order absolute) as permitted by law.
c) If the Court grants a final order of foreclosure, the mortgage debt will be satisfied and title vests in the mortgagee, and no further action on the debt may be pursued, except as permitted by the *Law of Property Act* (Alberta).
d) The net proceeds of any sale shall be applied in the following order:
   i. to pay any collection expenses (including receiver's fees and legal fees on a solicitor–client basis) or enforcement costs we incur;
   ii. insurance, taxes, and other protective disbursements made by us;
   iii. interest then due and payable (including any compound interest outstanding or accrued interest then due and payable);
   iv. to reduce the Principal Amount, and
   v. any other amounts owing under the Charge/Mortgage.

   Any surplus will be paid to you or as required by law, and any shortfall will remain your liability and will form part of the Outstanding Amount until paid.

9.2.2 Possession, Collection of Rents, and Appointment of Receiver

a) We may enter on and take possession of the Property and may collect all rents and income from the Property.
b) We may, at any time and without notice, appoint in writing a receiver (including a receiver and manager) of the Property or any part of it. The receiver will be your agent and not an agent of the Bank, and we will not be responsible for the receiver's acts or omissions.
c) A receiver may: collect rents and income; give receipts; manage, operate, repair, maintain, and secure the Property; complete or carry out any improvements; enter into, renew, amend, or terminate leases; insure the Property; and take any other steps the receiver considers necessary or advisable to preserve or realize on the Property.
d) The receiver may pay from the money collected all amounts necessary or desirable to:
   i. keep the Property in good condition and comply with laws
   ii. pay taxes, insurance, utilities, and other carrying costs
   iii. pay the receiver's remuneration and expenses, and
   iv. pay interest and principal due to us.
e) Our appointment of or actions by a receiver do not render us a mortgagee in possession.

9.2.3 Right to Cure and Add to Debt (Protective Advances)

We may, but are not obligated to, cure any Default or perform any of your Promises, including by: paying taxes, insurance premiums, utilities, or amounts due under construction or other contracts; removing or bonding off liens; securing or repairing the Property; or taking steps we consider necessary to protect the Property or our security. Any amount we pay or liability we assume becomes part of the Outstanding Amount, bears interest at the Interest Rate from the date we make the payment or assume the liability, and is immediately payable by you on our demand.

Our rights of enforcement apply to the entire Secured Amount, not only the mortgage loan.

We may enforce the Charge/Mortgage separately or together with any other security we hold from you, in any order we choose, and may apply recoveries to any part of the Secured Amount, in any sequence we determine.

9.3 Assignment by the Bank

We may at any time assign or transfer the Charge/Mortgage, or any of our rights under the Charge/Mortgage, without notice to you. If we assign or transfer the Charge/Mortgage, the assignee will have the same rights and remedies as we have under the Charge/Mortgage, and you must continue to perform all Promises for the benefit of the assignee. You may not assign or transfer your rights or obligations under the Charge/Mortgage without Approval.

9.4 Consolidation

We may, at our option, consolidate the Charge/Mortgage with any other mortgage or security you have granted to us, whether registered before or after the Charge/Mortgage. This means that we may require all amounts owing under any mortgage or security to be paid in full before we release or discharge any one of them.

Our right of consolidation applies to this Charge/Mortgage and to any other mortgages, charges, or security you have given to us, and to all obligations forming part of the Secured Amount.

You will not be entitled, after Default, to redeem or discharge this Charge/Mortgage without paying all amounts secured by all such mortgages, charges, and obligations.

9.5 Release of Obligation

We may, in our discretion and in writing, release you, any Guarantor, or any part of the Property from some or all of the obligations under the Charge/Mortgage, without releasing any other person or the remainder of the Property. Any such release will not affect the validity or enforceability of the remainder of the Charge/Mortgage.

Any release or variation of your obligations under one part of the Secured Amount does not release you from any other obligations that continue to form part of the Secured Amount, unless we expressly provide a written release.

9.6 Easements and Other Dealings with Title

We may, in our discretion, consent to, join in, or accept the granting of easements, rights-of-way, covenants, restrictions, releases, partial discharges, or changes to the legal description of the Property (including subdivision or consolidation) without affecting your obligations under the Charge/Mortgage or the priority of the Charge/Mortgage.

9.7 Cross-Default

A default under any agreement forming part of the Secured Amount constitutes a default under the Charge/Mortgage, and a default under the Charge/Mortgage constitutes a default under each such agreement.

10. CONDOMINIUM

In addition to your other Promises under the Charge/Mortgage, the following provisions apply where the Property is a part of condominium building or condominium unit, including locker, and parking space where it is applicable.

10.1 Compliance with Condominium Property Act

If the Property is a condominium unit, you must comply with the *Condominium Property Act* (Alberta), the declaration, by-laws, rules and resolutions of the condominium corporation (the “Condominium Corporation”) and you agree that it will constitute a Default under the Charge/Mortgage if any declaration, by-law, rule or resolution of the Condominium Corporation is passed or acted upon that materially impairs our security.

Any breach by you or by the Condominium Corporation which materially affects your unit or our security will constitute a Default under the Charge/Mortgage.

10.2 Common Expenses

You must pay all amounts levied by the Condominium Corporation, including common expenses, assessments, charges, and contributions, as they become due. If you fail to pay these amounts, we may pay them on your behalf, and any amounts we pay become part of the Outstanding Amount, bearing interest at the Interest Rate from the date of payment.

10.3 Voting Rights

You authorize us to exercise your rights to vote in respect of your unit, and your share in the common property, upon your Default or if we consider it necessary to protect our security. We may also require you to provide us with proxies or other authorizations to exercise such rights.

10.4 Notices and Information

You must promptly deliver to us any notices, demands, certificates, or documents you receive from the Condominium Corporation or any other condominium authority, including notices of meetings, special assessments, arrears, insurance, or termination of the condominium. If you fail to provide these promptly, we may declare you in Default.

At our request, you must direct the Condominium Corporation to send copies of all such notices, certificates, and documents directly to us.

10.5 Insurance

You must ensure that the Condominium Corporation maintains all insurance required under the *Condominium Property Act* (Alberta) and in accordance with prudent practice. If the Condominium Corporation fails to maintain adequate insurance, you must obtain supplementary insurance satisfactory to us.

You must also maintain unit-owner’s insurance covering your fixtures, unit improvements, contents, and liability, in amounts and on terms satisfactory to us. This includes insurance against risks normally covered by a broad-form “all risks” policy, for full replacement cost, naming us as first loss payee and additional insured, and containing a standard mortgage clause acceptable to us. You must also maintain unit-owner’s insurance covering your fixtures, unit improvements, contents, and liability, in amounts and on terms satisfactory to us. If you fail to maintain required insurance, we may obtain insurance at your expense, but are under no obligation to do so.

10.6 Acceleration of Repayment

If the Condominium Corporation passes a resolution or takes any action that, in our opinion, materially affects the value of the Property or our security, we may require immediate repayment of the Outstanding Amount, together with any applicable prepayment charges. Such actions include, without limitation:

a) termination of the condominium,
b) amalgamation or merger of the Condominium Corporation,
c) sale or disposition of all or substantially all of the assets of the Condominium Corporation,
d) failure to maintain or restore insurance after damage or destruction,
e) substantial alteration of the common property without Approval, or
f) failure of the Condominium Corporation to repair or restore the property after a casualty.

11. GUARANTEE

11.1 Guarantee of Secured Amount

Each Guarantor who signs the Charge/Mortgage or a related guarantee agreement unconditionally and irrevocably guarantees to us the due and punctual payment of the Outstanding Amount and the performance of all Promises forming part of the Secured Amount (and not just the mortgage loan secured by the Charge/Mortgage.

This guarantee is a primary obligation and not one of collection, meaning we may require the Guarantor to pay and perform without first demanding payment from you or enforcing against the Property.

11.2 Continuing Guarantee

This guarantee is a continuing guarantee and applies to the Secured Amount, including all renewals, extensions, amendments, replacements, and any future or additional obligations secured by the Charge/Mortgage. It is not affected by any payment, settlement, discharge, release, or compromise or any part of the Secured Amount unless we expressly release you in writing.

11.3 Guarantor's Waivers

Each Guarantor waives all rights that might limit their liability to us, including:

- the right to require us to pursue you or any other person first,
- the right to require us to realize on the Property or other security first,
- any right to set-off or counterclaim against amounts owing, and
- any benefit of any present or future law or principle that would release or discharge a Guarantor except actual payment and performance of the obligations.

11.4 Independent Liability

Each Guarantor is jointly and severally liable with you and any other Guarantor. We may enforce the Charge/Mortgage against any Guarantor for the full Secured Amount without first proceeding against you, any co-borrower, or any other Guarantor.

11.5 Survival of Guarantee

The obligations of each Guarantor survive:

- any change in the terms of the Charge/Mortgage,
- any release or substitution of collateral,
- any settlement, discharge, or compromise we grant to you or any other person, and
- any judgment, order, or recovery against you.

11.6 Information to Guarantor

We are not obligated to provide any Guarantor with information about you, the Property, or the Charge/Mortgage. Each Guarantor acknowledges that they are responsible for keeping themselves informed about these matters.

11.7 Termination of Guarantee

No Guarantor is released from liability until we provide an express written release. Payment or satisfaction of part of the Secured Amount does not discharge this guarantee until all obligations have been fully satisfied.

11.8 Independent Legal Advice

Each Guarantor acknowledges that they have had the opportunity to obtain independent legal advice before signing their guarantee, and that their obligations under the guarantee are valid and binding whether or not such advice was obtained.

12. EXPROPRIATION

12.1 Notice of Expropriation

If all or any part of the Property is expropriated, taken, or seized by lawful authority, you must immediately notify us in writing and provide copies of all notices, correspondence, or documents relating to the expropriation. Failure to do so will constitute a Default under the Charge/Mortgage.

12.2 Assignment of Awards and Compensation

All awards, compensation, or damages arising from any expropriation or taking, including temporary or permanent takings, are hereby assigned and transferred to us as additional security. Such proceeds form part of the Outstanding Amount and must be paid directly to us. If you receive any such proceeds, you must immediately pay them to us in trust.

12.3 Application of Proceeds

We may apply expropriation proceeds, at our option:

a) to reduce the Outstanding Amount, in whole or in part;
b) to repair, restore, or replace the Property;
c) to fund payment of costs and expenses we incur in protecting our security or enforcing our rights; or
d) in any combination of the above.

Any surplus remaining after satisfaction of the Outstanding Amount and any other costs we incur will be paid to you or as otherwise required by law.

12.4 Acceleration of Repayment

If in our opinion an expropriation or taking materially affects the value of the Property or our security, we may require immediate repayment of the Outstanding Amount, together with any applicable prepayment charges.

12.5 No Release of Obligations

Expropriation of all or part of the Property does not release you from your Promises or obligations under the Charge/Mortgage. You remain liable for the full Outstanding Amount until it is repaid in full, regardless of whether the Property has been taken or damaged.

13. DISCHARGE

13.1 Right to Discharge

You are not entitled to a discharge merely by repaying the Principal Amount and interest on the Charge/Mortgage. The Charge/Mortgage remains until the entire Secured Amount has been fully repaid and satisfied, including all other obligations secured by the Charge/Mortgage. We may, in our discretion, provide a partial discharge, but such discharge does not affect our rights against the remaining Property or the Secured Amount.

13.2 Request for Discharge

When you have repaid the entire Secured Amount, you may request that we prepare and provide a discharge of the Charge/Mortgage. You must pay our discharge preparation, administration, and legal fees.

13.3 Preparation and Registration of Discharge

We will prepare and provide you with a registrable discharge of the Charge/Mortgage or, at our option, register it on your behalf once you have met all requirements under this Section.

- You are responsible for all costs associated with the preparation, execution, and registration of the discharge, including legal and government registration fees.

13.4 Effect of Discharge

A discharge releases the Property from the Charge/Mortgage but does not release you or any Guarantor from any obligations that arose before the discharge unless we expressly release you in writing.

13.5 Partial Discharge

We may, at our discretion and upon your written request, agree to a partial discharge of the Charge/Mortgage as it relates to part of the Property, upon payment of the amount required by us and on conditions determined by us. Any partial discharge does not affect the validity, enforceability, or priority of the Charge/Mortgage over the remainder of the Property, nor does it release you from any other obligations that form part of the Secured Amount.

14. LEGISLATION

14.1 Applicable Law

The Charge/Mortgage is governed by and shall be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta.

14.2 Interest Act (Canada)

For the purposes of the *Interest Act* (Canada), whenever interest is calculated yearly or half-yearly, it shall be equivalent to the rate of interest calculated monthly, in advance, at the same rate.

14.3 Land Titles Act (Alberta)

This set of Standard Mortgage Terms is deemed to be included in and form part of the Charge/Mortgage for all purposes under the *Land Titles Act* (Alberta).

14.4 Dower Act (Alberta)

If the Property constitutes a homestead under the *Dower Act* (Alberta), the non-titled spouse's written consent and acknowledgment must be obtained in accordance with the *Dower Act* (Alberta). Failure to obtain required consent may invalidate the disposition/mortgage of the homestead.

14.5 Exclusion of Statutory Covenants

The statutory covenants and obligations implied in a mortgage or charge pursuant to the *Land Titles Act* (Alberta) are expressly excluded from the Charge/Mortgage to the fullest extent permitted by law, and only the covenants, conditions, and obligations expressly contained in the Charge/Mortgage apply.

15. GENERAL PROVISIONS

15.1 No Waiver

Any failure or delay by us in exercising any right or remedy under the Charge/Mortgage does not constitute a waiver of that right or remedy. We may exercise any right or remedy at a later time or from time to time. A waiver must be in writing and signed by us. No waiver of any Default extends to or affects any other Default or impairs any rights or remedies we may have.

15.2 Our Costs

You must pay on demand all of our costs, charges, and expenses incurred in connection with the preparation, execution, registration, enforcement, administration, amendment, renewal, or discharge of the Charge/Mortgage, including legal fees and disbursements on a solicitor–client basis. These amounts form part of the Outstanding Amount and bear interest at the Interest Rate from the date incurred until paid.

15.3 Severability

If any provision of the Charge/Mortgage is found to be invalid, illegal, or unenforceable, the remaining provisions will remain in full force and effect.

15.4 Further Assurances

You agree to sign and deliver to us any further documents or instruments, and to do all acts and things that we may reasonably require to better secure the Outstanding Amount or give full effect to the Charge/Mortgage.

15.5 Conflict with Other Agreements

If there is any conflict between the terms of the Charge/Mortgage (including these Standard Mortgage Terms) and the terms of any other agreement between you and us relating to the Outstanding Amount, we shall have the right to determine which terms will govern.

15.6 Time of the Essence

Time is of the essence in the performance of all of your obligations under the Charge/Mortgage.

15.7 Successors and Assigns

The Charge/Mortgage is binding on you, your heirs, executors, administrators, successors, and permitted assigns, and is for the benefit of us and our successors and assigns.

15.8 Headings for Reference Only

The division of the Charge/Mortgage into sections and the use of headings are for convenience of reference only and do not affect the interpretation of the Charge/Mortgage.

15.9 Notices

Any notice, demand, or other communication under the Charge/Mortgage must be in writing and will be deemed to have been given if delivered personally, sent by prepaid registered mail, or sent by any electronic method of communication agreed to by us. Notice by mail will be deemed received on the fifth business day after mailing, provided there is no interruption of postal service. Notice delivered personally or by electronic method will be deemed received on the date delivered or transmitted. You must promptly notify us in writing of any change to your mailing or electronic address.

15.10 Interpretation

For purposes of interpreting the Charge/Mortgage:

- Words in the singular include the plural, and words in the plural include the singular.
- Words importing gender include all genders.
- The words “person” or “party” include an individual, corporation, partnership, trust, and any other legal entity.
- Headings are for reference only and do not affect the meaning or interpretation of the provisions.
- References to statutes include all amendments, consolidations, or re-enactments, and all regulations thereunder.
- If any provision of the Charge/Mortgage is found to be invalid or unenforceable, the remainder will continue in full force and effect.

Dated the _________ day of ___________________, _______

SHINHAN BANK CANADA

____
Name:
Title:

____
Name:
Title: