I certify that the within instrument was registered (filed) in the Land Titles Office for the Nunavut Registration District on the 14th day of May, 2013 at 15:17 hours under daybook No. 132,108

Karen Haverstock

D/Registrar of Land Titles

LAURENTIAN BANK OF CANADA

STANDARD MORTGAGE TERMS

LAND TITLES ACT NUNAVUT

1. **STATUTORY REFERENCES**

UNLESS expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, territorial or municipal statute, regulation, by-law, order, directive or other governmental enactment shall be deemed to be and construed as a reference to the same as amended from time to time.

2. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the *Land Titles Act (Nunavut)*, and distinguished by a number therein, this Mortgage shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number.

3. **DEFINED TERMS**

UNLESS OTHERWISE expressly defined or otherwise required by the context, the following words and phrases shall have the following meanings when used in this Mortgage:

(a) "Costs" includes all costs and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee; or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of the Mortgagee under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and client basis;

(b) "Commitment" means each and every letter of commitment, loan approval, term sheet or other similar agreement establishing or pertaining to the loan secured by this (Mortgage or pursuant to which this Mortgage has been given, and all amendments thereto and renewals or replacements thereof from time;

(c) "Condominium Corporation" means each corporation created pursuant to the *Condominium Act (Nunavut)* and pertaining to all or any part of the Lands which are governed by the said Act;

(d) "Covenantor" means any party to this Mortgage expressly defined as such and any and all persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;

(e) "Hazardous Substance" means any hazardous waste or substance, pollutant, contaminant, waste or other substance, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,

   (i) any such substance as defined or designated under any applicable laws and regulations for the protection of the environment or any living thing;

   (ii) asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and,

(iii) radioactive and toxic substances;

(f) "Lands" means the lands, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

(g) "Mortgage" means the Mortgage of Land to which these Standard Mortgage Terms are attached as a schedule, and all schedules attached to such Mortgage of Land, and all amendments thereto and replacements thereof from time to time;

(h) "Mortgagee" means all persons in whose favour this Mortgage is given and who is or are named in this Mortgage as Mortgagee;

(i) "Mortgagor" means all persons who have given this Mortgage and who have executed the same as Mortgagor;

(j) "Receiver" means any receiver, receiver and manager, receiver- manager or trustee of the Lands as may be appointed from time to time by the Mortgagee pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;

(k) "Taxes" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any governmental authority having jurisdiction.

4. GRANT OF MORTGAGE

IN CONSIDERATION of the sum of One Dollar ($1.00) of lawful money of Canada now paid by the Mortgagee to the Mortgagor and other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged), the Mortgagor hereby mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Land as security for the payment to the Mortgagee of all funds due and owing to the Mortgagee pursuant to this Mortgage and the performance or fulfilment of all liabilities and obligations secured by this mortgage upon the terms set out in this mortgage.

5. PROVISO FOR REDEMPTION

PROVIDED this Mortgage to be void upon payment of the principal sum hereby secured, in lawful money of Canada, with interest as herein provided and taxes and performance of all covenants and agreements contained in this Mortgage or otherwise required by applicable laws.

6. ADVANCE OF FUNDS

THE MORTGAGOR agrees that neither the preparation, execution nor registration of this Mortgage shall bind the Mortgagee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and in default the remedies herein shall be exercisable.

7. MORTGAGOR'S COVENANTS

THE MORTGAGOR covenants with the Mortgagee that the Mortgagor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all Taxes and when required by the Mortgagee, shall transmit the receipts therefor to the Mortgagee;

THE MORTGAGOR further covenants with the Mortgagee that the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all costs incurred by the Mortgagee, including legal costs on a solicitor and his own client basis, with respect to the Mortgage or the enforcement thereof or incurred by the Mortgagee arising out, of or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

AND THAT THE MORTGAGOR has good title to the Lands and has good right, full power and lawful and absolute authority to charge the Lands and to give this Mortgage to the Mortgagee upon the covenants contained in this Mortgage;

AND THAT THE MORTGAGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all encumbrances except as may be permitted by the Mortgagee;

AND THAT THE MORTGAGOR will execute such further assurances of the Lands as may be requisite;

8. COMPLIANCE WITH LAWS AND REGULATIONS

THE MORTGAGOR shall, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

9. CHANGE OF USE

THE MORTGAGOR will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

10. REPAIR

THE MORTGAGOR will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste on the Lands (as to which the Mortgagee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Mortgagee may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

11. ALTERATIONS OR ADDITIONS

THE MORTGAGOR will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

12. **LANDS INCLUDE ALL ADDITIONS**

THE LANDS shall include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to theLands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators,stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

13. **INSPECTION**

THE MORTGAGEE shall have access to and the right to inspect the Lads at all reasonable times.

14. **TAXES**

WITH respect to Taxes, the Mortgagor covenants and agrees with the Mortgagee that:

(a) The Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year.

(b) The Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor shall forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any covenant or agreement contained in this Mortgage, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor shall pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there shall be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal and interest in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose.

(c) In the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor shall pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee shall be secured as an additional principal sum under this Mortgage and shall bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor.

(d) The Mortgagor shall transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof.

(e) The Mortgagor shall pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes.

(f) In no event shall the Mortgagee be liable for any interest on any amount, paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option the Mortgagee may repay such amount to the Mortgagor without any interest.

(g) The Mortgagor shall in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time shall such penalties be the responsibility of the Mortgagee.

(h) In the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor shall deliver to the Mortgagee on or before December 31st in each calendar year, written evidence from all taxing authorities having jurisdiction to the effect that all Taxes for the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee shall be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. **UTILITIES**

THE MORTGAGOR covenants that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Lands shall constitute a default by the Mortgagor within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of the Mortgage shall, at the sole option of the Mortgagee forthwith become due and payable.

16. **INSURANCE**

AND THAT the Mortgagor will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the standard mortgage clause forming part of such insurance policy. The Mortgagor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Mortgagee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Mortgagee. All such policies shall provide for loss payable to the Mortgagee and contain such additional clauses and provisions as the Mortgagee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Mortgagee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Mortgagee may provide therefor and charge the premium paid therefor and Interest thereon at the aforesaid rate to the Mortgagor and any amounts so paid by the Mortgagee shall be payable forthwith to the Mortgagee and shall also be a charge upon the Lands and secured by this Mortgage. It is further agreed that the Mortgagee may at any time require any Insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Mortgagee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Mortgagor (together with any costs of the Mortgagee as herein set out), and shall be a charge upon the Lands and secured by this Mortgage.

IN THE EVENT that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee shall be entitled to a servicing fee for each written inquiry which the Mortgagee shall make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforenoted servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage, the Mortgagor shall forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event.

THE MORTGAGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee shall not be bound to accept the said monies in payment of any principal not yet due.

17. <u>REMITTANCE AND APPLICATION OF PAYMENTS</u>

ALL payments of principal, interest and other monies payable hereunder to the Mortgagee shall be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee shall designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor shall assume and be responsible for all risk of loss or delay.

NOTWITHSTANDING anything herein to the contrary, in the event of any default under this Mortgage, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance premiums, repairs, costs and any other advances or payments made by the Mortgagee hereunder.

18. <u>RECEIPT OF PAYMENT</u>

ANY payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Mortgagee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. <u>NO DEEMED RE-INVESTMENT</u>

(Does not apply to blended payment mortgages)

THE PARTIES hereto agree that the Mortgagee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

20. <u>PRE-AUTHORIZED CHEQUING PLAN</u>

PROVIDED that, if and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Mortgagee. The Mortgagee shall not be obligated to accept any payment except payment made by pre-authorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Mortgage and the Mortgagee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. **POSTDATED CHEQUES**

THE MORTGAGOR shall, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of moneys hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated cheques as herein provided, this Mortgage shall be deemed in default and the Mortgagee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purposes of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques shall be without prejudice to the Mortgagee's rights hereunder to declare the Mortgageto be in default in the event that such postdated chequesare not delivered within the required time.

22. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Mortgagor's cheques are not honored when presented for payment to the drawee, the Mortgagor shall pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee shall be entitled. to a further servicing fee for each written request therefor which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. **FINANCIAL AND OPERATING STATEMENTS**

THE MORTGAGOR covenants that, within ninety (90) days after the end of each fiscal year of operation of the Lands or of the relevant party, as the case may be, or within such other period of time as may be specified by the Commitment or required by the Mortgagee acting reasonably, the Mortgagor shall deliver or cause to be delivered to the Mortgagee the following:

(a) an annual operating statement in respect of the Lands setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee for the immediately preceding fiscal period;

(b) with respect to each Mortgagor and Covenantor which is a corporation, the annual financial statements of each such corporation including, without limitation, the balance sheet of the corporation as at its immediately preceding completed fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the said fiscal year end with comparative figures for prior fiscal years, any supporting schedules and notes thereto and such other information and explanations as may be required by the Mortgagee; and

(c) with respect to each Mortgagor and Covenantor who is an individual, an annual updated net worth statement of each such individual in such form and including such content and other information and explanations as may be required by the Mortgagee.

All such operating and financial statements shall be prepared at the expense of the Mortgagor and in accordance with generally accepted accounting principles applied on a consistent basis by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and shall be submitted in audited form if so required by the Mortgagee at its option, and the completeness and correctness of such statements shall be supported by an affidavit of an authorized officer of the Mortgagor or Covenantor, as the case may be.

24. **ESTOPPEL ACKNOWLEDGEMENTS**

PROVIDED THAT if and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and conditions of this Mortgage, the Mortgagor shall execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor shall do so forthwith upon request and without cost to the Mortgagee and shall return such acknowledgement duly executed within forty-eight (48) hours of such request.

25. **STATEMENT OF ACCOUNT**

THE MORTGAGOR shall be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee shall be entitled to a servicing fee for each such statement.

26. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under him, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for the payment of the monies hereby secured, and this Mortgage may be renewed by an agreement in writing at maturity for any term with or without an. increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Mortgagor.

PROVIDED further that the terms of this Mortgage may be amended or extended from time to time by mutual agreement between the Mortgagor and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of his interest in the Lands hereby secured, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Mortgage or any amendment or extension thereof notwithstanding the giving of time for the payment of the Mortgage or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Mortgagee to the Mortgagor.

THE MORTGAGOR covenants and agrees with the Mortgagee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Mortgagor and the Mortgagee.

27. **CONSTRUCTION LIENS**

THE MORTGAGEE may at its option, withhold from any advances for which the Mortgagor may have qualified, such amounts as the Mortgagee, in its sole discretion, considers advisable under the provisions of any construction lien legislation so as to secure its priority over all liens, until the Mortgagee is fully satisfied that all lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this Mortgage shall be construed to make the Mortgagee an "owner" or "payer" as those terms may be defined under any construction lien legislation nor shall there be, or be deemed to be, any obligation by the Mortgagee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the "owner" or "payer" pursuant to the construction lien legislation shall remain solely the Mortgagor's obligation. The Mortgagor hereby covenants and agrees to comply in all respects with the provisions of all construction lien legislation.

28. **EXPROPRIATION**

IF the Lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Mortgagee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of

(a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and

(b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation shall be paid to the Mortgagee at its option in priority to the claims of any other party.

29. **LETTERS OF CREDIT**

THE PARTIES to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage shall stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "Letters of Credit") issued by or on behalf of the Mortgagee in favour of the Mortgagor or any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit shall be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all outstanding obligations of the Mortgagee pursuant to Letters of Credit from time to time outstanding the Mortgagee shall be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all outstanding obligations of the Mortgagee pursuant to Letters of Credit from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee shall be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Mortgagee is hereby irrevocably authorized and directed o utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

30. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of further encumbrance or a sale, conveyance or transfer of the Lands or any portion thereof, or a change in control of the Mortgagor or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands, all sums secured hereunder shall, at the Mortgagee's option, become due and payable forthwith unless the written consent of the Mortgagee has been first obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any person claiming through or under him and the rights of the Mortgagee hereunder shall continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the monies hereby secured.

31. **HAZARDOUS SUBSTANCES**

THE MORTGAGOR and each Covenantor jointly and severally represent, warrant, covenant and agree that:

(a) each has not and, to the best of their respective knowledge, information and belief after making due inquiry, no other person has caused or permitted any Hazardous Substance to be placed, stored, located or disposed of on, under or at the Lands;

(b) they and their tenants, invitees and other occupiers of the Lands have and will at all times and, to the best of their respective knowledge, information and belief after making due inquiry, all prior owners and occupiers of the Lands have at all times carried out all business and other activities upon the Lands in compliance with all applicable laws intended to protect the environment including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Substance;

(c) no order, direction, enforcement action or other governmental or regulatory action or notice, nor any action, suit or proceeding relating to any Hazardous Substance or the environment has been issued or is otherwise threatened or pending with respect to the Lands;

(d) each of the representations and warranties set out herein shall remain true and accurate in all respects up to and including the date of the first advance of funds hereunder and thereafter until all amounts secured hereunder are paid in full; and

(e) the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out herein were not true and accurate when made or at any time thereafter.

THE MORTGAGOR shall permit the Mortgagee to conduct, at the Mortgagor's expense, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure compliance with the provisions of this paragraph including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands or the businesses and other activities conducted thereon at any time and from time to time.

THE MORTGAGOR and each Covenantor jointly and severally agree to indemnify and save harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, costs and expenses of any and every nature and kind whatsoever which at any time or from time to time may be paid or incurred by or asserted against any of them as a direct or indirect result of:

(a) a breach of any of the representations, warranties or covenants hereinbefore set out;

(b) the presence of any Hazardous Substance in, on or under the Lands; or

(c) the discharge, emission, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland;

and the provisions of all representations, warranties, covenants and indemnifications set out herein shall survive the release and discharge of this Mortgage and any other security held by the Mortgagee and repayment and satisfaction of the loan secured by this Mortgage.

32. **<u>EVENTS OF DEFAULT</u>**

WITHOUT limiting any of the provisions of this Mortgage, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Mortgagee's option, immediately become due and payable upon written notice to the Mortgagor:

(a) Failure by the Mortgagor or any Covenantor to pay any instalment of principal, interest and/or taxes under this Mortgage or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;

(b) Failure by the Mortgagor or any Covenantor to strictly and fully observe or perform any condition, agreement, covenant or term set out in the application or

Commitment for the loan secured by this Mortgage, the provisions of this Mortgage, or any other document giving contractual relationship as between them or any of them or if it is found at any time that any representation to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto is incorrect or misleading;

(c) Default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;

(d) Upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;

(e) In the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;

(f) in the event that the Lands are abandoned or there is any cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;

(g) If the Mortgagor or any Covenantor commits an act of bankruptcy or becomes insolvent or has a receiver or receiver and manager appointed for it or over any of its assets or if any creditor takes possession of any of its assets or if any execution, distress or other like process is levied or enforced upon the Lands or any part thereof or if any compromise or arrangement with creditors is made by any of them;

(h) Default by the Mortgagor, its successors or assigns, or any of the Covenantors in the observance or performance of any representation, warranty, covenant, proviso, agreement or condition contained in any charge or encumbrance or document securing, evidencing or relating to any indebtedness owing by the Mortgagor, its successors or assigns, to the Mortgagee from time to time whether or not related to or affecting the within Loan and the lands or any other loan and property given as security therefor.

33. **DEFAULT**

PROVIDED that the Mortgagee may to the extent permitted by applicable laws, on default of payment or in the performance of any covenant in this Mortgage contained or implied by law or statute, enter on and lease the Lands or sell the Lands. Notice shall be given to such persons and in such manner and form and within such time as provided under applicable laws, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the Lands, if occupied, or by placing it on the Lands if unoccupied, or at the option of the Mortgagee, by mailing it in a registered letter addressed to the Mortgagor at his last known address, or by publishing it once in a newspaper published in the county or district in which the Lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Mortgagor on the death of the Mortgagor, such notice may, at the option of the Mortgagee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Mortgagee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Mortgagee may exercise the powers given under the preceding proviso with or without entry on the Lands without any notice, it being understood and agreed, however, that if the giving of notice by the Mortgagee shall be required by law then notice shall be given to such persons and in such manner and form and within such tine as so required by law. AND that the Mortgagee may sell the whole or any part or parts of the Lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Lands or by reason of non-payment or procuring payments of monies secured hereby or otherwise; and that the Mortgagee may sell any of the Lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the Lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Mortgagee shall be bound to pay the Mortgagor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Mortgagee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall Invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or Irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only

AND it is hereby agreed between the parties hereto that the Mortgagee may pay all premiums of Insurance and all Taxes which shall from time to time fall due and be unpaid in respect of the Lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the Lands, and of negotiating this loan, investigating title, and registering this Mortgage and other necessary deeds, and generally, in any other proceedings taken in connection with or to realize this security, (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the Lands or in exercising the power of entering, leasing and selling herein contained) shall be with interest at the rate aforesaid and shall be a charge upon the Lands in favour of the Mortgagee and that the Mortgagee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the Lands, and that any amount paid by the Mortgagee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Mortgage shall immediately become due and payable at the option of the Mortgagee, and all powers in this Mortgage conferred shall become exercisable. In the event of the Mortgagee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Mortgage or otherwise, the Mortgagee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Mortgagee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Mortgagee, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Mortgage relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Mortgage shall remain unchanged.

PROVIDED that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands.

PROVIDED that the Mortgagee may distrain for arrears of interest and that the Mortgagee may distrain for arrears of principal and arrears of Taxes in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the Interest hereby secured the principal hereby secured shall become payable at the option of the Mortgagee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Mortgagee.

PROVIDED that, upon default under this Mortgage, the Mortgagee shall be entitled and shall have full power to assume control of, manage, operate and carry on the business of the Mortgagor being conducted at or upon the Lands on the date of this Mortgage or at any time thereafter.

PROVIDED that until default hereunder the Mortgagor shall have quiet possession of the Lands.

AND that on default the Mortgagee shall have quiet possession of the Lands.

PROVIDED that the Mortgagee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Mortgagee unless made in writing

AND it is further agreed by and between the parties that the Mortgagee may at its discretion at any time, release any part or parts of the Lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Lands or any person from this Mortgage or from any of the covenants herein contained, it being especially agreed that every part or lot into which the Lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Mortgagee shall not be accountable to the Mortgagor for the value thereof, or for any monies except those actually received by the Mortgagee. No sale or other dealing by the Mortgagor with the equity of redemption in the Lands or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Mortgagee may exercise all remedies provided for in this Mortgage concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Mortgage.

AND without limiting any other provision of this Mortgage, the Mortgagor acknowledges and agrees that, upon the occurrence of any default under this Mortgage and whether or not the monies hereby secured have been fully advanced, the Mortgagee may, at any time and from time to time as the Mortgagee shall determine at its sole option and discretion, advance such further sums under this Mortgage as are necessary to pay any arrears of Taxes, utilities or other charges capable of constituting a lien upon the Lands pari passu with or in priority to this Mortgage, to pay all amounts due under any encumbrance having priority over this Mortgage, to pay all amounts required to discharge or vacate any construction lien registered against the Lands whether or not priority is claimed over this Mortgage, to maintain in good standing any policies of insurance in respect of the Lands, to maintain, repair, operate and/or manage the Lands and any or all improvements- thereon, to complete construction or. renovation of any improvements on the Lands, to realize upon any security held by the Mortgagee for the loan secured by this Mortgage and generally to enforce all of the Mortgagee's rights, title and interest hereunder and to protect the Lands and to preserve the enforceability and priority of this Mortgage, and to pay any and all Costs; and all amounts advanced by the Mortgagee for any of the purposes as aforesaid shall bear interest at the rate applicable under this Mortgage from the date so advanced until repaid in full and shall be secured by this Mortgage in the same priority as the principal amount hereof.

34. RIGHT OF MORTGAGE TO REPAIR

THE MORTGAGOR covenants and agrees with the Mortgagee that in the event of default in the payment of any instalment or other monies payable hereunder by the Mortgagor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Mortgagee may, at such time or times as the Mortgagee may deem necessary and without the concurrence of any person, enter upon the Lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Lands or for inspecting, taking care of, leasing, collecting the rents of and generally managing the Lands, as the Mortgagee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to, allowances for the time and services of any employee of the Mortgagee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Mortgagee by the Mortgagor and shall be a charge upon the Lands and shall bear interest at the aforesaid rate until paid.

35. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Mortgage, the Mortgagee may at such time and from time to time and with or without entering into possess on of the Lands appoint in writing a Receiver of the Lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, or by the operation of any applicable laws, as the Mortgagee may at its sole option require. Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Lands or any part thereof and the Mortgagor hereby consents to a court order for the appointment of such Receiver, if the Mortgagee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Mortgagee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Lands and/or to complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Mortgagor, and if required by the Mortgagee, in priority to any existing encumbrances affecting the Lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

(a) A Statutory Declaration made by the Mortgagee or by any authorized representative of the Mortgagee as to default under the provisions of this Mortgage shall be conclusive evidence thereof;

(b) Every such Receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all rents falling due in respect to the Lands, or any part thereof, whether in respect of any tenancies created in priority to this Mortgage or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;

(c) The Mortgagee may from time to time fix the remuneration of every such Receiver which shall be a charge on the Lands, and may be paid out of the income therefrom or the proceeds of sale thereof;

(d) The appointment of every such Receiver by the Mortgagee shall not incur or create any liability on the part of the Mortgagee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Mortgagee a chargee in possession in respect of the Lands or any part thereof;

(e) The Receiver shall have the power to rent any portion of the Lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the Lands or any part thereof in the name and on behalf of the Mortgagor and the Mortgagor undertakes to ratify and confirm, and herebyratifies and confirms whatever acts such Receiver may do on the Lands;

(f) In all instances, the Receiver shall be acting as the attorney or agent of the Mortgagor;

(g) Every such Receiver shall have full power to complete any unfinished construction upon the Lands;

(h) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the Lands or any part thereof in the name of the Mortgagor for the purposes of securing the payment of rental from the Lands or any part thereof;

(i) The Receiver shall have full power to assume control of, manage, operate and carry on the business of the Mortgagor being conducted at or upon the Lands on the date of this Mortgage or at any time thereafter;

(j) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Mortgagee's Interest in the Lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges, mortgages and other encumbrances which may be registered against the Lands from time to time, whether or not any of the same are prior to the interest of the Mortgagee in the Lands; sale of the Lands; borrowing money on the security of the Lands; applying for and executing all documents in any way related to any re-zoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the Lands, including grants of lands or easements or rights of way necessary or Incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the Lands as a condominium; completing any application for first registration pursuant to the provisions of the Land Titles Act (Nunavut) or pursuant to the Certification of Titles Act (Nunavut); and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the Lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the Lands, as fully and effectually to all Intents and purposes as it itself could do if personally present and acting therein;

(k) Such Receiver shall not be liable to the Mortgagor to account for monies or damages other than cash received by it in respect of the Lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

    (i) its remuneration;

    (ii) all payments made or incurred by it in the exercise of its powers hereunder;

    (iii) any payment of interest, principal and other money which may from time to time be or become charged upon the Lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect of the Lands or any part thereof.

36. <u>ENFORCEMENT OF ADDITIONAL SECURITY</u>

IN THE EVENT that, in addition to the Lands charged hereby, the Mortgagee holds further security on account of the monies secured hereby, it is agreed that no single or partial exercise of any of the Mortgagee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Mortgagee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Mortgagee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Mortgagor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Mortgagee with respect to any and all such security shall be at an end

37. TAKING OF JUDGMENT NOT OF MERGER

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

38. BANKRUPTCY AND INSOLVENCY ACT

THE MORTGAGOR hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any person or persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights of the Mortgagee may with respect thereto shall not constitute the charge or any such person, a receiver within the meaning of subsection 24 (2) of the *Bankruptcy and Insolvency Act (Canada)*, and that any and all requirements of Part XI of the said Act as it may pertain to obligations of receivers shall not be applicable to the Mortgagee with respect to the transaction pursuant to whichthis Mortgage has been given or to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action shall lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non- compliance with any obligations of a receiver pursuant to the provisions of the Bankruptcy and Insolvency Act (Canada) whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.

AND THE MORTGAGOR further acknowledges and agrees that any and all Costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the Bankruptcy and Insolvency Act (Canada) shall be entirely for the account of the Mortgagor. The Mortgagee shall be entitled to incur any such Costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder

39. PERMISSIBLE INTEREST RATE

IT IS NOT the Intention of this Mortgage to violate any provisions of the Canada interest Act, the Criminal Code or any other statute dealing with permitted rates of Interest in the Province of Nunavut or in Canada. Notwithstanding any provisions set out herein, in no event shall the "interest" (as that term is defined in the Criminal Code as amended, replaced or re-enacted from time to time) exceed the "criminal rate" (as defined therein) of interest on the "Credit Advanced" (as defined therein) lawfully permitted under the said legislation, and in the event that it is determined at any time, that by virtue of this Mortgage or any other document given as security for the herein contemplated loan, the payments of interest required to be made by the Mortgagor exceed the "criminal rate" then the Mortgagor shall only be required to pay interest at the highest rate permitted by law. Nothing herein shall invalidate any requirements for payment pursuant to this agreement or the charge, and any excess interest paid to the Mortgagee shall be refunded to the Mortgagor and the provisions of this Mortgage shall in all respects be deemed to be amended accordingly.

40. NON-MERGER

NOTWITHSTANDING the registration of this Mortgage and the advance of funds pursuant hereto, the terms and conditions of the Commitment shall remain binding and effective on the parties hereto, and shall not merge in this Mortgage nor in any document executed and delivered to the Mortgagee in connection with the transaction contemplated by the Commitment, and the terms of the Commitment are incorporated herein by reference.

41. **NOTICES**

ALL NOTICES or other communications to be given pursuant to or in connection with this Mortgage shall be in writing, signed by the party giving such notice or by its solicitors, and shall be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

42. **PRIORITY OVER VENDOR'S LIEN**

THE MORTGAGOR hereby acknowledges that this charge is intended to be prior to the vendor's lien, whether in favour of the Mortgagor or otherwise, and the Mortgagor covenants that he has done no act to give priority over this Mortgage to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Mortgagor covenants to do all acts and execute or cause to be executed all documents required to give this Mortgage priority over any vendor's lien and to give effect to the intent of this clause.

43. **CONSENT OF MORTGAGEE**

WHEREVER the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee shall not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Mortgagor.

44. **FAMILY LAW ACT (NUNAVUT)**

THE CHARGOR agrees that all information they have provided to the Chargee concerning the Chargors' marital status and whether the property home within the meaning of the *Family Law Act (Nunavut)*, as amended or replaced from time to time, to be true, complete and correct at the time the mortgage is signed and delivered.

45. **INDEPENDENT LEGAL ADVICE**

THE MORTGAGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Mortgagee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

46. **DISCHARGE**

THE MORTGAGEE shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Mortgagee and the Mortgagee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

IF THIS Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor shall not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or such other document.

47. **SERVICING FEES**

ALL servicing fees as herein provided are intended to and shall be in an amount sufficient, in the sole opinion of the Mortgagee, to compensate the Mortgagee for the Mortgagee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Mortgagee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

48. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Mortgage, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors In office, successors and assigns, as the case may be, of each and every of the parties hereto, and where any of the Mortgagor, the Mortgagee and any Covenantor is more than one person, their respective covenants shall be deemed to be joint and several, and the provisions of this Mortgage shall be read and construed with all changes of gender and number as required by the context.

49. **HEADINGS**

THE headings with respect to the various paragraphs of this Mortgage are intended to be for identification of the various provisions of this Mortgage only and the wording of such headings is not intended to have any legal effect.

50. **INVALIDITY**

IF ANY of the covenants or conditions in this Mortgage inclusive of all schedules forming a peat hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

51. **COUNTERPARTS**

THIS MORTGAGE may be executed and/or registered in counterparts, each of which, so executed, and/or registered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution shall be deemed to bear date as of the date above written.

52. **CONSTRUCTION LOAN PROVISIONS**

IN THE EVENT that any of the monies advanced or to be advanced under this Mortgage are intended to finance any improvements to the Lands, the parties hereto covenant and agree that the following conditions shall apply:

(a) All construction on the Lands shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Mortgagee in writing, such approval not to be unreasonablywithheld;

(b) The renovations to the building and structures located on the Lands having been commenced shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Mortgagee and to the satisfaction of all governmental and regulatory authorities having jurisdiction;

(c) Provided that should construction on the project on the Lands cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Mortgagor excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Mortgagee, this Mortgage shall immediately become due and payable. In the event that construction does cease, then the Mortgagee shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Mortgagee and all expenses incidental thereto shall be added to the principal amount of this Mortgage, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Mortgagee. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Mortgage shall bear Interest at the rate as herein provided for and shall form part of the principal sum herein and the Mortgagee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law;

(d) At all times there shall be sufficient funds unadvanced under this Mortgage and retained by the Mortgagee to complete the construction and/or renovation of the project on the Lands and as may be necessary to retain the Mortgagee's priority with respect to any deficiency in the holdbacks required to be retained by the Mortgagor under the *Mechanics Lien Act (Nunavut)*;

(e) This Mortgage will be advanced in stages as construction upon the Lands proceeds or as the conditions as enumerated by the Commitment are complied with;

(f) All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Mortgagee with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Mortgagor regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental;

(g) The Mortgagor shall pay to the Mortgagee on each occasion when an inspection of the Lands is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Mortgagee may charge from time to time for each such inspection and the Mortgagee's solicitors shall be paid their reasonable fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Mortgagee shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law;

(h) The Mortgagor covenants and agrees upon completion of the project to be erected on the Lands to deliver as further security for the loan herein secured, a Chattel Mortgage or Security Agreement covering the goods, equipment and chattels to be Installed in the said building, said Chattel Mortgage or Security Agreement to be in a form approved by the solicitor for the Mortgagee.

53. **CONDOMINIUM PROVISIONS**

IN THE EVENT THAT if all or any part of the Lands is or becomes a condominium unit pursuant to the provisions of the *Condominium Act (Nunavut)*, the following covenants and provisions shall apply in addition to all other covenants and provisions set forth in this Mortgage:

(a) For the purposes of all parts of the Lands comprising one or more such condominium units, all references in this Mortgage to the Lands shall Include the Mortgagor's appurtenant undivided Interest in the common elements and other assets of the Condominium Corporation;

(b) The Mortgagor shall at all times comply with the *Condominium Act (Nunavut)* and shall forward to the Mortgagee proof of such compliance as the Mortgagee may request from time to time including, without limitation, estoppel certificates Issued by the Condominium Corporation;' and if the Mortgagor fails to so comply in any respect, the Mortgagee may do so at its option and all costs and expenses incurred by the Mortgagee in connection therewith shall be secured by this Mortgage and payable by the Mortgagor to the Mortgagee forthwith upon demand, together with interest thereon as herein provided;

(c) The Mortgagor shall pay, when due, all monies payable by the Mortgagor or with respect to the Lands in accordance with the provisions of the *Condominium Act (Nunavut)* and the declaration, by-laws and rules of the Condominium Corporation, including all required contributions to common expenses and any special levies, charges and assessments, and shall provide proof of such payment to the Mortgagee upon request; and if the Mortgagor fails to make any such payment, the Mortgagee may do so at its option and all amounts so paid by the Mortgagee shall be secured by this Mortgage and shall be payable by the Mortgagor to the Mortgagee forthwith upon demand, together with interest thereon as herein provided;

(d) The Mortgagor hereby irrevocably appoints, authorizes and empowers the Mortgagee to exercise the rights of the Mortgagor to vote or to consent as an owner within the meaning of the *Condominium Act (Nunavut)* with respect to all matters relating to the affairs of the Condominium Corporation, or to abstain from doing so, provided that:

   (i) the Mortgagee may at any time and from time to time give notice in writing to the Mortgagor and to the Condominium Corporation that the Mortgagee does not Intend to exercise such right to vote or to consent, in which case the Mortgagor may exercise its right to vote or to consent for so long as such notice remains effective or until such notice is revoked by the Mortgagee; and any such notice may be for an indeterminate period of time, a limited period of time or for a specific meeting or matter;

   (ii) the Mortgagee shall not be under any obligation to vote or to consent or to protect the Interests of the Mortgagor; and

   (iii) the exercise by the Mortgagee of its right to vote or to consent or to abstain from doing so shall not constitute the Mortgagee as a mortgagee or chargee in possession and shall not give rise to any liability on the part of the Mortgagee;

(e) The Mortgagor shall forward to the Mortgagee by delivery or by prepaid registered mail copies of every notice, assessment, claim, demand, by-law, rule, request for consent and other communication relating to all or any part of the Lands or the common elements or affairs of the Condominium Corporation on or before the date which is the earlier of:

   (i) fourteen (14) days after receipt of the same by the Mortgagor;

   (ii) seven (7) days prior to the date set for any meeting of the Condominium Corporation or any committee thereof;

   (iii) seven (7) days prior to the due date of any claim or demand for payment; and

   (iv) within twenty-four (24) hours after becoming aware of any information concerning termination of any insurance policy, insurance trust agreement or management agreement relating to the Condominium Corporation or any of its assets;

(f) The Mortgagor hereby authorizes and directs the Condominium Corporation to permit the Mortgagee to inspect the records of the Condominium Corporation at any reasonable time;

(g) In addition to and notwithstanding any other provisions of this Mortgage, the outstanding principal amount and all accrued interest and other charges secured by this Mortgage shall, at the Mortgagee's option, become immediately due and payable without notice or demand if any of the following events or circumstances shall occur and be continuing:

(i) the government of the Condominium Corporation or the government of the Lands by the Condominium Corporation is terminated;

(ii) a vote of the Condominium Corporation authorizes the sale of all or substantially all of its property or assets or all or any part of its common elements or all or any part of the Lands, or any part of the same Is expropriated;

(iii) the Condominium Corporation falls to comply with any provision of the *Condominium Act (Nunavut)* or its declaration or any of its by-laws and rules;

(iv) the Condominium Corporation fails to insure its assets, including the Lands, in accordance with the *Condominium Act (Nunavut)* and the declaration and by-laws of the Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same.