

**MORTGAGE**

**(Sample: Stepped Interest, Single Lender)**

PROPERTY OWNER of 123 MAIN STREET, CALGARY, AB, T2T 0T2

(the "Mortgagor"), being the registered owners of an estate in fee simple in possession of all and singular those parcels of land situate in the Province of Alberta and being described as:

PLAN 1234AB

BLOCK 1

LOT 99

EXCEPTING THEREOUT ALL MINES AND MINERALS

(sometimes referred to as the "Lands" or the "Mortgaged Premises"), in consideration of the receipt of \$80,630.00 ("Principal Sum") from OLYMPIA TRUST COMPANY (in trust for RRSP #12345) (the "Mortgagee") of 2300, 125 - 9 Avenue SE, Calgary, AB, T2G 0P6, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, covenants and agrees with the Mortgagee:

1. The Mortgagor will pay to the Mortgagee in Canadian Dollars, at 2300, 125 - 9 Avenue SE, Calgary, AB, T2G 0P6, the Principal Sum \$80,630.00) in trust for RRSP #12345), plus interest calculated in the following manner:
  - (a) Interest on the Principal Sum, calculated thereon at the rate of 3.00% per annum from June 1, 2009 until May 31st, 2010, with an annual payment of \$2,418.90 on June 1, 2010; and
  - (b) Interest on the Principal Sum, calculated thereon at the rate of 12.00% per annum from June 1, 2010 until May 31st, 2011, with an annual payment of \$9,675.60 on June 1, 2011; and
  - (c) Interest on the Principal Sum, calculated thereon at the rate of 21.00% per annum from June 1, 2011 until May 31st, 2012, with an annual payment of \$16,932.30 on June 1, 2012; and
  - (b) on June 1, 2012 repayment of the Principal Sum all accrued interest on the Principal Sum;

in such case the Principal Sum is repaid prior to June 1, 2012, then the effective rate of interest to be calculated and paid shall be 12.00% per annum from June 1, 2009 until the date on which the Principal Sum is repaid, less any interest payments already then made;

with payments to be applied firstly in reduction of all costs, expenses, or charges, insurance premiums, or taxes, which the Mortgagor has failed to pay, and secondly in payment of any interest due herein, and lastly in payment of the Principal Sum; and

2. The Mortgagor agrees to pay interest from the June 1, 2009 on the Principal Sum outstanding in the manner aforesaid calculated annually and payable annually; all interest in arrears to become principal, and to bear interest at the rate stated above, payable at the times, in the manner, and at the place provided for, from the date the same becomes due and payable, such interest to be payable on the Principal Sum, and any interest in arrears, both before and after default and/or judgment.

When not in default hereunder, the Mortgagor shall have the right to pay all or part of Principal Sum remaining at any time.

3. The Mortgagor will pay when due all taxes and rates now or later levied or charged against the Lands and will on demand by the Mortgagee furnish tax receipts or certificates or other evidence satisfactory to the Mortgagee that the taxes and rates have been paid and in default of it the Mortgagee may but is not obligated to pay the same. At the option of the Mortgagee, the Mortgagor on demand will pay to the Mortgagee in equal monthly instalments, sums sufficient to enable the Mortgagee to pay taxes when due.
4. The Mortgagor will insure the buildings and improvements on the Lands to the extent of their full insurable value against loss or damage by fire and any additional risks or perils as the Mortgagee may require, including damage by heating, pressure vessel, sprinkler, ventilating or air-conditioning systems. In the case of commercial properties, the Mortgagor (if requested) will also insure against loss of rental income in an amount satisfactory to the Mortgagee. Every policy of insurance shall be effected in terms and with insurers approved by the Mortgagee; the loss under each policy shall be made payable to the Mortgagee as their interest may appear pursuant to a mortgage clause satisfactory to the Mortgagee and each policy shall be delivered to and held by the Mortgagee.
5. The Mortgagor will pay all premiums when due and will not do or suffer anything whereby the policies may be rendered void or voidable. Evidence of the renewal of insurance shall be delivered to the Mortgagee at least 30 days before the termination of such policies, or the Mortgagee may (but is not obligated to) renew the insurance. The Mortgagee may require that any insurance be canceled and new insurance be effected in a company selected by the Mortgagee, and also may without reference to the Mortgagor effect the insurance provided for, and the premiums for insurance paid by the Mortgagee shall be immediately payable to the Mortgagee by the Mortgagor with interest at the rate as mentioned, and shall be a charge on the Lands. If for any reason the Mortgagee is unable to effect new insurance, the money secured shall become due and payable immediately at the option of the Mortgagee.

6. The Mortgagor appoints the Mortgagee as its attorney for the purpose of obtaining proceeds of insurance. Immediately on the happening of any loss or damage, the Mortgagor will furnish at its expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain the proceeds of insurance and, at the option of the Mortgagee, the proceeds may be applied on account of the principal, whether due or not, or be applied to rebuilding and repairing the Mortgaged Premises.
7. All machinery, equipment and furnishings, including without limitation, motors, furnaces, boilers, gas burners, blowers, water heaters, tanks, electric light fixtures, sprinklers, air conditioners, and all apparatus appurtenant to it, now or later installed on the Lands, shall for all purposes of this Mortgage be fixtures and form part of the Mortgaged Premises, whether or not affixed in law to the Lands.
8. The Mortgagor will repair and maintain in good and substantial condition the Mortgaged Premises with their appurtenances and fixtures; and that the Mortgagee or their agents may enter the Mortgaged Premises and examine the condition of them and make repairs as the Mortgagee deems necessary, and do all things necessary to protect the Mortgaged Premises or to remedy any default of the Mortgagor; and that the Mortgagee may pay and satisfy any lien or charge claimed on the Lands and the Mortgagee shall be entitled to all the equities and securities of the person so paid off; and that the Mortgagee may pay all expenses incurred in connection with this Mortgage, including the fees and charges for preparation and registration of it, the costs of keeping possession of the Mortgaged Premises or inspecting the same or in collecting arrears of principal and interest, insurance premiums, taxes, rates, assessments or for any action whatsoever to protect or preserve the security of this Mortgage, together with payment for the services of any person appointed by the Mortgagee and agent's commissions and legal costs [as between a solicitor and his own client, on a full indemnity basis]; and that all payments, costs, charges and expenses made in pursuance of the foregoing shall be added to the principal and be payable immediately together with interest at the rate per annum stipulated.
9. The Mortgagor will not commit any acts of waste or demolish any part of the buildings on the Lands without the written approval of the Mortgagee, and that it will not proceed with any substantial alteration, remodelling or rebuilding or addition to the buildings on the Lands without first obtaining the Mortgagee's written approval of the plans and specifications for it.
10. As security for the payment of all moneys owing under this agreement, the Mortgagor assigns and agrees to assign to the Mortgagee all rents which are or shall be payable by reason of any present or future tenancies or leases of the Lands; and if the Mortgagor is in default in the observance or performance of any of the terms, covenants and conditions of this Mortgage, then the Mortgagee shall have the right, by its agents or otherwise, to take and receive the rents and, for such purposes, the Mortgagor appoints the Mortgagee its attorney for and in the Mortgagor's name, to execute the agreements, transfers or conveyances as may be required for the purposes as mentioned, the Mortgagor confirming and

ratifying all things which the Mortgagee may do in connection with it; and the Mortgagor agrees to execute the further assurances as may be required to give effect to the true intent and purpose of this provision; but nothing in this provision shall make the Mortgagee chargeable or accountable as a mortgagee in possession.

11. The Mortgagor assigns to the Mortgagee any and all awards or payments, including interest on it, and the right to receive the same, which may be made with respect to the Lands or any part thereof as a result of:
  - (a) any expropriation, partial or complete;
  - (b) the alteration of the grade or width of any street, including any sidewalk or lane; or
  - (c) any other injury to or decrease in the value of the Lands or any part of it, and of reasonable legal fees, costs and disbursements incurred in connection with the collection of any and all awards or payments; and the Mortgagor agrees to execute and deliver, from time to time, the further instruments as may be requested by the Mortgagee to confirm the assignment to the Mortgagee of any awards or payments.
12. If there is more than one Mortgagor, the covenants, provisos, conditions and agreements contained in this Mortgage shall be construed and held to be joint as well as several.
13. The Mortgagor agrees to assign from time to time to the Mortgagee by assignment ranking in priority to all others, any leases, agreements to lease or rights of the Mortgagor respecting any tenancy, use or occupation relating to any part of the Mortgaged Premises.
14. The Mortgagor:
  - (a) has good title to the Lands;
  - (b) has the right to mortgage the Lands;
  - (c) on default, the Mortgagee shall have quiet possession of the Lands.
15. If the Mortgagor defaults in any payment or performance of the covenants, agreements, provisos or stipulations expressed or implied in this Mortgage:
  - (a) The Mortgagee or agent of the Mortgagee may enter into possession of the Mortgaged Premises and whether in or out of possession collect the rents and profits of it, and make any demise of lease of the premises, or any part of it, for the terms and periods and at rents as the Mortgagee shall think proper; and the power of sale under this agreement may be exercised either before or after and subject to any demise or lease.

- (b) It shall be lawful for and the Mortgagor grants full power right and licence to the Mortgagee to enter, seize and distrain upon the Mortgaged Premises, or any part of it, and by distress warrant to recover as much of the Mortgage moneys as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent.
- (c) The Mortgagee may sell and dispose of the Mortgaged Premises with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Mortgaged Premises; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and any notice may be effectually given by leaving the same with a person on the Mortgaged Premises if occupied, or by placing the same on it, or on any part of it, if unoccupied, or at the option of the Mortgagee by publishing the same in a newspaper published in the Province of Alberta; and the notice shall be sufficient though not otherwise addressed than "To Whom It May Concern"; and no want of notice or publication of any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Mortgaged Premises under this agreement; and the Mortgagee may sell, transfer and convey any part of the Mortgaged Premises on terms of credit or part cash and part credit; secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for the prices as can reasonably be obtained for it; and in the event of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any moneys until the same shall be actually received in cash; and sales may be made from time to time of parts of the Mortgaged Premises to satisfy interest or parts of the interest overdue, leaving the principal or parts of it to run with interest payable as mentioned; and the Mortgagee may make stipulations as to title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper, and may buy in or rescind or vary any contract for sale; and on any sale or resale, the Mortgagee shall not be answerable for loss occasioned by it; and for any of the purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary.
- (d) The whole of the Principal Sum and interest shall, at the option of the Mortgagee, become due and payable.
- (e) In addition to his other rights and privileges, the Mortgagee shall be entitled immediately to apply for and obtain the appointment of a receiver or a receiver/manager of the Mortgaged Premises and the rents and profits of it.

- (f) The Mortgagor shall pay all of the Mortgagee's costs and expenses, including solicitor-client costs, which the Mortgagee may incur in enforcing any provision of this Mortgage and all such costs and expenses shall be added to the Principal Sum remaining unpaid.
16. The taking of a judgment on any of the covenants contained in this Mortgage shall not operate as a merger of it.
17. Any dealings with any other security for the money secured shall not release or affect this Mortgage, and the taking of or dealing with this Mortgage shall not release or affect any other security held by the Mortgagee for the money secured by it.
18. The Mortgagee may at all times release any part of the Lands or any other security or any surety for payment of the moneys secured or may release the Mortgagor or any other person from any covenant or other liability to pay the moneys, either with or without any consideration for it, and without being accountable for the value of it or for any moneys except those actually received by the Mortgagee, and without releasing any other part of the Lands, or any other securities or covenants contained in this Mortgage.
19. No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagee, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for payment of the moneys secured.
20. If any part of the mortgage monies advanced under this Mortgage is applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party so paid off whether the charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity of any advance or disbursement made under this Mortgage or of any claims so paid off, shall be final and binding on the Mortgagor.
21. The Mortgagee shall not be charged with any moneys receivable or collectible out of the Mortgaged Premises or otherwise, except those actually received and all revenue of the premises received or collected by the Mortgagee from any source other than payment by the Mortgagor may, at the option of the Mortgagee, be used in maintaining or insuring or improving the Mortgaged Premises, or in payment of taxes or other charges against the Mortgaged Premises, or applied on the mortgage account.
22. Wherever the singular number or the masculine gender is used in this Mortgage the same shall be construed as including the plural and the feminine and neuter respectively where the fact or context so requires; and the heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, agreements, stipulations and provisos contained in this agreement; and the covenants, agreements,

stipulations and provisos stated shall be in addition to those granted or implied by statute.

23. For the better securing to the Mortgagee repayment in the manner set out above of the principal sum and interest and all other costs and expenses referred to in this Mortgage the Mortgagor mortgages and charges to the Mortgagee its estate and interest in the Lands.
24. In the event of a sale or change of legal or beneficial ownership of the Lands or other property subject to the Mortgage, or in the event of a change of beneficial ownership of a majority of the voting shares of the Mortgagor without the written consent of the Mortgagee, the Mortgage and all Principal Sum and accrued interest shall, at the Mortgagee's sole option, be immediately due and payable, and the failure to pay the same forthwith shall be a default. Consent to any such sale or change in legal or beneficial ownership may be unreasonably withheld. The Mortgagor shall pay the Mortgagee's reasonable fees and expenses in considering any application for consent.
25. The Mortgagor warrants that any activities or operations on the Lands will be in accordance with applicable laws, regulations, by-laws, and other lawful requirements, whether municipal, provincial, federal, or otherwise, including compliance with any legislation and regulations in respect of environmental protection. Prior to any advance under the Mortgage or any renewal thereof, the Mortgagor will provide to the Mortgagee satisfactory evidence and provide satisfactory representations and warranties that such conditions exist along with copies of all current permits and licenses necessary for the lawful operation of the Lands for its current or proposed use.
26. Notwithstanding any term or covenant herein, the Mortgagor shall have the privilege, when not in default, of paying the full amount, but not less than the full amount, of the Principal Sum owing under this Mortgage, at any time, without notice or bonus, and interest shall be computed accordingly.
27. The Mortgagor acknowledges that it is aware of the provisions of the *Law of Property Act*, being Chapter L-7, R.S.A. 2000, as amended, and the Mortgagor herein waives the said provisions and agrees with the Mortgagee, its successors and assigns, that in the event of default in payment of any sum of money due hereunder, the Mortgagee may proceed against the Mortgagor under this Mortgage, and on his/its personal covenant herein, notwithstanding the provisions of such *Act* or legislation similar thereto, or in replacement thereof.
28. PRINCIPAL SUM PLUS INTEREST WILL BECOME DUE AND PAYABLE IN FULL UPON DISPOSITION OF THE LANDS BY THE MORTGAGOR BY SALE, LEASE OR AGREEMENT FOR SALE OR OTHERWISE.
29. The Mortgagee agrees to postpone all of its right, title, and interest to any new, renewed or replacement first mortgage on the Lands PROVIDED THAT the total indebtedness secured by the Lands does not exceed 85% of the fair market

value of the Lands.

IN WITNESS WHEREOF the Mortgagor has signed and delivered this Mortgage, this \_\_\_\_\_ day of May, 2009.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**PROPERTY OWNER**

## AFFIDAVIT OF EXECUTION

CANADA )  
PROVINCE OF ALBERTA ) I, <Name of Lawyer/Commissioner>,  
) of the City of Calgary,  
) in the Province of Alberta  
) MAKE OATH AND SAY:

1. I was personally present and did see PROPERTY OWNER, named in the within instrument, whom I personally know to be the person named in the within (or annexed) instrument, duly sign and execute the same for the purpose named therein.
2. That the same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I know the said PROPERTY OWNER and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City of  
Calgary, in the Province of Alberta,  
this \_\_\_\_\_ day of May, 2009.

\_\_\_\_\_  
**PROPERTY OWNER**

\_\_\_\_\_  
A Commissioner for Oaths in and for  
the Province of Alberta

## DOWER AFFIDAVIT

I, PROPERTY OWNER, of the City of Calgary, in the Province of Alberta,

MAKE OATH AND SAY:

1. That I am the Mortgagor named in the within (or annexed) instrument.
2. Neither myself nor my spouse have resided on the within mentioned land at any time since our marriage.

SWORN BEFORE ME at the City )  
of Calgary, in the Province of )  
Alberta, this \_\_\_\_\_ day of )  
May, 2009 )

\_\_\_\_\_  
A Commissioner for Oaths in and )  
For the Province of Alberta. )

\_\_\_\_\_  
**PROPERTY OWNER**