

Form 16

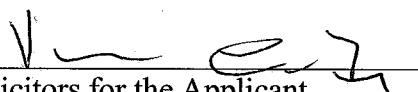
APPLICATION FOR OPTIONAL MORTGAGE COVENANT
Land Titles Act, S.N.B. 1981, c.L-1.1, s.25

Applicant: FIRST NATIONAL FINANCIAL GP CORPORATION, in its
capacity as general partner for First National Financial LP
100 University Avenue, Suite 700
Toronto, ON
M5J 1V6

Optional Mortgage Covenant: Attached hereto as Schedule "C"

The Applicant applies for the assignment of a number to the specified optional mortgage covenant.

Date: September 13, 2018

Applicant: 
Solicitors for the Applicant
Veronica L. Ford
Lawson Creamer
Barristers and Solicitors
133 Prince William Street, Suite 801
Saint John, NB E2L 2B5

Number assigned to the specified optional mortgage covenant: FNFC - 2992

Registrar General of Land Titles

FIRST NATIONAL FINANCIAL GP CORPORATION

OPTIONAL MORTGAGE COVENANTS AND CONDITIONS

**Adjustable Rate Mortgage (New Brunswick)
(Second – Open)**

Land Titles Act, S.N.B. 1981, c.L-1.1

The following set of Optional Mortgage Covenants and Conditions shall be deemed to be included in every mortgage in which the set is referred to by its filing number as provided in Section 25 of the *Land Titles Act, S.N.B. 1981, c.L-1.1*.

In this Schedule, the borrower is referred to as the “**Mortgagor**” and the lender as the “**Mortgagee**”. All terms and conditions in this Schedule shall be incorporated into the mortgage/charge (the “**Mortgage**”) to which it is attached.

CAPITALIZED TERMS

All capitalized terms used but not otherwise defined in this Schedule have the respective meanings ascribed to such terms in the Standard Mortgage Terms for Adjustable Rate Mortgage (the “**Standard Mortgage Terms**”).

PREPAYMENT PRIVILEGES

The Mortgagor may at any time prepay the whole or part of the Indebtedness then outstanding under the Mortgage without notice or bonus.

Notwithstanding any prepayment on account of any portion of the Principal Amount, the regular blended payment instalment originally set out in the Mortgage shall continue to be payable on each Payment Date as set out in the Mortgage for so long as there is any Indebtedness outstanding under the Mortgage.

SECOND RANKING MORTGAGE

Without limiting Section 13 (Other Encumbrances) in the Standard Mortgage Terms, Mortgagee acknowledges that this Mortgage is a second ranking mortgage subject to an existing first ranking mortgage registered on title to the Property in the name of the Mortgagee or its title custodian, as mortgagee (as amended, supplemented, restated or replaced, the “**First Mortgage**”).

PORTABILITY

This Mortgage is not portable to a Replacement Property.

ASSUMABILITY

This Mortgage is not assumable by a purchaser or transferee of all or any part of the Property.

NO CONVERSION

This Mortgage is not convertible to a fixed interest rate mortgage.

CROSS-DEFAULT

Without limiting Section 20 (Events of Default) of the Standard Mortgage Terms, the Mortgagor acknowledges and agrees that a breach of any term, covenant or condition contained in the First Mortgage will, at the option of the Mortgagee, be considered a default by the Mortgagor under this Mortgage and a breach of any term, covenant or condition contained in this Mortgage will, at the option of the Mortgagee, be considered a default under the First Mortgage.

MANDATORY REPAYMENT UPON DISCHARGE OF FIRST MORTGAGE

Mortgagor acknowledges and agrees that it is the intention of the parties that the Term of this Mortgage be co-terminus with the term of the First Mortgage. In the event of the prepayment or repayment of the whole of the indebtedness and other amounts outstanding under the First Mortgage, all Indebtedness then outstanding under this Mortgage shall immediately become due and payable to the Mortgagee.

INDEBTEDNESS MAY BECOME DUE

Provided that in the event of:

- a) the Mortgagor selling, conveying, transferring or entering into any agreement to sell or transfer the title of the Property to a purchaser, grantee or transferee not approved in writing by the Mortgagee;

- b) the Mortgagor assigning, transferring or switching the First Mortgage or any interest therein to another lender or other party; or
- c) in the case of a corporate Mortgagor, the occurrence of a change of control (within the meaning given to such term in the *Canada Business Corporations Act*, R.S.C. 1985, c. C 44, as amended from time to time) of the Mortgagor not approved in writing by the Mortgagee,

then at the option of the Mortgagee, the Indebtedness together with all other amounts payable on a prepayment of the Mortgage pursuant to the terms of this Mortgage shall forthwith become due and payable.

NON-APPLICATION OF STANDARD MORTGAGE TERM PROVISIONS

The following sections of the Standard Mortgage Terms are not applicable and are hereby deleted from this Mortgage:

- Section 15 (Assumption of Mortgage)
- Section 17 (Portability of Mortgage)

RENEWAL AT MATURITY

Shortly before the end of the Term or any renewed or extended term, the Mortgagee may at its option, provide the Mortgagor with an offer to renew the Term. If such an offer is provided, and if the Mortgagor has not either (i) paid out the then outstanding Indebtedness by the end of the Term or renewed or extended term as the case may be, or (ii) agreed with the Mortgagee to renew the Term in accordance with the offer to renew, then the Mortgagor agrees that, at the option of the Mortgagee, this Mortgage will be renewed for the shortest term then being offered by the Mortgagee at the current interest rate then being offered by the Mortgagee to similar mortgagors on similar properties in similar circumstances for such adjustable rate mortgage which is open for prepayment.

The renewal will be effective as of the first day following the last day of the Term or the renewed or extended term as the case may be on the same terms and conditions as set out in this Mortgage, save as specifically amended by this paragraph. The Mortgage will be open for prepayment at any time during such renewal term without notice or bonus. This clause shall continue to apply at the end of each such extended term until the Mortgage has been paid in full.

INTERPRETATION

In the event of any conflict or inconsistency between the provisions of this Schedule, the Mortgage and the Standard Mortgage Terms, the provisions of this Schedule shall, to the extent of the conflict, govern.