

## STANDARD MORTGAGE CLAUSE

(approved by The Insurance Bureau of Canada)

### BREACH OF CONDITIONS by MORTGAGOR, OWNER or OCCUPANT

1. This insurance and every documented renewal thereof -- AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN -- is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee -- on reasonable demand -- from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance

### RIGHT OF SUBROGATION

2. Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that --as to the Mortgagor or Owner -- no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinated and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

### OTHER INSURANCE

3. If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee -- at law or in equity -- then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee

### WHO MAY GIVE PROOF OF LOSS

4. In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

### TERMINATION

5. The term of this mortgage clause coincides with the term of the policy;

PROVIDED ALWAYS that the Insurer reserves the right to cancel the policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision

### FORECLOSURE

6. Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee