

PEOPLES CREDIT UNION LIMITED CLOSED MORTGAGE – ADDITIONAL PROVISIONS

1. When not in default, the Chargor may:

- Prepay up to 25% of the original principal sum secured, without notice, bonus or penalty on each anniversary date during the charge term.
- Increase the monthly payment amount by up to 20% of the monthly amount set out on Page 1 hereof on the anniversary date of the Mortgage term.
- Paying up to double the regularly scheduled payment, on any regular scheduled payment date, without penalty.

All of these privileges to increase the payment amount or to prepay principal are non-cumulative from year to year and can only be made on a regular payment date.

2. In addition to any such aforesaid prepayment, the Chargor may, when not in default, prepay the unpaid principal balance in whole or in part upon payment of the greater of:

- Three months bonus interest at the interest rate set out on Page 1 hereof; or any subsequent renewal agreement (the "Mortgage Rate") or
- Interest for the remainder of the Mortgage term at a rate equal to the amount by which the Mortgage Rate exceeds the interest rate the Chargee is then offering for Mortgages of a similar term (the "**Differential Interest Rate**"); calculated on the principal amount prepaid.

3. Provided that in the event of:

- the Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the charged premises to a purchaser, grantee or transferee not approved in writing by the Chargee; AND
- such purchaser, grantee or transferee failing to personally assume all the obligations of the Chargor and executing an Assumption Agreement in the form required by the Chargee

that any prepayments, renegotiations, considerations are at Peoples Credit Union Limited's option.

4. In the event of a Transfer of the Mortgaged Premises, in whole or in part, or any interests therein to a Transferee, if:

- The Chargor fails to apply in writing for the approval of the Chargee as to the Transfer and the terms and conditions of the Transfer.
- The Chargee does not approve in writing the Transferee.
- The Chargee does not approve in writing the terms and conditions of the Transfer, or the Transferee fails to enter into an assumption agreement satisfactory to the Chargee, agreeing to assume the Mortgage and any amendments thereto, and any collateral agreements and to pay the amount thereby secured and perform every covenant, condition and obligation contained in the Mortgage and any amendments thereto, and any collateral agreements, to be performed by the Chargor thereunder (including this obligation) at the time and in the manner and in all respects as therein contained and to be bound by each and all of the terms, covenants, conditions and obligations of the Mortgage and any amendments thereof

that this mortgage will be required to be paid in full and discharged.

No extension of time if given by the Chargee to the Chargor or anyone claiming under him, or any other dealings by the Chargee with the owner or owners of the equity of redemption of said lands or of any part thereof, shall in any way effect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money hereby secured, and that this mortgage may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. 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.

It is hereby agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity shall bear interest at the rate aforesaid, and in case the interest and compound interest are not paid in one month from the time of default a rest shall be made, and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the said lands. This clause supersedes the reference to the rest period in applicable standard charge terms.

The Chargor will pay a fee for every late payment. The charge will be automatically added to the mortgage principal, unless separate payment for this charge is received. The late payment fee is subject to change by Peoples Credit Union Limited at any time during the term of the mortgage/extension.