

**Schedule A – Fixed Rate/Fixed Amount Closed Alt A Mortgage/Charge Schedule of Additional Terms (Con't)****PREPAYMENT**

Whether this Mortgage/Charge secures repayment of a single fixed rate/fixed amount loan (a "Loan"), or multiple such Loans, each such Loan is closed to prepayment at any time or times other than the due dates of the scheduled payments, and payment of any amount in addition to the amount of such scheduled payments is not permitted, except as permitted by the privileges set out below. This prohibition applies during the Initial Term of the Loan (the period of time between the original date of the Loan and the first maturity date) or any subsequent Renewal Term (the period of time between the amended date of the Loan and the next maturity date) thereof. The parties may, from time to time, enter into Amending/Renewal Agreements that deem the original date of the Mortgage/Charge to be amended to be the effective date of the Amending/Renewal Agreement, thereby creating a Renewal Term:

- (1) 20/15 Annual Prepayment Privilege: As long as the Chargor has never been in default in respect of the Mortgage/Charge, the Chargor shall have the privilege of prepaying, without notice or penalty or additional charge, once during every year of each Initial Term or a Renewal Term (as applicable), on a non-cumulative basis, an amount not exceeding 20% of the original amount of the Loan if the current term is for a term not exceeding five (5) years. The amount shall not exceed 15% in the case of a term exceeding five (5) years. Exercise of this privilege is conditional upon the amount of the scheduled payment not being reduced. However, the Chargor may, at its option, increase the amount of such payments, as long as the cumulative effect of any lump sum prepayment and the increased periodic payment amount during the term year does not exceed the yearly limit for this privilege. This privilege may not be exercised in any term year during which the Mortgage/Charge is prepaid in full.
- (2) PROVIDED further, when not in default, the Chargor shall have the privilege of prepaying the whole of the principal amount on the payment of:  
The Greater of:
  - (a) three months' interest on the balance of the principal amount outstanding on the scheduled date of prepayment in full, calculated at the rate that interest is then payable under the Mortgage/Charge; and
  - (b) where the current interest rate stated in the document is higher than the Chargee's current Posted Interest Rate for the remainder of the current Initial Term or Renewal Term (as applicable) of this Mortgage/Charge, an amount equal to the product of the percentage difference between the current rate and the Posted Interest Rate, multiplied by the principal amount outstanding on the scheduled date of prepayment in full. The 'Posted Interest rate' is the Chargee's advertised rate in effect on the proposed date for prepayment in full for new Closed Mortgage Loans offered for a term not greater than the remainder of the term of the Loan intended to be prepaid in full and not less than the next shorter term offered, except where the remainder of the term is less than the shortest term offered, in which case the Chargee's advertised rate for its shortest term shall apply.
- (3) Statutory Right to Prepay: When not in default, and where the current term (the Initial Term or Renewal Term, as applicable) is greater than five (5) years, and after the expiry of five (5) years from the original date or amended date (as applicable) of the Mortgage/Charge, the whole of the principal amount may be prepaid without notice on payment of three months' interest.

For the purpose of the calculation of the Price under (2)(a) or (b) above, or the amount under (3) above, any amount prepaid by the Chargor during the year of payout in full to the scheduled date of prepayment in full shall be added to the actual outstanding principal balance on the scheduled date of prepayment in full.

The Price calculated by the Chargee for the privilege in privilege number (2) above, or the amount calculated for the privilege in privilege number (3), shall, in the absence of an obvious mathematical error, be conclusively deemed to be correct and binding upon the Chargor.

**Schedule A – Fixed Rate/Fixed Amount Closed Alt A Mortgage/Charge Schedule of Additional Terms****FEES AND COSTS**

In addition to the fees provided for in the Standard Charge Terms, the Chargor agrees to pay to the Chargee its then customary servicing fees, as published from time to time, to compensate the Chargee for its reasonable time expended and costs incurred in the administration of the Charge, including, without limiting the generality of the foregoing:

- (a) dealing with each late or missed payment and for replacement of each cheque or other instrument, including, without limitation, a pre-authorized debit instrument, not honoured when presented for payment;
- (b) processing each application to assume the Charge, whether or not approved or completed;
- (c) administering insurance cancellations and paying insurance premiums;
- (d) collecting any payment or enforcing any other obligation contained in this Charge or in managing or selling the property;
- (e) conducting any inspection or appraisal of the Lands necessitated by the default of the Chargor in his compliance with any of his obligations pursuant to this Charge; or
- (f) generally, attending to any matter connected with the proper administration of the Charge.

The aforementioned fees shall be forthwith payable to the Chargee and, if not so paid, shall become part of the debt secured and shall bear interest at the interest rate set forth in this Charge.

**DEFAULT CHARGES**

<b>Late Payment Fee</b> Charged for each missed or late instalment and for replacement of each cheque or other instrument not honoured when presented for payment	<b>\$250</b>
<b>Collection Fee</b> Charged when an account is assigned to a Third Party Collection Agency	<b>\$250</b>
<b>Default Proceedings Fee</b> Charged when legal proceedings are commenced to enforce the credit union's rights under the mortgage/charge	<b>\$750 plus 3<sup>rd</sup> Party Costs</b>
<b>NSF/Return Payment Fee</b> Charged for each NSF cheque or other returned payment	<b>\$50</b>

**CONSTRUCTION CLAUSE**

The Chargor warrants that no construction, alterations, renovations or improvements are being carried out on the Property and no building materials will be supplied to the Property within 60 days prior to the Advance Date and that the Mortgage Loan is not intended to be made for the financing of an improvement/construction as defined in the applicable provincial construction, builder's or mechanics' lien legislation, nor is it being used for the purpose of repaying a mortgage which is currently securing or is intended to secure the financing of any such improvements/construction.

**CONSENT TO THE DISCLOSURE OF PERSONAL INFORMATION ON A SALE OF THE MORTGAGE/CHARGE**

The Chargor acknowledges that in the normal course of business, the Chargee may sell the Mortgage/Charge to another financial institution or other entity. The Chargor hereby consents to the Chargee disclosing to a financial institution or other entity interested in purchasing the Mortgage/Charge the Chargor's Personal Information in the possession of the Chargee relating to the Mortgage/Charge for the sole purpose of enabling it to decide whether or not to purchase it, and then to any ultimate purchaser of the Mortgage/Charge for all the purposes a mortgagee uses such information to properly administer the Mortgage/Charge.