

SCHEDULE

(Rate Advantage Mortgage)

- A.** Paragraph 3.1 of Standard Charge Terms No. 201813 is amended by deleting in its entirety and replacing it with the following:

3.1 How you may convert from an adjustable rate loan

If the interest rate of the mortgage is an adjustable rate, you may convert the mortgage to a Rate Advantage fixed rate mortgage at our published mortgage conversion interest rate then offered by us for the selected term if: (i) you have always met your obligations under the mortgage and (ii) the term of the mortgage you are converting to is equal to or greater than the remaining term of this mortgage. The mortgage will be converted when you send to us a request in writing. The request should be sent to our address as shown on the registered mortgage or to such other address as we may later advise you in writing. The interest rate for the converted mortgage will be our published mortgage conversion interest rate in effect for the selected term on the date the written request for conversion is received by us. The conversion will take effect on the next payment date, provided that we receive your request at least five (5) business days prior to that payment date. If we receive your request less than five (5) business days prior to a payment date, the conversion will take effect no later than the next following payment date. Once the mortgage has been converted, the prepayment privileges of the original mortgage will no longer apply. Any prepayment privileges will be contained in the converted mortgage. You will be responsible for the payment of our then current administration and processing fee for converting the mortgage.

- B.** Paragraph 5.2 of Standard Charge Terms No. 201813 is amended by deleting it in its entirety and replacing it with the following:

5.2 Prepayment charges that apply to certain prepayments in full

If you want to prepay the mortgage in full, you may do so only in the following circumstances and with payment of the prepayment charge set out below in section 5.3 or section 5.4, as applicable:

- (a) upon the closing of a sale of the property at fair market value to an arm's length purchaser.

You must ask us to provide you with a statement of the required payment amount. You can specify the date you want to make the prepayment. That date cannot be more than 30 days after the date you ask us to prepare the mortgage statement. The date you choose is called the prepayment or payout date, the date you ask us to prepare the statement is called the statement preparation date and the period beginning the statement preparation date and the ending 30 days later is called the statement period.

All payments on the mortgage must be made as they become due during the statement period. The statement cannot be used for prepayment after expiry of the statement period.

If you want to prepay the mortgage in full, you cannot exercise the partial prepayment privileges set out in section 5.1 above until the mortgage statement expires. The calculation of the prepayment

charges will be based on the outstanding principal amount of the mortgage.

- C.** This Schedule forms part of the mortgage. In the event of any conflict or inconsistency between the provisions in this Schedule and any provisions contained in the Standard Charge Terms, the provisions in this Schedule shall govern.
- D.** All terms used in this Schedule that are defined in the Standard Charge Terms shall have the same meanings as in the Standard Charge Terms.

