Maritime Provinces
(except New Brunswick)

Schedule V

(Maximizer Plus – Adjustable Rate Mortgage)
(Prime Minus 0.25%)

FIRST NATIONAL FINANCIAL GP CORPORATION
ADDITIONAL PROVISIONS FOR ADJUSTABLE RATE MORTGAGE

All terms and conditions in this schedule shall be incorporated into the mortgage/charge (the "Charge") to which it is attached.

INTEREST RATE FORMULA

The Charge shall have a term (the "Term") of five (5) years from the Interest Adjustment Date. The interest rate chargeable and payable on the principal amount and all other amounts owing under the Charge will vary during the Term without notice to the Chargor, in tandem with variances in the Prime Rate (defined below) and will always be the rate which is, in any month, a rate of interest per annum calculated semi-annually, not in advance, determined for such month as a rate equal to the Prime Rate at the close of business on the first day of such month less 0.25 percent per annum (the "Interest Rate"). The Interest Rate will be adjusted once per month on the first day of each and every month during the Term and will remain in effect for the entire month.

"Prime Rate" means the annual rate of interest published from time to time by First National Financial LP, or its successors or assigns as Lender hereunder, as a reference rate then in effect for determining interest on Canadian dollar loans made in Canada and commonly known as its prime rate.

Unless this is a CMHC insured loan with interest only payments for the first 5 or 10 years, blended monthly payments of principal and interest shall be payable. When the Interest Rate changes, the amount of the blended monthly payment of principal and interest shall be recalculated by the Chargee, so that the outstanding principal of the Charge shall be repaid over the remainder of the amortization period of the loan. The remaining amortization period shall be equal to the original amortization period less the number of months that have elapsed since the Interest Adjustment Date.

If this is a CMHC insured mortgage with interest only payments for the first 5 years, then monthly instalments of interest only shall be payable during the first 5 years following the Interest Adjustment Date. Thereafter, blended monthly payments of principal and interest (at the interest rate in effect from time to time) shall be payable in an amount containing a principal portion equivalent to the monthly principal payment which would be payable if the loan amount were fully amortized over a 20 year amortization period commencing on the fifth anniversary of the Interest Adjustment Date at the interest rate in effect for the immediately preceding month (calculated semi-annually rather than monthly) and with the amortization period declining by one month for each month which passes therein. When the Interest Rate changes, the amount of the blended monthly payment of principal and interest shall be recalculated by the Chargee so that the outstanding principal of the Charge shall be repaid over the remainder of the amortization period.

If this is a CMHC insured mortgage with interest only payments for the first 10 years, then monthly instalments of interest only shall be payable during the first 10 years from the Interest Adjustment Date. Thereafter, blended monthly payments of principal and interest (at the interest rate in effect from time to time) shall be payable in an amount containing a principal portion equivalent to the monthly principal payment which would be payable if the loan amount were fully amortized over a 15 year amortization period commencing on the tenth anniversary of the Interest Adjustment Date at the interest rate in effect for the immediately preceding month (calculated semi-annually rather than monthly) and with the amortization period declining by one month for each month which passes therein. When the Interest Rate changes, the amount of the blended monthly payment of principal and interest shall be recalculated by the Chargee so that the outstanding principal of the Charge shall be repaid over the remainder of the amortization period.

Nothing in the preceding paragraphs shall be deemed to alter the Term of this Charge from that set out in the Charge to which this Schedule is appended or in any renewal or extension agreement and any provision which relates to a period after the end of the Term shall only apply to the extent the Term is renewed or extended.

Within a reasonable time after each change in the Interest Rate, the Chargee will mail to the Chargor, at the last known address in the Chargee's records, a notice of the changed Interest Rate and the new monthly payment of interest or principal and interest as the case may be. The Interest Rate will still vary even if the Chargee fails to send such notice and the Chargor fails to receive it.

All amounts payable under this Charge shall be secured hereby and shall form a charge on the Charged Premises.

CONVERSION OPTION

Provided the Charge is not in default and further provided that the Chargor has maintained a satisfactory payment record, the Chargor may, without bonus or penalty, convert this Charge to a fixed rate charge for any term then offered by the Chargee for residential mortgage loans, provided that the term chosen plus the already elapsed portion of the term of the Charge is equal to or greater than three (3) years. The converted Charge will bear such interest rate and contain such other terms and provisions, including prepayment provisions, if any, as the Chargee is then making available to similar chargors on similar properties in similar circumstances for the term chosen.

The new term will commence and the new fixed interest rate will take effect on the next scheduled payment date or the payment date immediately thereafter as determined by First National Financial LP.

To exercise this option the Chargor shall make a written request, signed by the Chargor (or all of them, if more than one) and the Guarantor or Guarantors, if any, delivered to First National Financial LP, Administration Department, and the applicable interest rate and terms will be those effective as at the date of receipt of such written request.

After exercise of this option by the Chargor, the prepayment provisions contained herein, if any, will no longer apply and the terms and conditions of the Charge, as amended, will prevail. The Chargee may request the Chargor(s) and Guarantor(s) to execute an Amending Agreement (and if so the Chargor(s) and Guarantor(s) covenant to execute same) in form and substance acceptable to the Chargee setting out the amended terms of the Charge but the written notice of intention to exercise the option referred to above will be binding on the Chargor and the Chargee shall be entitled to rely thereon whether or not an Amending Agreement is executed.

PREPAYMENT PRIVILEGES

1. The Chargor, when not in default of any terms or conditions contained in the Charge, may do one or more of the following:

i) Without notice or charge, in any year of the Term, make, on any regular payment date (a "Payment Date"), prepayments of principal in minimum $100.00 increments which do not exceed in the aggregate in that year fifteen percent (15%) of the original Principal Amount of the Charge. A prepayment received after a Payment Date will be applied on the next Payment Date following receipt of the prepayment. If not, or to the extent not, exercised in any year of the Term, this privilege is not cumulative from year to year. This privilege does not apply in the case of a prepayment of the entire amount owing pursuant to subsection iii) of this Section.

ii) Without notice or charge, on any Payment Date during the Term, make a prepayment of principal equal to, but not less than, the regular monthly installment of principal and interest then being paid by the Chargor. This privilege, if not exercised on a particular Payment Date, is not cumulative from Payment Date to Payment Date, and may not be combined with a prepayment of the entire amount owing pursuant to subsection iii) of this Section.

iii) At any time prior to the maturity of the term of the Charge, prepay the whole of the principal amount then outstanding, upon payment of:

a) if during the first (1st) year after the Interest Adjustment Date (1-12 months), three (3) months interest, at the Interest Rate in effect at the time of prepayment;

b) if during the second (2nd) year after the Interest Adjustment Date (13-24 months), two months interest, at the Interest Rate in effect at the time of prepayment; or

c) if during the third (3rd) year after the Interest Adjustment Date of the Charge (25-36 months), one (1) months interest, at the Interest Rate in effect at the time of prepayment.

At any time after the end of the third year after the Interest Adjustment Date, the Charge is fully open for prepayment without notice or bonus.

2. Notwithstanding any prepayment on account of any portion of the Principal Amount, the regular blended payment instalment originally set out in this Charge shall continue to be payable on each Payment Date as set out in the Charge for so long as there is any indebtedness outstanding under the Charge. Notwithstanding the foregoing, if a prepayment is made on account of any portion of the Principal Amount and regular periodic payments of interest only (with no principal portion) are required under the Charge at the time of the prepayment, then the regular instalments of interest shall be payable on the reduced Principal Amount.

The above supersedes the prepayment provisions, if any, which are included in the Charge to which this Schedule is appended.

PORTABILITY OF CHARGE

All amounts outstanding under the Charge may be secured by a charge on replacement property of at least equal value (the “Replacement Property”) on the same terms and conditions as this Charge, provided the following conditions are met:

1. the Chargor is not in default under the Charge;
2. the Replacement Property is a single family dwelling;
3. the Chargor completes a new mortgage loan application for the Replacement Property for an amount not less than the then outstanding Principal Amount of the Charge (the “New Charge”);
4. the New Charge is approved by the Chargee;
5. the New Charge is registered as a first charge against the title of the Replacement Property and all searches, opinions and clearances required by the Chargee are obtained;
6. the term of the New Charge shall expire on the maturity date of this Charge;
7. the New Charge shall incorporate all terms and conditions then contained in the Chargee’s standard mortgage documentation in use at that time; and
8. the Chargor will pay all costs, charges and expenses of and incidental to the approval, taking, preparation, execution and registration of the New Charge, or, if applicable, an amending agreement, including, without limitation, any application and appraisal fees, solicitors’ fees, and, if applicable, mortgage insurance and title insurance premiums.

TAXES

Where the Chargee administers a property tax account on behalf of the Chargor (hereinafter referred to as the “Tax Account”) , it is agreed that:

1. the Chargee shall allow the Chargor interest at not less than the prevailing rate published by the Royal Bank of Canada on personal savings deposits with chequing privileges on the minimum monthly balances standing in the Tax Account from time to time to the credit of the Chargor for payment of taxes, such interest to be credited monthly to the Tax Account; and
2. the Chargor shall be charged interest at the rate of 2% above the Royal Bank of Canada Prime rate on debit balances, if any, outstanding in the Tax Account after payment of taxes by the Chargee, until such debit balance is fully repaid.

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The "Royal Bank of Canada Prime Rate" as used herein means the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest on Canadian dollar loans made in Canada.

ASSUMPTION OF MORTGAGE

Unless this is a CMHC insured interest only loan, the Chargee shall allow a purchaser of the charged premises to assume the Charge from the current Chargor provided the purchaser completes a new mortgage loan application, the purchaser is approved by the Chargee and executes an assumption agreement in form and substance satisfactory to the Chargee.

Provided that in the event of:

(a) the Chargor selling, conveying, transferring or entering into any agreement to sell or transfer the title of the lands hereby charged to a purchaser, grantee or transferee not approved in writing by the Chargee; or

(b) if such purchaser , grantee or transferee should fail to:

 (i) apply for and receive the Chargee's written approval as aforesaid,
 (ii) personally assume all the obligations of the Chargor under this Charge, and
 (iii) execute an Assumption Agreement in the form required by the Chargee,

then, at the option of the Chargee, all monies hereby secured together with all accrued interest thereon and the amount required to be paid on a prepayment of the Charge pursuant to Section 1(iii) under the heading Prepayment Privileges in this Schedule, shall forthwith become due and payable.

CMHC INSURED INTEREST ONLY LOANS – DUE ON SALE

It is acknowledged by the Chargor that if this is a CMHC insured interest only loan this Charge is not intended to be assumable. Notwithstanding any other provision herein, if this is a CMHC insured interest only loan, in the event of the Chargor selling, conveying, transferring or entering into any agreement to sell or transfer the title of the lands hereby charged, then, at the option of the Chargee, all monies hereby secured, together with all accrued interest thereon and the amount required to be paid on a prepayment of the Charge pursuant to Section 1(iii) under the heading Prepayment Privileges in this Schedule, shall forthwith become due and payable.

CRIMINAL ACTIVITY

In the event that any activity which violates the Criminal Code (Canada) (as same may be amended from time to time) or any other law or regulation of any competent authority is conducted on the charged premises, the Chargee may, at its option, declare all monies owing hereunder immediately due and payable and in such event any amount which would have been payable by the Chargor had he exercised a right to prepayment at such date shall also become immediately due and payable.

EXTENSION OF TERM

If on or prior to maturity of this Charge the Chargor does not advise the Chargee as to its intentions respecting discharging or renewing this Charge, then provided this Charge is not then in default, at the option of the Chargee the term of this Charge may be extended for a further term of six (6) months at the rate of interest being charged by the Chargee on the maturity date of this Charge for mortgages of a similar kind for a six month term which are open for prepayment. During such extended 6 month term the Chargor shall be entitled to prepay all or any part of the principal sum outstanding hereunder on 48 hours notice to the Chargee without bonus. This clause shall continue to apply at the end of each such six month extended term until the Charge has been paid in full.

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DISHONOURED CHEQUES

The Chargor shall pay an administration fee to the Chargee for every dishonoured cheque or preauthorized cheque debit. The charge will automatically be debited to the Chargor's Tax Account balance, or sundry account, unless a separate payment of such administration fee is received with a replacement cheque, or added to the pre-authorized cheque debit upon reissue. The charge may vary from time to time and will be published in the Chargee's schedule of fees.

The Chargee also reserves the right to charge reasonable fees for other administrative services such as, but not limited to, discharges, assumptions, transfers, payment frequency changes, mortgage statements, etc. and the Chargor agrees to pay such fees.

INTERPRETATION

In the event of any conflict between the provisions of this Schedule and the Charge to which it is appended, the provisions of this Schedule shall, to the extent of the conflict, govern.