

Land Titles Act, S.N.B. 1981, c.L-11, s.25

OPTIONAL MORTGAGE COVENANT No. – 119.21

Filed by: **FIRST NATIONAL FINANCIAL CORPORATION
FORM H**

The following set of optional mortgage covenants shall be deemed to be included in every mortgage in which the set is referred to by its filing number, as provided in section 25 of the *Land Titles Act, S.N.B. 1981, c.L-11*

Coincident with the advance of principal monies under this mortgage, the mortgagee shall pay the lump sum payment referred to in the commitment agreement in respect of this mortgage (the “Cash-Back Amount”) to the mortgagor on the following terms and conditions.

The mortgagor will repay to the mortgagee all or part of the Cash-Back Amount based on the formula hereinafter set out if any of the following events (the “Triggering Events”) occur prior to the expiry of the original term of this mortgage:

- (i) the mortgagor sells the mortgaged property, repays all monies owing hereunder, prepays part of the principal amount secured hereby, early renews or refinances this mortgage or arranges for the assignment of this mortgage to another mortgagee; or
- (ii) the mortgagee commences proceedings hereunder because of a default by the mortgagor.

The amount that the mortgagor must repay (the “Repayment Amount”) if any Triggering Event occurs will equal:

- (a) in all cases except the prepayment of only part of the principal amount secured hereby, the Cash-Back Amount multiplied by the portion of the term hereof remaining at the time of occurrence of the Triggering Event (expressed in months) divided by the original term hereof (expressed in months); or
- (b) in the case of the prepayment of only part of the principal amount secured hereby, the number arrived at by using the formula in (a) above multiplied by a fraction having as its numerator the amount of the principal prepayment and as its denominator the original principal amount of this mortgage.

The Repayment Amount shall be payable forthwith upon the occurrence of the Triggering Event and if not so paid shall be added to the principal amount secured hereby and shall bear interest at the rate provided for herein and shall be secured by this mortgage.