

## Schedule To Charge

(Six Month Automatic Renewal)

---

Additional Property Identifier(s) and/or Other Information

### FIRST NATIONAL FINANCIAL GP CORPORATION

#### SIX MONTH AUTOMATIC RENEWAL

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

#### **AUTOMATIC RENEWAL**

Provided this Charge is not in default and further provided that the Chargor has maintained a satisfactory payment record and subject to the pre-authorized chequing provision in the Charge, this Charge shall automatically renew at the end of its original 6 month term and at the end of each subsequent 6 month renewal term into a new 6 month term.

The Chargee will mail a notice of the Interest Rate for the next renewal term to the Chargor(s) on the maturity of the original term and of each renewal term of this Charge. The Chargor(s) may at his sole option terminate this automatic renewal clause and pay out the Chargee in full at the end of (but not during) any term by notifying the Chargee of his decision to do so at least 15 days prior to the end of that term. There shall be no renewal fee charged to the Chargor on each renewal as long as the Charge remains on automatic renewal.

#### **CONVERSION OPTION**

Provided the Chargor 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 term of one year or longer, bearing such interest rate and containing 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 length of term chosen shall be a number of years which is then offered by the Chargee as a standard term for residential mortgage products of a similar kind.

To exercise this option, the Chargor shall make a written request, signed by the Chargor (or by all of them, if more than one) and the Guarantor or Guarantors, if any, delivered to the Chargee, and the applicable interest rate and terms will be those in effect as at the date of receipt of such written request. The new term will commence and the new interest rate will take effect on the next scheduled payment date or the payment date immediately thereafter as determined by the Chargee. Upon conversion the provisions of this Schedule will no longer be applicable. The Chargee may require the Chargor(s) and Guarantor(s) to execute an amending/modification agreement 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 upon the Chargor(s) and the Chargee shall be entitled to rely thereon whether or not an amending/modification agreement is executed.

#### **PREPAYMENT PRIVILEGES- 15% / PLUS 15% / DOUBLE-UP**

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

- (a) 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 (d) of this section.
- (b) Without notice or charge, once only in any year of the Term, on any Payment Date, increase the amount of the regular instalment payment of principal and interest by up to fifteen percent (15%) of the then current principal and interest instalment amount payable under this Charge. Such increase shall commence on the Payment Date specified by the Chargor and shall apply to all subsequent instalment payments. If not, or to the extent not, exercised in any particular year, this privilege is not cumulative from year to year. This privilege may not be combined with a prepayment of the entire amount owing pursuant to subsection (d) of this section.

## Schedule To Charge

(Six Month Automatic Renewal)

Page 2 of 2

- 
- (c) Without notice or charge, on any Payment Date during the Term, make a prepayment of principal equal to, but not less than, the regular instalment 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 (d) of this section.
- (d) At any time prior to the maturity of the Term of the Charge, prepay the whole of the Indebtedness then outstanding, without notice, upon payment to the Chargee of the greater of:
- (i) three (3) months interest at the Interest Rate on the Principal Amount outstanding; and
  - (ii) the amount, if any, by which interest at the Interest Rate exceeds interest at the Chargee's then current interest rate for reinvestment calculated on the Principal Amount outstanding. Such amount shall be calculated from the date of prepayment to the maturity date of the Charge.

For the purposes of this subsection, the "Chargee's then current interest rate for reinvestment" shall mean the Chargee's lowest advertised interest rate (which may not be its "posted" rate) in effect on the prepayment date for a mortgage product of a similar kind for a term not greater than the remaining Term of the Charge and not less than the next shorter term offered by the Chargee; except that where the remainder of the Term of the Charge is less than the shortest term offered, the Chargee's interest rate for its shortest term for such mortgage product shall apply.

Notwithstanding any prepayment on account of any portion of the Principal Amount, and subject to subsection (b) of this section, 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.