

SCHEDULE B
LOW FEATURE

Prime Rate

The Additional Terms and Covenants are amended by deletion of the 3rd paragraph in Paragraph 3.B. and its replacement with the following:

For the purposes of this mortgage, the term “Prime Rate” means the adjustable rate of interest per year declared from time to time by Paradigm Quest Inc. to be the prime rate for Canadian dollar mortgage loans in Canada and which it refers to as the “Paradigm Quest prime rate”. The Prime Rate in effect at any time is available by inquiry to us and at www.mortgagedocuments.ca.

Prepayment

The prepayment options, terms and conditions set out in Section 5 of the Additional Terms and Covenants apply to this mortgage except Paragraph 5.B. which is deleted in its entirety and replaced with the following:

B. Prepay in Full with Prepayment Charge

You may prepay the mortgage in full only upon payment of:

- (i) In the case of **Fixed Interest Rate Mortgages**, the greater of:
 1. our prepayment administration fee of 2.75% of the outstanding loan balance;
 2. three months interest calculated at the interest rate of the mortgage on the outstanding loan balance; **OR**,
 3. the interest rate differential (IRD), calculated by applying the difference, if any, between the interest rate of the mortgage and our then current posted rate for mortgages we then offer for the terms set out below on the outstanding loan balance for the remainder of the term.

<u>If the remaining term at the time of prepayment is:</u>	<u>The Applicable Rate is our posted rate for this term:</u>
54 months or greater but less than 60 months	5 year
42 months or greater but less than 54 months	4 year
30 months or greater but less than 42 months	3 year
18 months or greater but less than 30 months	2 year
6 months or greater but less than 18 months	1 year
If at the time of prepayment we do not offer or do not have a posted rate for any of these terms, the posted rate for the next longer term we then offer will apply.	

- (ii) In the case of **Adjustable Interest Rate Mortgages**, the greater of:
 1. our prepayment administration fee of 2.75% of the outstanding loan balance; **OR**,
 2. three months interest calculated at the interest rate of the mortgage on the outstanding loan balance.

You may not make prepayment in either of these ways if you are in default in payment or in non-performance of any of the other terms and conditions of the mortgage.

Convertibility

The Additional Terms and Covenants are amended by deletion of Subsection (b) in Paragraph F. and its replacement with the following:

(b) If the interest rate of the mortgage is an adjustable rate you may request us to fix the interest rate for the mortgage for a NEW 5 year term at our interest rate then in effect for mortgages for a 5 year term which ends after the balance due date of the mortgage.

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