



SCHEDULE "C1"
ADDITIONAL PROVISIONS FOR
Fixed Rate Mortgage

1. EFFECT ON STANDARD TERMS:

These Additional Provisions form part of the Mortgage. In the event of any inconsistency or conflict between these Additional Provisions, the Commitment Letter, and the Mortgage and the Standard Charge/ Mortgage Terms, the provisions of these documents shall apply in the following order of precedence to resolve the inconsistency or conflict: (i) the Commitment Letter; (ii) the Additional Provisions; and (iii) the Mortgage and the Standard Charge/Mortgage Terms. If your Mortgage is a Progress Advance for New Construction, then in the event of any inconsistency or conflict between these Additional Provisions, the Commitment Letter, the Welcome Letter, and the Mortgage and the Standard Charge/ Mortgage Terms, the dates and provisions of these documents shall apply in the following order of precedence to resolve the inconsistency or conflict: (i) the Welcome Letter; and (ii) the Commitment Letter; (iii) the Additional Provisions; and (iv) the Mortgage and the Standard Charge/Mortgage Terms.

For purposes of your Mortgage, where the Mortgage and the Standard Charge/ Mortgage Terms reference Schedule C2, refer to the Fee Schedule provided in the Cost of Borrowing Disclosure Statement provided with your Commitment Letter Package. League Savings and Mortgage reserves the right to make changes to our fees from time to time.

2. CAPITALIZED TERMS:

All capitalized terms used but not otherwise defined in these Additional Provisions have the respective meanings ascribed to such terms in the Standard Charge/ Mortgage Terms.

3. PREPAYMENT PROVISIONS:

The following Prepayment Provisions are available to you each year of the Term of the Mortgage (i.e. during the 12 month period starting from the Interest Adjustment Date, and starting from each anniversary of the Interest Adjustment Date thereafter), provided you are not in default:

- a) **Increased Payment:** Once per year, you may increase the amount of the Regularly Scheduled Payment up to a maximum of 20%. The maximum for each payment increase is calculated using the amount of the current Regularly Scheduled Payment in effect at the time.
- b) **Lump Sum Payment:** You may make lump sum prepayments of \$100 or more on any Regularly Scheduled Payment date, provided the total of these prepayments made throughout the year does not exceed 20% of the original Principal Amount.

If all or any portion of these privileges are not used in a particular year, they cannot be carried forward and used in a future year.

4. EARLY PAYOUT PROVISIONS:

During the Term:

- You may payout the entire outstanding balance of the Mortgage prior to the Maturity Date.
- If you exercise this option, an Early Payout Penalty will apply.

Early Payout Penalty:

The Early Payout Penalty within the first 5 years of the Term is equal to the greater of 3 months simple interest or the Interest Rate Differential Amount:

- **3 months simple interest.** This is calculated by applying your current Interest Rate being charged on your Mortgage to the outstanding Principal balance of your Mortgage, for a 3 month period.
- **Interest Rate Differential Amount.** This is calculated by applying the difference between:
 - a. the Interest Rate being charged on your Mortgage, and
 - b. the current best rate in effect at the time, being charged by us on a loan with a term that is closest to the remaining term of your Mortgage.

This rate difference (between a and b) is then applied to the outstanding principal balance of your Mortgage, for the remaining term of your Mortgage.

If your Term is greater than 5 years, during the 6th year or any subsequent year of the Term, the Early Payout Penalty is equal to the 3 months simple interest cost.

If you request an Early Payout, you cannot exercise the lump sum and/or increased payment privileges (outlined in section 5a and 5b of this document), until the Payout Statement expires. The calculation of the Early Payout Penalty will be based on the outstanding Principal balance of your Mortgage.

5. ASSIGNMENT BY LSM:

Without the consent of, and without notice to, the Borrowers and Guarantors, and without affecting the Obligations of the Borrowers and Guarantors under this Mortgage, LSM may assign, transfer, sell, pledge or convey this Commitment Letter (prior to and after any Advances), this Mortgage, or any portion of this Mortgage to any third party ("Third Party") in relation to a sale, securitization, financing, pledging or security arrangement. The Borrowers and Guarantors agree, and for this purpose grant LSM an irrevocable power of attorney coupled with an interest, to execute and register in any applicable land titles or registry office any and all documentation, notices and agreements required to evidence or perfect any assignment, transfer, sale, pledge, conveyance or security arrangement pursuant to this Section. On any notice of an assignment, transfer, sale, pledge, conveyance or security arrangement pursuant to this Section from LSM or from a Third Party (as consented to by LSM), the Borrowers and Guarantors shall make all payments due under this Mortgage to such Third Party as mortgagee hereunder.

