

May 05, 2021

Lender Reference #: 1180876

**FIRST NATIONAL**

FINANCIAL LP



- (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 Mortgage. 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 the Mortgage. Such increase shall commence on the Payment Date specified by you 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.
- (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 monthly instalment of principal and interest then being paid by you. 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 end of the Term of the Mortgage, prepay the whole of the principal amount then outstanding together with accrued interest thereon, without notice, upon payment to us 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 our 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 Mortgage.

For the purposes of this subsection, "our then current interest rate for reinvestment" shall mean our lowest advertised interest rate (which may not be our "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 Mortgage and not less than the next shorter term offered by us; except that where the remainder of the term of the Mortgage is less than the shortest term offered, our interest rate for our shortest term for such mortgage product shall apply.
- (e) Notwithstanding subsection (d) of this section, if the Term (not inclusive of any renewals) is longer than five (5) years and if you are an individual(s), then at any time after the first five (5) years of the Term you may prepay the whole of the principal amount then outstanding together with all accrued interest thereon, without notice, upon payment to us of three (3) months interest at the Interest Rate on the amount prepaid.

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 in the amount set out in the Mortgage shall continue to be payable on each Payment Date for so long as there is any indebtedness outstanding under the Mortgage.

#### DEFAULT CHARGES AND OTHER FEES

If you fail to make a payment when due, or otherwise fail to comply with your obligations under the Mortgage, we may impose charges, including:

- (a) for external legal services required to collect or attempt to collect the payment;
- (b) for expenses incurred to realize on the Mortgage or to protect our interest in the mortgaged property, including fire insurance premiums, third party property management fees and the cost of external legal services required for that purpose; and
- (c) for expenses incurred to process a cheque or other payment instrument under the Mortgage that is dishonoured by your financial institution.

Presently we charge a \$85.00 fee for an 'NSF' pre-authorized withdrawal or cheque and a \$395.00 fee to prepare a discharge of your Mortgage. These fees are subject to change from time to time in accordance with industry standards. In addition, we reserve the right to charge reasonable fees in accordance with industry standards for other administrative services such as, but not limited to, assumptions, transfers, payment frequency changes, mortgage statements, etc. These fees may vary from time to time and will be published in our prevailing Schedule of Fees, which you may obtain from us upon request.