

SCHEDULE "A"

This schedule forms part of a Charge (hereinafter the mortgage, all schedules thereto and any applicable standard form mortgage or standard charge or mortgage terms are collectively called the "Charge") between the Mortgagor(s), the party or parties, if any, identified in the Charge as the spouse(s) of the Mortgagor(s), the party or parties, if any, identified in the Charge as guarantor(s) (collectively, the "Chargor"), and Lighthouse Credit Union as the Chargee. If there is any conflict between any provision of this schedule and any other provision of the Charge, such provision of this schedule shall prevail.

Due on Sale

In the event of a Transfer of the Charged Premises, in whole or in part, or of any interests therein to a Transferee, if

- i. The Chargor fails to apply in writing for the approval of the Chargee as to the Transferee and the terms and conditions of the Transfer.
- ii. The Chargee does not approve in writing the Transferee.
- iii. The Chargee does not approve in writing the terms and conditions of the Transfer, or
- iv. The Transferee fails to enter into an assumption agreement satisfactory to the Chargee, agreeing to assume the Charge and any amendments thereto, and any collateral agreements and to pay the amount thereby secured and perform every covenant, condition and obligation contained in the Charge and any amendments thereto, and any collateral agreements, to be performed by the Chargor thereunder (including this obligation) at the time and in the manner and in all respects as therein contained and to be bound by each and all of the terms, covenants, conditions and obligations of the Charge and any amendments thereof,

then, in any such case, the outstanding principal balance of the Charge shall, at the option of the Chargee, immediately become due and payable together with all accrued interest and other monies owing thereunder.

Prepayment

Notwithstanding any proviso or covenant contained elsewhere herein, the Chargee shall not in any event be bound to accept payment of principal sum or of the said interest herein or of any part of the principal sum or of the last mentioned interest before the Maturity Date hereinbefore provided for.

The Chargee will accept prepayment of the entire amount owed under this Charge before Maturity Date subject to a charge. This charge shall be the greater of:

- a) three months' Interest, or
- b) the difference between the Interest Rate and the then current Interest Rate offered by the Chargee for a Term comparable to the remaining Term of this Charge calculated on the balance outstanding.

It is understood that this prepayment privilege will remain in effect for the term of this Charge, but not for any renewal thereof unless stipulated contractually at the time of such renewal.

Insurance

Notwithstanding any proviso or covenant contained elsewhere herein, the Chargor (including his heirs, executors, administrators, successors or assigns) shall, during the continuance of the Charge, at its sole cost and expense, take out and keep in full force and effect, insurance in an amount of not less than one hundred percent (100%) of the full replacement cost thereof, with coverage against, at least the perils of fire, and standard extended coverage, on each and every building on the said premises and which may hereafter be erected thereon, both during erection and thereafter. Each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear and shall contain the standard mortgage clause approved by the Chargee. The Chargor agrees that certificates of insurance or, if required by the Chargee, certified copies of each such insurance policy, will be delivered to the Chargee as soon as practicable after the placing of the required insurance. All such policies shall contain an undertaking by the insurers to notify the Chargee in writing, not less than fifteen (15) days prior to any material change, cancellation, failure to renew, or termination thereof. If the Chargor fails to take out or to keep in force any such insurance, or should any such insurance not be

approved by the Chargee, and should the Chargor not rectify the situation within fifteen (15) days after written notice by the Chargee to the Chargor, the Chargee has the right, without assuming any obligation in connection therewith, to effect such insurance at the sole cost and expense of the Chargor. If the Chargee is obligated to pay any premiums or sums of money for insurance for the premises or any part thereof, the amount of such insurance for the premises or any part thereof, the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the same rate applicable to principal as set out in the Charge from the time of such payments and shall be payable at the time appointed for the next ensuing paying of interest on the said debt. On the happening of any loss or damage, the Chargor shall furnish at his own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance moneys and the production of the Charge shall be sufficient authority for the said insurance company to pay any such loss to the Chargee. Any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the said premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the said premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part the Charge or any part thereof whether due or not then due.

If the said premises are part of a Condominium Corporation, the insurance provision set out in paragraph 1. Above will not apply. Rather, the following will apply to the Charge: Notwithstanding any proviso or covenant contained elsewhere herein, the Chargor (including his heirs, executors, administrators, successors or assigns) or the Condominium Corporation or both shall, during the continuance of the Charge, at its sole cost and expense, take out and keep in full force and effect, insurance in an amount of not less than one hundred percent (100%) of the full replacement cost thereof, with coverage against, at least the perils of fire, and standard extended coverage, on each and every building on the said premises and which may hereafter be erected thereon, both during erection and thereafter. Each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear and shall contain the standard mortgage clause approved by the Chargee. The Chargor and Condominium Corporation will assign transfer and deliver to the Chargee, certificates of insurance or, if required by the Chargee, certified copies of each such insurance policy, as soon as practical after the placing of the required insurance. All such policies shall contain an undertaking by the insurers to notify the Chargee in writing, not less than fifteen (15) days prior to any material change, cancellation, failure to renew, or termination thereof. If the Chargor fails to take out or to keep in force any such insurance, or should any such insurance not be approved by the Chargee, and should the Chargor not rectify the situation within fifteen (15) days after written notice by the Chargee to the Chargor, the Chargee has the right, without assuming any obligation in connection therewith, to effect such insurance at the sole cost and expense of the Chargor. If the Chargee is obligated to pay any premiums or sums of money for insurance for the premises or any part thereof, the amount of such insurance for the premises or any part thereof, the; amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the same rate applicable to principal as set out in the Charge from the time of such payments and shall be payable at the time appointed for the next ensuing paying of interest on the said debt. On the happening of any loss or damage, the Chargor or the Condominium Corporation or both shall comply fully with the terms of the policy, or policies, of insurance and without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on him by the Condominium Act and the Declaration and By-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

Inspection

The Chargee or agent of the Chargee or agent of Canada Mortgage and Housing Corporation (hereinafter called "CMHC"), may, at any time, before and after default, and for any purpose deemed necessary by the Chargee or CMHC, enter upon the said lands to inspect the lands and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee or CMHC (or their respective agents) may enter upon the said lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, payable by the Chargor forthwith and shall be a Charge upon the said lands. The exercise of any of the powers enumerated in this clause shall not deem the Chargee, CMHC or their respective agents to be in possession, management or control of the said lands and buildings.

Charge Pursuant to the NHA

This Charge is made pursuant to the National Housing Act.

Definition of Interest Adjustment Date

The definition of the Interest Adjustment Date (IAD) as mentioned in Section 36 (1) of the National Housing Loan Regulation will apply to all NHA insured loans.