SCHEDULE A
(Variable Rate Mortgage)

To a Mortgage or Charge (the "mortgage"), covering residential property containing not more than 4 dwelling units made between

and **SCOTIA MORTGAGE CORPORATION** dated

1. Section 2 (INTEREST) is replaced by the following:

INTEREST

(a) The interest rate payable by the Borrower on the capital sum is a variable rate, expressed as a rate per annum, and determined as follows: The interest rate payable on the capital sum during the whole of each calendar month shall be equal to our Variable Rate Mortgage (VRM) Base Rate in effect on the first day of the month with a variance of % per annum. Our VRM Base Rate is set on the first of each month equal to the Prime Rate of The Bank of Nova Scotia on that day.

(b) Interest is calculated half-yearly not in advance. Interest at this variable rate is payable on the capital sum both before and after the final payment date, default and judgment. The interest rate will vary automatically. If The Bank of Nova Scotia Prime Rate changed during the month, the Borrower's interest rate will not change until the first day of the following month. Wherever this deed refers to the interest rate payable on the capital sum, that expression means the variable rate determined as set out above calculated and payable as set out above.

(c) the first day of the month during which the Borrower signs this deed the VRM Base Rate was % per annum and the interest rate payable on the capital sum (base rate plus/minus the number of percentage points set out above) at the time the Borrower signs this deed is % per annum calculated half-yearly not in advance. Those interest rates will remain in effect until they are varied as provided under this deed.

(d) After an increase in the interest rate payable on the capital sum the Borrower may prepay the money owing under the mortgage without notice or bonus on the following terms. First, the Borrower's prepayment must include all the money that the Borrower owes to the Lender under this deed, except that the interest from the effective date of the increase to the date of the prepayment will be calculated at the interest rate payable on the capital sum immediately before the increase. Secondly, the prepayment must be made within a period of 21 days after the effective date of the increase. If the Borrower does not make the prepayment within that period, the Borrower will be bound by the increase.

(e) After each VRM Base Rate change, the Lender will mail a notice showing the new interest rate and the date it became effective. The notice will be mailed to the Borrower's last known address shown in the Lender's records. However, the Lender's failure to mail a notice or the fact that the Borrower does not receive it does not prevent the rate from varying under the preceding paragraphs or extend the period for the prepayment under paragraph (d). The VRM Base Rate in effect at any time will be available at any branch of The Bank of Nova Scotia in Canada.

(f) If on any monthly loan payment date the Borrower does not make the payment due on that day, the Lender will charge the Borrower interest on any overdue interest until paid to the Lender ("compound interest"). The Lender will also charge interest on compound interest that is overdue until paid to the Lender. The interest rate for compound interest is the interest rate payable on the capital sum both before and after the final payment date, default and judgment. It shall be paid periodically at intervals that are the same as the Borrower's monthly loan payment dates.

PAYMENT

The Borrower agrees to repay the loan amount, with interest thereon at the rate stipulated in Section 2(a) above, as follows;

Before the Borrower's regular monthly loan payments begin the Borrower will pay the Lender interest at the interest rate payable on the loan amount on all money the Lender has advanced to the Borrower up to the interest adjustment date. Interest will be computed from the date of each advance and will become due and payable in monthly installments on the first day of the next month following the date of each advance and on the first day of each and every month thereafter. The balance, if any, of such interest on advances payable up to but not including the interest adjustment date shall become due and be paid on that date. In this deed the Interest adjustment date is the 1st

The capital sum, together with interest calculated from the interest adjustment date, shall become due and be paid by the Borrower in regular payments (called “monthly loan payment”).

The Borrower’s initial monthly loan payment will be dollars

($) each, beginning on the 1st

Thereafter, the monthly loan payment will vary automatically at the first day of each month with each change to the VRM Base Rate. Each monthly loan payment adjustment will take into account the remaining amortization period and new interest rate on the date of the change. Each time there is an interest rate and monthly loan payment change, we will tell you what your new interest rate and monthly loan payment will be within 30 days of the change. If, on the first day of the month there is no change to the VRM Base Rate, your monthly loan payment will not change and we will not send you a notice with a new monthly loan payment.

Each monthly loan payment consists of a portion of the capital sum together with the interest due and payable on the monthly loan payment date. The Borrower will pay the balance of the capital sum together with all interest due and payable on it on the 1st , which is also called the “final payment date”.

Each monthly loan payment will be used: **first**, to pay interest due and payable and **next**, to reduce the principal amount.

The lender may require the Borrower to pay all the money that the Borrower owes the Lender under this deed immediately if the Borrower sells, transfers or hypothecates the mortgaged property. This provision does not apply to a sale, transfer or hypothec to which the Lender has given its prior written consent.

2. PREPAYMENTS

You may pay off some, or the entire mortgage early, based on the following terms.

If we later agree to change or extend the terms of the loan, these prepayment conditions will not apply to the new or extended term.

Miss a Payment Option

You may miss any scheduled payment as long as you have prepaid an amount equal to the amount of the payments you intend to miss in this term and your mortgage is not in default. You cannot, however, miss your mortgage protection premium, if applicable.

Continuing Liability

Unless you prepay the balance of the principal amount owing, you must continue to make your regular monthly mortgage payments.

Prepayments

Providing all your mortgage payments are up to date, you may increase your payments, or pay off some of your mortgage early in one of the ways listed in the chart below. These options apply to partial prepayments only. The options are available each year and cannot be saved for use in a later year. Each year is defined as the 12-month period starting on the Interest Adjustment Date (IAD) or the anniversary of that date. If your mortgage term is less than 12 months, these options are available in each term.

PREPAYMENT OPTIONS		
How	When	What it means
1 *by paying an extra regular mortgage payment (principal, interest and taxes)	on any regular payment date	your principal mortgage balance will be reduced by that amount
2. *by paying up to 15% of the original principal amount of your mortgage	at any time (excluding day prepaid in full), sum total not to exceed the yearly maximum	
3. by increasing your regular mortgage payment by up to 15% of the principal and interest payment set for the term of the mortgage	once each year of the term of your mortgage	

*Only items 1 & 2 qualify for the Miss a Payment option

Prepayment Cost

When you prepay some, or the entire principal of your mortgage, you will incur prepayment costs unless the partial prepayment is in accordance with the Prepayment Options chart. The costs to pay off some, or the entire principal amount of your mortgage early is 3 months' interest on the amount you want to pay. The interest rate used to calculate the 3 months interest is the interest rate being charged on the mortgage loan at the time of the prepayment

Cashback

If you receive a cashback with your mortgage the cashback amount will be repayable if your mortgage loan does not remaining outstanding with us for the full term. If the mortgage is partially prepaid, paid in full, transferred, assumed or renewed prior to the expiry of the original term, the cashback amount will appear as payable in any assumption, discharge or early renewal statement and will be calculated on an even, prorated basis using the following formula:

$$\text{Cashback Repayment} = \frac{\text{Remaining Term in months (rounded up)}}{\text{Original Term in months}} \times \text{Cashback Amount Received}$$

Portable Mortgage

You may transfer your existing mortgage balance to a new home. You must apply for a new mortgage and meet all our normal qualifications as if you were applying for any other mortgage. In this case, we will not charge you a pre-payment cost.

Early Renewal

You may early renew this mortgage into a fixed rate, closed prepayment type mortgage with us, with an equivalent or greater term than the remaining term on this mortgage, without a prepayment cost.