

SCHEDULE

Additional Provisions

The following terms apply to your Adjustable Rate ACCCELERATOR Mortgage in place of those in the Standard Charge or Mortgage Terms:

1. Adjustable Rate

Where the interest rate on the mortgage refers to the prime rate, you have an adjustable rate mortgage. The interest rate payable by you is the prime rate plus or minus the number of percentage points, if any, shown on the registered mortgage.

Whenever there is a change in the prime rate, the interest rate will be adjusted on the first day of the next month (every date on which such adjustment is made is referred to in this schedule as an “adjustment date”). On each adjustment date, the interest rate will be adjusted to be the same as the prime rate then in effect plus or minus the number of percentage points, if any, shown on the registered mortgage or in the agreement. The change will occur without you being notified.

The prime rate is the prime rate that Royal Bank of Canada publicly announces from time to time as its reference rate to determine interest rates it will charge for commercial Canadian dollar loans to its customers in Canada and which it refers to as its “prime rate of interest”.

Interest on the loan is calculated daily not in advance using the following interest formula (which is the same as calculated yearly):

Interest is calculated by multiplying the outstanding principal amount by the interest rate then in effect, dividing the result by 365 and then multiplying the number of days in the payment period. Interest is calculated in this way whether or not it is a leap year. Interest so calculated is payable on each regular payment date.

2. Regular Payment Amount

The amount for each regular payment shown on the registered mortgage or the agreement for the loan, which includes principal and interest, is based on the interest rate in effect at the time the mortgage is made.

Your regular payment amount will change with each adjustment in the interest rate to an amount sufficient to pay all interest that will accrue up to the next payment date, plus the amount of principal which we determine is required to maintain the amortization of the mortgage loan, as adjusted for any prepayments you have made.

3. Information Regarding Interest Rate and Payment Amount

Within a reasonable time after each adjustment date we may mail to you at your last known mailing address according to our records, a notice of the changed interest rate and any change to the payment amount. The interest rate and payment amount will vary even if we fail to send you this notice or you fail to receive it.

You can always find the prime rate then in effect and the current interest rate on the loan by contacting us. If there is a need to prove the interest rate applicable to the loan at any time, you agree that any certificate in writing we issue setting out the prime rate and the interest rate then in effect will be considered as conclusive evidence of the rate in effect at that time.

4. Partial Prepayments

You may pay more than your regular payments on the adjustable rate ACCCELERATOR Mortgage as follows:

- (a) you may, once in each year of the term, at any time, increase your regular payment amount by up to 20% of the payment amount set out in the mortgage. Your request to increase the payment amount must be received 5 days before the regularly scheduled payment date you want the increase to be in effect; and
- (b) you may pay without a prepayment charge an amount not greater than 20% of the original principal amount of the loan. Each payment must be at least \$500. You may not prepay more than 20% even though you may have prepaid less than 20% of the principal payment amount during a previous year.

5. Prepayment in full

You may prepay the adjustable rate ACCELERATOR Mortgage in full only as follows:

- (a) of three months interest calculated on the loan amount being prepaid at the rate posted by Royal Bank of Canada as its rate for a closed mortgage for a one year term at the discharge statement preparation date; and
- (b) if the term of the mortgage is more than three (3) years, at anytime after the third year of the term with payment of a prepayment charge of three months interest calculated on the loan amount being prepaid at the rate posted by Royal Bank of Canada as its rate for a closed mortgage for a one year term at the discharge statement preparation date.

6. Other Prepayment Provisions

All the other terms and conditions for making prepayment that are set out in section 5 of the Standard Mortgage or Charge Terms apply. The privilege for a 20% partial prepayment without a prepayment charge that is unused or that is made within thirty days of the statement preparation date will not reduce the prepayment charge payable on prepayment in full.

7. Conversion

You have the option by written request to us at any time to convert the interest rate from the adjustable rate to a fixed rate for a three or five year term. The fixed interest rate will be our posted ACCELERATOR rate for the term you have chosen on the date the written request for conversion is received and approved by us. The conversion will take effect on the next payment date, but if we receive your request less than five (5) business days prior to the payment date, the conversion may take effect on the next following payment date. You must sign our conversion agreement and pay our then current administration and processing fee for converting the loan. A request to convert may be refused if you are or have been in default in payment or otherwise under the mortgage.