SCHEDULE A
(Variable Rate and Payment Mortgage)

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

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and **SCOTIA MORTGAGE CORPORATION** dated ____

Section 3A (Interest Rate) is replaced by the following:
The interest rate payable by you on the loan is a variable rate, expressed as a rate per annum, equal to our Variable Rate Mortgage (VRM) Base Rate with a variance of _________% per annum. Our VRM Base Rate will vary from time to time as the Prime Rate of the Bank of Nova Scotia varies.

Interest is calculated half-yearly not in advance. Interest at this variable rate will be payable on the loan amount both before and after the final payment date, default and judgment. The interest rate will vary automatically on the day Scotiabank's Prime Rate varies. Wherever this mortgage refers to the interest rate payable on the loan amount, that expression means the VRM Base Rate plus or minus the number of percentage points per annum set out above, calculated and payable as set out above.

The principal amount secured by this mortgage is stated on page 1. At the time you sign this mortgage the VRM Base Rate is ________% per annum and the interest rate payable on the loan amount (base rate plus/minus the number of percentage points set out above) is _______% per annum calculated semi annually not in advance. Those interest rates will remain in effect after you have signed this mortgage until they are varied as provided under this clause 3A.

How You Can Determine the Interest Rate
After each VRM Base Rate change we will mail a notice to you showing your new rate and the date it became effective, and your new payment amount. The notice will be mailed to your last known address shown in our records, within 30 days of the interest rate change. However, our failure to mail you a notice or the fact that you do not receive it will not prevent the rate from varying or the payment amount from varying. The VRM Base Rate in effect at any time is available at any branch of The Bank of Nova Scotia in Canada or at www.scotiabank.com.

Section 4A (Monthly Loan Payments) is replaced by the following:
You shall repay the loan amount and all interest payable on it to us in Canadian dollars. Your regular monthly loan payment and all other payments will be made at our Head Office in Toronto, Ontario, or at any other place we may designate, and are payable as follows:

Before your term start date, you will pay us interest, at the rate payable on the loan amount, calculated semi-annually, not in advance, on all money we have advanced to you.

If more than 1 month will elapse from the advance date to your 1st regular payment due date, you will owe interest for the period, separately. At our option, such interest will be due and payable one month prior to the 1st regular payment due date or on the 1st regular payment due date or it may be deducted from subsequent advances. We may also require you to pay this interest monthly, before we set a first regular payment due date.

In this mortgage the Interest Adjustment Date (also referred to as the Term Start Date) is ______________________, _______.

The principal amount, together with interest calculated from the interest adjustment date, shall become due and be paid by you in regular **monthly loan payments**.

You will make regular monthly loan payments to us. Your initial monthly payment based on the interest rate indicated in Clause 3A above will be $___________________. Your payment amount will vary automatically at the first day of each month with each change to the VRM Base Rate. Each payment adjustment will take into account the remaining amortization period and new interest rate in effect on the date of the change. After each VRM Base Rate change, we will mail you a notice as outlined above in 3A. If there is no change to the VRM Base Rate, your payment amount will not change and we will not send you a notice. Each monthly loan payment consists of a portion of the principal amount together with the interest due and payable on the monthly loan payment date.
Your monthly loan payments will begin on ________________, ______ and continue thereafter until _____________________, ______. Each of the above dates are called a monthly loan payment date.
You will pay the balance of the principal amount, together with all interest due and payable on it, on the last date mentioned, which is called the **final payment date**.

Section 4D. (Prepayment Terms and Conditions) is amended as follows:

Prepayment Charges – Paying off your mortgage before the maturity date.
You may prepay some, or the entire mortgage early based on the following terms. If we later agree to change or extend the terms of this mortgage, these prepayment conditions do not apply to the new renewal 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. Extra payments or prepayments may not be used to miss a payment if this mortgage is assumed by a subsequent purchaser.

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

Prepayment
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 to use in a later year. Each year is defined as the 12-month period starting on the Term Start Date (also referred to as the Interest Adjustment Date) 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 during the year	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 current principal and interest payment.	once each year of the term of your mortgage	

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

Prepayment Charge

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 above. The cost to pay off some, or the entire principal amount of your mortgage early, is 3 months interest costs on the amount you want to prepay. The interest rate used to calculate the 3 months interest is the interest rate being charged on the mortgage 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 remain outstanding with us for the full term. If your mortgage is partially prepaid, paid off in full, transferred, assumed, or renewed prior to expiry of the 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;

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

If You Move (Porting the Mortgage)

(1) If you sell your property and purchase another property within 90 days of the sale of your original property and you are not in default, and we agree in writing, you can move your existing mortgage to your new property. This means you may transfer the principal amount outstanding at the time of sale and your interest rate terms for the remaining term of the mortgage to the new property.

(2) This privilege may only be used for one new mortgage. This privilege may not be used for construction mortgages or any non-personal residential mortgages. In addition, to be eligible to move the mortgage to your new property, you must:
   (a) meet our mortgage approval and mortgage transfer criteria, including any requirements of the mortgage default insurer, if applicable; and
   (b) pay any processing and administration fees, mortgage default insurance premiums, legal costs and property valuation fees, and any other expenses we incur.

(3) You will still be required to pay all applicable prepayment charges, discharge fees and any cashback amount owing when you sell your property. If we agree to let you move the mortgage, we will refund such charges and amounts when we obtain the new mortgage, with the exception of discharge fees. If the principal amount of the new mortgage is less than the principal amount outstanding when you sold your original property, you are responsible for the applicable prepayment charges and any cashback amount owing on the difference.

(4) If the mortgage has mortgage default insurance, ask us to see if the mortgage default insurance can be moved.

Early Renewal

You may early renew this mortgage into a fixed rate, closed prepayment type mortgage with us, with a term that is greater than the remaining term on this mortgage without a prepayment charge.