A. Prepayment Privileges

1. Regularly Scheduled Payments

During each regularly scheduled payment period you are permitted to pay up to double your contracted regularly scheduled payment without prepayment charges regardless of the contracted interest rate or the current posted interest rate, provided your regularly scheduled payments are up-to-date. This privilege is non-cumulative.*

2. Annually

In addition to increasing your regularly scheduled payment (as above), you are permitted to prepay, without prepayment charges, up to twenty (20%) percent of your outstanding balance once in any twelve (12) month period. Regular payments must continue without interruption. This privilege is non-cumulative.* Prepayments in excess of 20% will be charged a penalty on the amount of prepayment as outlined in section B (Prepayment Charges) below.

*These prepayment privileges without penalty are non-cumulative and cannot be used at the time you payout the principal amount of the mortgage in full.

B. Prepayment Charges

If you want to payout all or a portion (greater than 20%) of your mortgage balance before the end of your mortgage term, you will be charged a penalty. Your penalty will be the greater of: three (3) months interest at your contracted annual interest rate OR an interest rate differential on the amount of prepayment. The interest rate differential is calculated on the date the payout statement is prepared by multiplying the following: a) the difference between your contracted interest rate and the current posted interest rate** of a mortgage with a similar term to maturity (i.e. a term equal to the time remaining on your mortgage - as shown in Table 1 below); b) the amount you want to prepay; and c) the number of months remaining on your mortgage term until maturity. For a detailed example of a comparison between the three (3) months interest calculation and the interest rate differential calculation see Table 2 below.

** For more information on posted interest rates, financial calculators or to obtain balance and payout information, please call us toll free at 1-800-668-2879 or visit our web site at www.lsm.ca

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C. Statutory Right of Prepayment

If the term of your mortgage is greater than 5 years, you may prepay the outstanding principal amount of your mortgage any time after the end of the 5th year after the interest adjustment date, provided you pay a penalty equal to the outstanding principal amount and interest owing to the date of prepayment, plus an amount equal to three (3) months interest calculated at your existing annual interest rate on the date of prepayment. The “term” of your mortgage means the period of time until your mortgage becomes due and payable unless renewed; it does not mean amortization.

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**SCHEDULE “C1”**

PREPAYMENT OPTIONS
FOR RESIDENTIAL MORTGAGES

As at the execution date of this mortgage and/or mortgage renewal

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**SCHEDULE “C2”**

FEES

AS AT THE EXECUTION DATE OF THIS MORTGAGE AND/OR MORTGAGE RENEWAL

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EFFECTIVE DATE: March 1, 2015

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Note: League Savings and Mortgage Company reserves the right to make changes to the above fees from time to time. In the event of fee changes, we will provide you with 30 days notice.