

**SCHEDULE OF ADDITIONAL PROVISIONS
Applicable to VRM - Closed**

This is a Schedule to a Mortgage between:

(hereinafter referred to as "you")

And Peoples Credit Union Limited (hereinafter referred to as "PCU" or the "Mortgagee")

A. INTEREST RATE The interest rate payable by you as of the date of the mortgage is _____ % per annum calculated monthly not in advance. The equivalent rate of interest calculated half-yearly not in advance to the current mortgage rate as of the date of the mortgage is _____ % per annum.

The interest rate chargeable on the principal sum and all other amounts payable under the Mortgage is a variable rate per annum equal to the PCU Basic Closed Variable Mortgage Rate as published from time to time, calculated monthly, not in advance, before and after default, maturity and judgment. The resulting rate is known as PCU Closed Variable Rate Mortgage Rate.

If the interest rate chargeable on the principal sum and all other amounts payable under the Mortgage is a variable rate per annum equal to the PCU Basic Closed Variable Mortgage Rate **minus** _____ % calculated monthly, not in advance until _____ 20 _____, thereafter, the PCU Basic Closed Variable Mortgage Rate, calculated monthly, not in advance, will apply.

The interest rate will vary automatically, without notice to you, each time that there is a change in PCU Basic Mortgage Rate.

DEFERRED INTEREST

"Deferred interest" is that interest accumulated on the loan amount from one regular payment to the next that exceeds the regular loan payment. Deferred interest is due and payable on demand.

B. PAYMENT The amount of the monthly payment as at the date hereof is \$ _____ per month, which is based upon the variable rate closed mortgage rate of _____ %. You hereby authorize the Mortgagee to automatically adjust the amount of the monthly payments on an annual basis (the anniversary date of the mortgage term), for the purpose of ensuring that, assuming all payments are made as agreed, the projected Balance Due at the end of the current term will remain as originally projected. Peoples Credit Union will advise you in writing of any such adjustments in the monthly payment amount. Regular mortgage payments will be applied firstly to any collection expense, then escrow accounts, then previously accumulated and unpaid deferred interest, then the total amount of interest which accrued on the principal during the period and finally to reduce the principal amount.

The following formula using the current rate may be used to determine the amount of interest accrued on the principal sum in the payment period.

Principal amount owing after last payment	X	Current mortgage Rate	X	Number of days during payment period on which current mortgage rate was chargeable
				Number of days in the year

Assuming the following:

- (a) Principal amount owing after last payment \$92,550
- (b) Current Mortgage Rate 9%
- (c) Monthly Installment \$ 827.97
- (d) Number of days during the payment period 30 days

The formula set out above can be used to determine the interest which accrued on the principal sum during the period.

\$92,550	X	9%	X	$\frac{30}{365}$	=	\$684.62
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The monthly installment (\$827.97) is applied firstly to payment of accrued interest (\$684.62) leaving a balance of \$143.35 to reduce the principal.

C. CONVERTABILITY When not in default you shall have the option at any time during the initial term of this mortgage, of converting to a fixed rate term closed mortgage equal to or greater than the remaining years of this agreement. The interest rate for the converted mortgage shall be Peoples Credit Union Limited's then prevailing posted interest rate for the term chosen. You must sign our amending agreement. All amended terms, conditions and provisions of the mortgage will be contained in the amending agreement. The conversion to a fixed rate mortgage will take effect on the next Adjustment Date applicable under the mortgage after Peoples Credit Union receives from you a written request to convert to a fixed term. You agree to pay us any processing or administration fees, together with accumulated interest, as well as all legal expenses with respect to the conversion documentation. Once the mortgage has been converted, the prepayment privileges of the new mortgage, if any, will apply in place of those applicable to this mortgage.

The interest rate will be established on the date the request for conversion is received by Peoples Credit Union. The conversion to a fixed rate mortgage will take effect on the next Adjustment Date applicable under the existing mortgage after receipt by us of the request to convert to a fixed term.

D. PREPAYMENT PROVIDED that you have never been in default under this mortgage, you shall have the following noncumulative privileges:

- You may pay without notice or penalty, on an annual basis, an amount not exceeding 25% of the original principal amount of the mortgage in each year during the term of this loan
- You may increase the monthly payment amount by up to 20% of the monthly amount above on each anniversary date of the Mortgage term
- You may double the regularly scheduled payment, on any regular scheduled payment date, without penalty

It is further intended and agreed that the Mortgage may not be prepaid prior to the maturity date unless otherwise provided herein.

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PROVIDED further that in the event of a sale, conveyance, lease or transfer of the title of the property herein described to a purchaser, grantee, transferee, mortgagee or lessee, then at the option of Peoples Credit Union, all monies owing will become due and payable.

PROVIDED further when not in default hereunder, and never having exercised the option to convert the mortgage to a fixed term rate mortgage as outlined in paragraph C of this schedule, you shall have the privilege of paying the whole of the principal amount in full with a prepayment charge on any such principal repayment of an additional three (3) months interest penalty. The penalty is calculated by using the principal balance owing at the time of prepayment and interest rate of the mortgage on the day of prepayment.

E. DESIGNATED AMOUNT

Designated amount shall mean the lesser of:

- (a) the original principal amount; and
- (b) 80% or a lesser percentage as established by us in our discretion of the fair market value of your property, or in the case of a CMHC, Genworth or Canada Guaranty insured mortgage:
 - (i) 90% or 95% of the lesser of the appraised value or purchase price of your property, plus the CMHC, Genworth or Canada Guaranty insurance premium.

If at any time during the term of the mortgage the outstanding loan balance exceeds the designated amount you shall be required to take one of the following actions:

- (a) increase the amount of each regular payment under the mortgage in order to amortize the mortgage over the remaining amortization period;
- (b) reduce the total of the loan amount by making a lump sum payment bringing the total loan to a point below the designated amount; and
- (c) convert the mortgage to a closed fixed rate mortgage having equal monthly payments.

If you are unable to do any of the above, the mortgage will immediately, at our option, become due and payable.

F. FEES AND COSTS In addition to the fees provided for in the Standard Charge Terms, you agree to pay to Peoples Credit Union its then customary servicing fees, as published from time to time, to compensate us for our reasonable time expended and costs incurred in the administration of the Mortgage, including, without limiting the generality of the foregoing:

- a) dealing with each late or missed payment and for replacement of each cheque or other instrument, including, without limitation, a pre-authorized debit instrument, not honoured when presented for payment;
- b) processing each application to assume the Mortgage, whether or not approved or completed;
- c) administering insurance cancellations and paying insurance premiums;
- d) collecting any payment or enforcing any other obligation contained in this Mortgage or in managing or selling the property;
- e) conducting any inspection or appraisal of the Lands necessitated by the default in the compliance with any of the obligations pursuant to this Mortgage; or,
- f) generally, attending to any matter connected with the proper administration of this Mortgage.

The aforementioned fees shall be payable to Peoples Credit Union and, if not so paid, shall become part of the debt secured and shall bear interest at the interest rate set forth in this Mortgage.

G. CONSENT RE PERSONAL INFORMATION You acknowledge that in the normal course of business, the Credit Union may sell this Mortgage to another financial institution or other entity or trust. You hereby consent to the Credit Union disclosing to any such proposed transferee interested in purchasing the Mortgage your Personal Information in the possession of the Credit Union relating to the Mortgage for the sole purpose of enabling it to decide whether or not to purchase it, and then to any ultimate purchaser of the mortgage for all the purposes a Mortgagee uses such information to properly administer the Mortgage.

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Equivalent Interest Rates

The following information is provided to you since the current interest rate may be expected to change from time to time. For each current mortgage rate (calculated monthly not in advance) set forth, the adjacent column sets forth the equivalent interest rate calculated semi-annually not in advance.

CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)
0.000	0.000000	8.375	8.522493	16.750	17.345498
0.125	0.125033	8.500	8.651950	16.875	17.479503
0.250	0.250130	8.625	8.781474	17.000	17.613578
0.375	0.375293	8.750	8.911064	17.125	17.747721
0.500	0.500521	8.875	9.040722	17.250	17.881933
0.625	0.625814	9.000	9.170447	17.375	18.016213
0.750	0.751173	9.125	9.300239	17.500	18.150563
0.875	0.876597	9.250	9.430098	17.625	18.284982
1.000	1.002086	9.375	9.560024	17.750	18.419470
1.125	1.127640	9.500	9.690017	17.875	18.554027
1.250	1.253260	9.625	9.820078	18.000	18.688653
1.375	1.378945	9.750	9.950205	18.125	18.823348
1.500	1.504695	9.875	10.080400	18.250	18.958112
1.625	1.630511	10.000	10.210663	18.375	19.092945
1.750	1.756393	10.125	10.340992	18.500	19.227848
1.875	1.882339	10.250	10.471389	18.625	19.362820
2.000	2.008352	10.375	10.601853	18.750	19.497861
2.125	2.134430	10.500	10.732385	18.875	19.632971
2.250	2.260573	10.625	10.862984	19.000	19.768150
2.375	2.386782	10.750	10.993650	19.125	19.903399
2.500	2.513057	10.875	11.124384	19.250	20.038717
2.625	2.639397	11.000	11.255186	19.375	20.174105
2.750	2.765803	11.125	11.386055	19.500	20.309562
2.875	2.892275	11.250	11.516991	19.625	20.445089
3.000	3.018813	11.375	11.647995	19.750	20.580685
3.125	3.145416	11.500	11.779067	19.875	20.716350
3.250	3.272085	11.625	11.910206	20.000	20.852085
3.375	3.398820	11.750	12.041413	20.125	20.987889
3.500	3.525620	11.875	12.172688	20.250	21.123763
3.625	3.652487	12.000	12.304030	20.375	21.259707
3.750	3.779419	12.125	12.435440	20.500	21.395721
3.875	3.906418	12.250	12.566918	20.625	21.531804
4.000	4.033482	12.375	12.698464	20.750	21.667956
4.125	4.160612	12.500	12.830077	20.875	21.804179
4.250	4.287808	12.625	12.961759	21.000	21.940471
4.375	4.415071	12.750	13.093508	21.125	22.076833
4.500	4.542399	12.875	13.225325	21.250	22.213265
4.625	4.669793	13.000	13.357210	21.375	22.349768
4.750	4.797254	13.125	13.489164	21.500	22.486338
4.875	4.924781	13.250	13.621185	21.625	22.622979
5.000	5.052374	13.375	13.753274	21.750	22.759690
5.125	5.180033	13.500	13.885431	21.875	22.896472
5.250	5.307758	13.625	14.017656	22.000	23.033323
5.375	5.435549	13.750	14.149950	22.125	23.170244
5.500	5.563407	13.875	14.282311	22.250	23.307235
5.625	5.691331	14.000	14.414741	22.375	23.444297
5.750	5.819322	14.125	14.547239	22.500	23.581428
5.875	5.947379	14.250	14.679805	22.625	23.718630
6.000	6.075502	14.375	14.812439	22.750	23.855902
6.125	6.203691	14.500	14.945142	22.875	23.993244
6.250	6.331948	14.625	15.077913	23.000	24.130656
6.375	6.460270	14.750	15.210752	23.125	24.268138
6.500	6.588659	14.875	15.343660	23.250	24.405691
6.625	6.717115	15.000	15.476636	23.375	24.543314
6.750	6.845637	15.125	15.609681	23.500	24.681007
6.875	6.974225	15.250	15.742794	23.625	24.818771
7.000	7.102881	15.375	15.875975	23.750	24.956605
7.125	7.231603	15.500	16.009225	23.875	25.094509
7.250	7.360391	15.625	16.142543	24.000	25.232484
7.375	7.489247	15.750	16.275930	24.125	25.370529
7.500	7.618169	15.875	16.409386	24.250	25.508645
7.625	7.747157	16.000	16.542910	24.375	25.646831
7.750	7.876213	16.125	16.676503	24.500	25.785088
7.875	8.005335	16.250	16.810165	24.625	25.923416
8.000	8.134524	16.375	16.943895	24.750	26.061814
8.125	8.263780	16.500	17.077694	24.875	26.200283
8.250	8.393103	16.625	17.211561	25.000	26.338822