

SCHEDULE 1
MERITLINE ADDITIONAL PROVISIONS

1. INDEBTEDNESS SECURED BY THE CHARGE

I charge all of my present and future interest in the Property as security for payment on demand to the Credit Union of the following amounts (collectively the “Indebtedness”):

- (a) all of my present and future debts, liabilities and obligations (collectively my “MeritLine Obligations”) to the Credit Union under the MeritLine Home Equity Line of Credit Agreement dated and all present and future agreements, instruments and documents executed by me in favour of the Credit Union in connection therewith, all as from time to time amended, replaced or otherwise modified, in an aggregate amount not at any time exceeding the Principal Amount;
- (b) the Additional Amounts payable by me under the Charge as set out in Sections 11 and 12 of the MeritLine Standard Charge Terms filed under number 9017 and forming part of the Charge.
- (c) interest on the amounts payable under sub-paragraphs (a) and (b) above at the Interest Rate, calculated on the daily balance thereof and payable monthly, both before and after demand and judgment.

2. INTEREST RATE

I agree to pay interest on the Indebtedness as provided in Section 1(c) above at the rate of interest (the “Interest Rate”) from time to time charged to me on my MeritLine Obligations up to a maximum rate of 25% per annum.

The current Interest Rate is a variable annual rate equal to the MeritLine rate of interest as published from time to time by Credit Union Central of Ontario, plus / minus _____ per cent per annum. The MeritLine rate of interest at the date hereof is _____ per cent per annum, calculated monthly on the unpaid balance being equivalent to _____ % per annum, calculated semi—annually.

3. REPRESENTATIONS AND WARRANTIES

I represent and warrant to the Credit Union that the Property has not been insulated with urea formaldehyde foam insulation, that the Property has not been used for the storage or disposition of any hazardous wastes and that no ‘improvements’ (as defined in the Construction Lien Act, 1983) have been made to the Property within the last 90 days nor are any contracts for such improvements in existence or contemplated.