

SCHEDULE OF ADDITIONAL PROVISIONS
Applicable to 5 Year Closed Variable Rate Mortgage

This is a Schedule to a Mortgage between:

(hereinafter referred to as "you")

And **The Fire Department Employees Credit Union Limited** (hereinafter referred to as "Fire Services CU" or the "Mortgagee")

NAME CHANGE

All references to Toronto Fire Department Employees Credit Union Limited in Standard Charge Terms No. ___ are hereby deleted and replaced with the words "The Fire Department Employees Credit Union Limited".

INTEREST

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 amount payable under the Mortgage is a variable rate per annum equal to the **Fire Services CU** Prime Rate plus/minus _____% as published in its Branches from time to time, calculated monthly, not in advance, before and after default, maturity and judgment. The resulting rate is known as the **5 year closed** Variable Rate Mortgage Rate.

The interest rate will vary automatically, without notice to you, each time that there is a change in **Fire Services CU's** Prime 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.

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 or GENWORTH insured mortgage, the lesser of:
 - (i) 95% [for CMHC or GENWORTH] of the lesser of the appraised value or purchase price of your property, plus the CMHC or GENWORTH insurance premium, and
 - (ii) 105% of the original balance of the mortgage including the CMHC or GENWORTH 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 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.

CONVERTIBILITY

When not in default you may convert the mortgage to a fixed rate mortgage having a term of three years or greater by communicating with the Mortgagee and selecting from the mortgage options and terms available at that time. You must sign our amending agreement. All amended terms, conditions and provisions of the mortgage will be contained in the amending agreement. 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.

MORTGAGE PAYMENTS

The amount of each mortgage payment payable by you is fixed under the terms of the mortgage; however, the amount of the interest and principal components of each payment may vary as the current mortgage rate varies. 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.

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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	30	=	\$684.62
				365		

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.

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 (%)
1.00	1.002086				
1.25	1.253260				
1.50	1.504695				
1.75	1.756393				
2.00	2.008352				
2.25	2.260573				
2.50	2.513057				
2.75	2.765803				
3.000	3.01881	8.000	8.13452	13.000	13.35721
3.125	3.14542	8.125	8.26378	13.125	13.48916
3.250	3.27208	8.250	8.39310	13.250	13.62118
3.375	3.39882	8.375	8.52249	13.375	13.75327
3.500	3.52562	8.500	8.65195	13.500	13.88543
3.625	3.65249	8.625	8.78147	13.625	14.01766
3.750	3.77942	8.750	8.91106	13.750	14.14995
3.875	3.90642	8.875	9.04072	13.875	14.28231
4.000	4.03348	9.000	9.17045	14.000	14.41474
4.125	4.16061	9.125	9.30024	14.125	14.54724
4.250	4.28781	9.250	9.43010	14.250	14.67981
4.375	4.41507	9.375	9.56002	14.375	14.81244
4.500	4.54240	9.500	9.69002	14.500	14.94514
4.625	4.66979	9.625	9.82008	14.625	15.07791
4.750	4.79725	9.750	9.95021	14.750	15.21075
4.875	4.92478	9.875	10.08040	14.875	15.34366
5.000	5.05237	10.000	10.21066	15.000	15.47664
5.125	5.18003	10.125	10.34099	15.125	15.60968
5.250	5.30776	10.250	10.47139	15.250	15.74279
5.375	5.43555	10.375	10.60185	15.375	15.87597
5.50	5.56341	10.500	10.73238	15.500	16.00922
5.625	5.69133	10.625	10.86298	15.625	16.14254
5.750	5.81932	10.750	10.99365	15.750	16.27593
5.875	5.94738	10.875	11.12438	15.875	16.40939
6.000	6.07550	11.000	11.25519	16.000	16.54291
6.125	6.20369	11.125	11.38605	16.125	16.67650
6.250	6.33195	11.250	11.51699	16.250	16.81016
6.375	6.46027	11.375	11.64800	16.375	16.94389
6.500	6.58866	11.500	11.77909	16.500	17.07769
6.625	6.71711	11.625	11.91021	16.625	17.21156
6.750	6.84564	11.750	12.04141	16.750	17.34550
6.875	6.97423	11.875	12.17269	16.875	17.47950
7.000	7.10288	12.000	12.30403	17.000	17.61358
7.125	7.23160	12.125	12.43544	17.125	17.74772
7.250	7.36039	12.250	12.56692	17.250	17.88193
7.375	7.48925	12.375	12.69846	17.375	18.01621
7.500	7.61817	12.500	12.83008	17.500	18.28498
7.625	7.74716	12.625	12.96176	17.625	18.28498
7.750	7.87621	12.750	13.09351	17.750	18.41947
7.875	8.00534	12.875	13.22533	17.875	18.55403