

MERITLINE – HOME EQUITY LINE OF CREDIT SCHEDULE 1

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 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 Standard Charge Terms No. 9017; and
- (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 MeritLine rate is equal to the prime rate as adjusted from time to time by the Credit Union plus _____ percent.

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.

Notwithstanding any other provisions of this mortgage, all of the principal and interest hereby secured shall be fully repaid within twenty-five years or such longer period of time as the regulations may prescribe.

Provided that the mortgagor, when not in default hereunder, shall have the privilege of paying the whole or any part of the principal sum secured on any date at any time without notice or bonus.

In addition to the fees provided for in the Standard Charge Terms, the Chargor agrees to pay to the Chargee its then customary servicing fees, as published from time to time, to compensate the Chargee for its reasonable time expended and costs incurred in the administration of the Charge, 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 Charge, 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 Charge or in managing or selling the property;
- (e) conducting any inspection or appraisal of the Lands necessitated by the default of the Chargor in his compliance with any of his obligations pursuant to this Charge; or
- (f) generally, attending to any matter connected with the proper administration of the Charge.

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