



CREDIT AGREEMENT FOR A VARIABLE INTEREST LOAN FOR A FIXED AMOUNT (MORTGAGE)

Credit Agreement for a Variable Interest Loan for a Fixed Amount (mortgage) referred to in subsection 9(1) of the *Cost of Borrowing Regulations*

Principal Amount	\$255,450.00
Annual Interest Rate	3.25% Variable rate per year. This interest is compounded twice per year but charged monthly.
Determination of Interest	Your interest rate is expressed as today's (name of bank) prime rate* plus an adjustment factor. Your interest rate is the prime rate + 1.00% As of July 27 2009, the prime rate is 2.25% Your interest rate will vary automatically if and when the (name of bank's) prime rate varies. *The prime rate means the variable annual interest rate that (name of bank) publishes from time to time as a point of reference.
Annual Percentage Rate	3.25% The interest rate for a whole year (annualized), including applicable fees such as service charges, loan origination fees or administrative fees when applicable.
Term	5 years The term of the loan is closed for the whole five years, which means that you cannot pay down more than your prepayment privilege without paying a penalty.
Date of Advance	September 1st, 2009 This is the date your funds will be advanced. Interest will be calculated and charged from this date on.
Payments	\$1,648.91 on the 1st of every month Your payment is payable monthly and includes payment toward the principal amount, the accumulated interest and your monthly property tax portion.
Amortization Period	20 years Based on the current terms and conditions, your mortgage will take 20 years to pay in full.
Prepayment Privilege	"10+10" Without paying a penalty, you may once per year: <ul style="list-style-type: none"> • increase your monthly payment by 10% of the original payment • pay a lump sum of 10% of the original mortgage amount toward your outstanding balance.

<p>Prepayment Charges</p>	<p>You will be charged a penalty if you pay more of your mortgage than the prepayment privilege allows. If you want to pay out all or part of your mortgage before the end of your term, you will also pay a penalty.</p> <p>Your penalty will be the greater of:</p> <ul style="list-style-type: none"> • three months interest, or • the interest rate differential: the difference between your mortgage rate and the rate of a mortgage that is closest to the remainder of your term, multiplied by the outstanding balance of your mortgage for the time that is left on your term. It is calculated on the amount being prepaid. 						
<p>Default Insurance</p>	<p>\$5,450.00 (included in your principal amount)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Insurance premium</td> <td style="text-align: right;">\$5,000.00</td> </tr> <tr> <td>Tax (9%)</td> <td style="text-align: right;">\$450.00</td> </tr> <tr> <td> Total</td> <td style="text-align: right;"> \$5,450.00</td> </tr> </table>	Insurance premium	\$5,000.00	Tax (9%)	\$450.00	 Total	 \$5,450.00
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Tax (9%)	\$450.00						
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<p>Other Fees</p>	<p>Discharge fee: \$200.00</p> <p>Default charge: \$50.00</p> <p>Returned or refused payment due to insufficient funds: \$40.00</p>						