

ABOUT YOUR MORTGAGE

This document discloses the cost of borrowing and important rights and obligations you'll need to understand prior to finalizing your mortgage. Like us, this document is easy to understand and outlines all details in plain language. All the information provided is accurate as of today's date and based on current mortgage details. Of course, some of the information may need updating if any changes are made to the mortgage. If you have any questions do not hesitate to contact us. We'll be more than happy to answer any of your questions.

The Annual Percentage Rate (APR) expresses the cost of borrowing for your loan as an annual rate on the principal amount. Our posted interest rate is higher because it is based on an assumption that only two payments are made every year (this is the standard way mortgage rates in Canada are posted). As you will make more than just two payments a year, you will actually pay less interest and your APR will be lower.

This cost of borrowing disclosure is based on the interest rate in effect today and on the assumption that, for the duration of the term of the mortgage, (i) the interest rate will remain the same; (ii) you will pay all your payments on time; (iii) the mortgage will remain in good standing; and (iv) you will be charged no administrative fees. Any changes to the terms of the loan agreement may result in changes to the cost of

Your rights and obligations:

In this document, defined terms are as defined in the mortgage commitment. Otherwise the following terms have the following meanings:

"Advance date" means the day we give you the principal amount under the mortgage;

"Current mortgage rate" means, at any time during the term of the loan, the interest rate chargeable under the mortgage;

"Default" means that you have done one or more of the following: (a) you have not paid an amount of principal, interest or other amount due to us under the mortgage; (b) you have breached a promise or covenant that you made in the mortgage commitment or the mortgage; and (c) you have made a representation or warranty in the mortgage commitment or the mortgage that is incorrect, incomplete or misleading in any material respect when made;

"Loan amount" means, collectively, all present and future indebtedness and liability owing by you to us under the loan including, without limitation, the principal amount, all additional principal amounts, if any, interest and all other amounts owing by you to us from time to time under the mortgage;

"Interest adjustment date" means the date from which the interest under your regular payment schedule begins to accrue. It is one payment period before your first payment due date;

"Maturity date" means the last day of your mortgage; any outstanding principal amount is due at that time;

"Mortgage commitment" means the Mortgage Commitment that we sent to you and that you accepted, and any other agreement, not including the mortgage, between you and us setting out the terms of the loan, as amended from time to time in writing;

"Mortgage" means the document registered in the land registry of similar office for the location of the property, setting out the terms of the loan and the real security on that loan, together with any standard terms incorporated into, and schedules attached to, that document, as any of these may be amended from time to time;

"Mortgage year" means the 12-month period from the interest adjustment date or an anniversary of such date; and

"Property" includes, without limitation, all buildings, structures, fixtures and improvements now or in the future located on the property.

1. INTEREST

The interest rate for your mortgage is set out above. Interest begins to accrue on the advance date.

If you have a variable rate mortgage, the interest rate will automatically be adjusted every three months if there is a change in the ING prime rate, as follows: the first adjustment will occur on the day which is closest to (but not later than) the day which is three months after the interest adjustment date, and each subsequent adjustment will occur on the day which is closest to (but not later than) the day which is three months after the previous variable rate adjustment date (as defined in the next paragraph).

A day on which such adjustment takes place or would have taken place if there had been a change in the ING prime rate is referred to in this document as a "variable rate adjustment date". On each variable rate adjustment date, the interest rate payable until the next variable rate adjustment date will be the ING prime rate minus an adjustment factor which is set out in the mortgage commitment. The ING prime rate in effect at any time is available by calling us at the telephone number set out in the mortgage commitment or by visiting the internet website set out in the mortgage commitment.

Deferred Interest. The amount of interest that has accumulated on the loan amount from one regular payment to the next which exceeds the regular loan payment is called "deferred interest". Interest at the current mortgage rate will be charged on the deferred interest from and including such regular payment date. On the next regular payment date, all interest which has accumulated on deferred interest from the previous regular payment date will be added to and become deferred interest and will itself bear interest from and including the regular payment date at the current mortgage rate. The amount of deferred interest from time to time may be obtained by contacting us.

2. INTEREST UNTIL THE INTEREST ADJUSTMENT DATE

Interest on all money we advance to you up to the interest adjustment date will be calculated daily at the current mortgage rate in effect on the date of each advance up to but not including the interest adjustment date.

3. YOUR REPAYMENT OBLIGATIONS

You must pay each principal and interest payment on each payment date as set out above. Your mortgage will be registered on the basis of monthly payments. The payment amount and frequency set out above reflects the frequency you requested. If you fail to make a payment we may reinstate the monthly payment frequency and amount as set out in the mortgage.

You must maintain an account of a type satisfactory to us with ING DIRECT or another financial institution approved by us and provide an authorization to automatically debit each payment of principal, interest and taxes (if applicable) when due. You must ensure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will constitute a default. You must pay us our then current administration and processing fees for any actions which we have to take as a result of your default under this section.

4. PENALTIES FOR LATE OR MISSED PAYMENTS

If you do not make a regular payment or any other payment when required, we will add any overdue amount (including interest) to the outstanding principal amount and charge interest, which we refer to as compound interest, at the current mortgage rate on all overdue amounts. You must pay compound interest immediately when we require.

5. HOW YOUR REGULAR PAYMENTS ARE APPLIED

Each of your regular payments will be applied first to the accumulated cost of borrowing and then to the outstanding principal amount.

6. YOUR RIGHT TO CHANGE YOUR PAYMENT DATE

You may, upon request and at our discretion, change your regular payment date to a payment date then currently offered for your type of mortgage. Any interest outstanding as a result of the change in your regular payment date will be added to your regular payment on the first regular payment date after such change.

7. YOUR RIGHT TO SKIP A PAYMENT

Not applicable to mortgages protected by mortgage default insurance.

If you are not in default and subject to applicable law, you may, on at least five business days' notice to us, skip a regular payment under the mortgage without being in default if you do so not more than once in any mortgage year. You may repay the amount of any skipped regular payment at any time during the term without penalty. You will still be required to pay any amount related to taxes otherwise due on the date of such skipped regular payment. The interest portion of the skipped regular payment will be added to the outstanding principal amount and will bear interest at the current mortgage rate.

8. YOUR RIGHT TO INCREASE YOUR REGULAR PAYMENTS

If you are not in default you may, effective any regular payment date, contact us to have your regular payments increased, without penalty, provided that the total of all such increases during a mortgage year does not exceed 25% of your regular principal and interest payment as set out in the mortgage at the beginning of the term. After you have increased the amount of your regular payments, you may, effective any payment date, decrease the amount of your regular payments to an amount not less than the principal and interest payment as set out in the mortgage at the beginning of the term.

9. YOUR RIGHT OF EARLY REPAYMENT

a) If you are not in default, you may, on any regular payment date, prepay an amount to be applied to the outstanding principal amount, without penalty, provided that:

- i. each such prepayment is at least \$100;
- ii. the total of all such prepayments paid during any mortgage year does not exceed 25% of the principal amount set out at the beginning of the term;
- iii. if you do not completely use such prepayment privilege in any mortgage year, it cannot be carried forward to any future mortgage year; and
- iv. if, at the beginning of the mortgage year, the outstanding principal amount is more than 25% of the principal amount set out at the beginning of the term, you may not apply a prepayment made under this paragraph (a) to prepay the entire outstanding principal amount unless, at the same time as you make such a prepayment, you also make a discharge request (but not an assignment request) in accordance with the procedure set out in the mortgage.

b) If you have a fixed rate mortgage, any other early repayment may only be made upon the payment of the prepayment interest rate differential amount or three months' interest at the current mortgage rate calculated on the loan amount, whichever is greater. Prepayment interest rate differential amount means the amount determined in (i) below minus the amount determined in (ii) below:

(i) the present value, as determined by us, of the total amount of interest which would have been payable on the outstanding principal amount if the prepayment had not been made, calculated from the date of prepayment to the maturity date, at the current mortgage rate; and

(ii) the present value, as determined by us, of the total amount of interest calculated on the outstanding principal amount, calculated from the date of prepayment to the maturity date, at the interest rate per annum set by us applicable to residential mortgages in Canada, for the mortgage term nearest in length to the remaining term of the loan on the prepayment date.

c) If you have a variable rate mortgage, any other early repayment may only be made upon the following conditions: the loan amount can be prepaid in full with three months interest penalty at the current mortgage rate.

10. YOUR RIGHT OF EARLY RENEWAL (FIXED RATE MORTGAGE ONLY)

If you have a fixed rate mortgage, you may renew the loan before the maturity date. You must apply to us to use this right of early renewal. You may renew the loan by selecting from the mortgage options that we offer at the time that you apply for early renewal and you must enter into an amending agreement acceptable to us. You will pay us our then current administration and processing fees to renew the loan, together with any accumulated interest which may result from a change in the frequency of the regular payments to be made. You will also pay all legal expenses with respect to the renewal documentation and its registration.

11. YOUR RIGHT TO REPAY THE LOAN (VARIABLE RATE MORTGAGES ONLY)

If you have a variable rate mortgage and you are not in default and you qualify with our requirements in effect at the time you would like to convert the loan, you may convert the loan to a fixed rate mortgage offered by us with a term of at least three years, with the interest rate and containing the terms and provisions that are offered by us at the time of conversion. If you wish to take advantage of this opportunity, you must apply to us and you must enter into an amending agreement. You will pay us our then current administration or processing fees in connection with the conversion, together with any accumulated interest which may result from a change in the frequency of the regular payments to be made. You will also pay all legal expenses with respect to the conversion documentation and its registration.

12. YOUR RIGHTS OF ASSUMPTION AND PORTABILITY

If you have entered into an agreement to transfer title to the property and you are not in default, you may, with our prior written approval, (i) allow the transferee of title to the property to assume the mortgage or, (ii) if you have agreed to purchase a new property, borrow an amount equal to the outstanding principal amount on the day title to your new property is transferred to you (the "transferable principal amount") under a new mortgage to be registered against title to the new property (the "new loan"). You may choose only one of the following two options and we may in our sole discretion not approve one or both of the options.

(a) Assumption

If you apply to have the transferee of the property assume your mortgage, such transferee must provide us with such information as we require to permit us to determine whether we can approve a loan to such transferee. If we approve a loan to the transferee, the transferee must sign and deliver to us an assumption agreement in a form acceptable to us. Upon receipt of the signed assumption agreement and the payment of our then current administration or processing fee for such assumption and all legal and other expenses, we may in our sole discretion release you and any guarantors from your and their obligations under or in respect of the mortgage and the mortgage commitment.

(b) Portability

In addition to the existing standard charge terms, the following applies when porting your mortgage. You may transfer (Port) your existing ING DIRECT mortgage to a new property if you are not in default, you qualify with our requirements in effect at the time, and if you purchase and become the owner of a new property within not more than 120 days from the date of the sale of the current property. If you wish to take advantage of this opportunity, you must apply for a new mortgage, and sign new mortgage documents. The following conditions apply:

- (i) If you would like to borrow an amount equal to the transferable principal amount, the new loan will be at the same interest rate as set out in the mortgage and for a term equal to the remainder of the term of the loan.
- (ii) if you would like to borrow more than the transferable principal amount, we have the right to approve the excess amount in our sole discretion and, if approved, the interest rate payable by you will be a blended rate calculated by taking the weighted average of the current mortgage rate at the date of transfer of your new property and the interest rate payable by you on the additional amount that you borrow, which will be our then current interest rate for a term equal to the term closest to the remainder of the term of the loan;
- (iii) if you would like to borrow less than the transferable principal amount, the new loan will be at the same interest rate and for the same term as set out in the mortgage and for a term equal to the remainder of the term of the loan. The amount by which the transferable principal amount exceeds the principal amount of the new loan will be subject to the prepayment provisions in the mortgage;
- (iv) you will only be required to pay a prepayment amount if the new loan will be for an amount that is less than the transferable principal amount; and
- (v) you will pay us our then current administration and processing fees to approve and process the new loan, together with any accumulated interest which may result from a change in the frequency of the regular payments to be made. You also agree that you will pay all legal expenses with respect to the new mortgage and its registration.

13. OUR ADMINISTRATION FEES

You must pay us, when due, our then current administration fees. Our current fees are set out below. The amount of such fees in effect at any time is available by contacting us. If unpaid, we may add such fees to the loan amount, which unpaid fees will be charged interest at the current mortgage rate.

MISSED PAYMENT:	\$25.00
TRANSFERRING ING DIRECT LOAN TO ANOTHER LENDER:	\$125.00
DISCHARGE FEE (after full payment):	\$125.00
REPRINT DISCHARGE DOCUMENTS:	\$50.00
BRIDGE FINANCING (if required):	\$250.00
LEGAL DEMAND (if legal action is required to collect payment):	\$250.00

14. YOUR OBLIGATION TO MAINTAIN INSURANCE

You must insure and keep insured in our favour and until the mortgage is discharged, the property (and, if the property is a condominium unit, unless insured by the condominium corporation, the common elements), with such coverage as we require and with an insurance company acceptable to us. You must maintain fire and extended perils insurance. The insurance policies must contain standard mortgage clauses approved by the Insurance Bureau of Canada. Loss proceeds under such insurance must be payable firstly to us and we will have the first right to receive and to have a lien or hypothec on the loss proceeds.

Upon our request, you will provide us with certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal. We may place and pay for any insurance policy if you fail to do so. Any premiums or sums of money which we pay for insurance will be immediately payable by you to us or added to the loan amount if not so paid and will bear interest at the current mortgage rate.

If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds.

15. YOUR OBLIGATION TO PAY PROPERTY TAXES

You must pay all taxes on the property when due. At our request, you will provide us with all the receipted tax bills or a tax certificate confirming that taxes are paid once per year. We may withhold from any advance of principal any amount we feel necessary to pay taxes then owing or to anticipate future payments of taxes. We may estimate the amount of taxes payable for the property each year and you will pay to us sufficient monies by equal installments (based on the payment frequency of your loan) to be applied on account of such taxes. You will pay the installments on each payment due date. We will apply these payments against your taxes as long as you are not in default, but we are not obligated to apply payments on account of your taxes more often than annually. If the taxes actually charged for any one year, together with any interest and penalties, exceed the estimated amount, you will pay us promptly upon written notice the amount required to make up the difference. If you wish to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, you may pay to us such additional amounts as are required for that purpose. If you do not make your tax payments when they are due, we may make those payments for you and the amounts paid by us will: (i) be a charge on the property in favour of us in priority to all claims subsequent to the mortgage; (ii) be payable by you immediately with interest at the current mortgage rate until paid; and (iii) may be added to the loan amount and bear interest at the current mortgage rate.

16. YOUR OBLIGATION TO MAKE REPAIRS

You must keep the property in a good condition and state of repair and carry out all necessary repairs. You may not do, or let anyone else do, anything which lowers the value of the property. You must comply with all applicable laws affecting the condition, repair, use or occupation of the property. If, in our opinion, you do not keep the property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this section, then we can make whatever repairs are, in our opinion, necessary. The costs of any inspections and repairs are payable by you immediately and, if not paid, will be added to the loan amount and will bear interest at the current mortgage rate.

16. YOUR OBLIGATION NOT TO DEMOLISH OR ALTER THE PROPERTY

You must not demolish the whole or any part of any building or structure on the property without first obtaining our approval and not to make any material alterations, additions or improvements to the property without first obtaining our written approval to your proposed plans and specifications. In either case, we may withhold our approval in our sole discretion.

18. YOUR OBLIGATION NOT TO LEASE OR RENT

You must not rent, lease or enter into a lease of the whole or any part of the property or renew any lease (other than a renewal provided for in any lease) without first obtaining our written approval which we may withhold in our sole discretion. If you do not comply with any of your obligations under this section, at our option the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling the property and obtaining possession from the tenant. The payment of such an amount will be added to the loan amount and will bear interest at the current mortgage rate.

19. YOUR OBLIGATIONS REGARDING THE CONDOMINIUM

You must not rent, lease or enter into a lease of the whole or any part of the property or renew any lease (other than a renewal provided for in any lease) without first obtaining our written approval which we may withhold in our sole discretion. If you do not comply with any of your obligations under this section, at our option the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling the property and obtaining possession from the tenant. The payment of such an amount will be added to the loan amount and will bear interest at the current mortgage rate.

20. OTHER OBLIGATIONS

You must, at your expense, sign any other document or take any further action which we may request to ensure that your entire interest in the property has been fully charged to us and that the loan amount is adequately secured.

You must take any action necessary to protect your title to the property including, without limitation, protecting your rights under any applicable laws and you must not in any way interfere with our interest in the property.

You must not, without our prior written consent, further encumber the property and you must keep the property free and clear of any subsequent encumbrances.

We may pay the whole or any part of any claim at any time having priority over the mortgage. The amounts so paid will be payable by you to us on demand and will, until paid, be included in the loan amount, be secured by the mortgage and will bear interest at the current mortgage rate.

21. IF YOU HAVE CONCERNS

You may raise any concerns about the loan by contacting us at 1-888-855-3539. If you experience a problem that cannot be resolved by our Mortgage Associates, please contact the Office of the Ombudsman, ING DIRECT, 111 Gordon Baker Road, Toronto, Ontario, M2H 3R1 (telephone: 1-866-677-0547). If you are not satisfied with our Ombudsman's decision, you may contact: (i) The Ombudsman for Banking Services and Investments at P.O. Box 896 STN Adelaide, Toronto, Ontario, M5C 2K3 (telephone: 1-888-451-4519); or (ii) the Financial Consumer Agency of Canada, at 427 Laurier Avenue West, 6th floor, Ottawa, Ontario, K1R 1B9 (telephone: English: 1-866-461-3222; French: 1-866-461-2232).