#2305

HSBC

HSBC BANK CANADA

TO: SIMON CHIU

FROM: YOLANDA LEE

TELEPHONE: 905-277-5862

FAX: 905-277-5311

DATE: MAY 10, 2006

FILE REF #:

URGENT: ☑ Yes ☐ No

CONFIDENTIAL: ☑ Yes ☐ No

SUBJECT: PRE-APPROVAL MORTGAGE 2305-3515 KARIYA DR. MISSISSAUGA.

You have been approved for a mortgage loan on the terms and conditions set out in the attached Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement. If you are in agreement with its terms and conditions please have the Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement signed by all parties and returned to us. We also ask that you forward the following to us at your earliest convenience:

REQUIRED	DOCUMENTS / ITEMS
☒	Appraisal satisfactory to HSBC confirming a minimum value of $261,900.-
☐	Survey sketch/Certificate satisfactory to HSBC
☐	Last 6 months strata minutes & AGM
☐	Copy of signed Offer to Purchase
☒	Fire Insurance for the full replacement value is required and must designate the Mortgagee as Loss Payee (First Loss Payee on a first mortgage). The policy must have a standard IBC Mortgage Clause
☒	Confirmation of down payment via bank/investment statement(s) or gift letter
☒	Income confirmation via copy of recent pay stub or employment letter
☐	Income confirmation via last 3 years T1s/NOAs and financial statements (if applicable)
☒	Satisfactory Credit Bureau/Bankers Report
☐	Assignment of Credit Balance in the amount of $
☐	Mortgagee and Mortgagor to have separate legal counsel
☐	Subject to review of all transfer documentation
☐	Copy of signed Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement must be received by HSBC prior to instructing notary/solicitor.
☒	RATE TO BE SET 90 DAYS PRIOR CLOSING
☐	
☐	
☐	

As outlined in the "conditions to mortgage loan advance" in the Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement, we will not advance funds under this mortgage loan without first receiving the above in a form satisfactory to us. We may request further documentation and assurances.

If you have any questions or concerns, please do not hesitate to contact the undersigned

Yours truly,

YLee

YOLANDA LEE
017967

HSBC
The world's local bank

HSBC Bank Canada

HSBC CHINESE CENTRE
UNIT B7-4 888 DUNDAS STREET EAST
MISSISSAUGA ON L4Y 4G6

SIMON CHIU

5351 FOREST HILL DRIVE

MISSISSAUGA ON L5M 5B7

11 May 2006

Thank you for choosing HSBC Bank Canada. Your application has been approved for a mortgage loan on the terms and conditions set out in the attached Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement. To accept these terms and conditions, the Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement must be signed by all parties and returned to us. Please return it to us at least five days prior to your scheduled mortgage completion date.

SUMMARY OF MORTGAGE LOAN

PRINCIPAL AMOUNT OF MORTGAGE LOAN	$	196,425.00
DEDUCTIONS FROM MORTGAGE LOAN*	$	0.00
AMOUNT OF MORTGAGE LOAN AVAILABLE FOR ADVANCE	$	196,425.00

INTEREST RATE PER ANNUM	6.4500 % compounded semi annually, not in advance
INTEREST COSTS FOR THE TERM	$ 36,564.65
TOTAL COST OF BORROWING FOR THE TERM	$ 36,564.65
ANNUAL PERCENTAGE RATE (APR)**	6.4500 %

ADVANCE DATE	1 Dec 2008	MATURITY DATE	1 Dec 2011
TERM	36 months	AMORTIZATION	300 months
FIRST PAYMENT DATE	1 Jan 2007		

Monthly	PRINCIPAL AND/OR INTEREST PAYMENT	$	1,309.75
Monthly	LIFE/DISABILITY INSURANCE PREMIUM	$	0.00
REGULAR Monthly	MORTGAGE PAYMENT (including insurance premium)	$	1,309.75
ESTIMATED BALANCE OWING AT MATURITY		$	185,838.65

*See section C of your Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement for details.
**The calculation of APR is governed by federal law. See section F of your Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement for a discussion of APR.

The above information is a general summary for information purposes only. Please reference your Mortgage Loan Agreement and Cost of Borrowing Disclosure Statement for details regarding the terms of your mortgage loan.

You have not applied for Life or Disability Insurance for your mortgage loan.