

## TERMS AND CONDITIONS (the "Terms and Conditions")

In return for the Lender agreeing to lend to the Borrower the Authorized Limit, the Borrower agrees with the Lender as follows:

1. **LINE OF CREDIT LIMIT** – The Borrower may borrow money from time to time up to the sum of the Borrower's Authorized Limit which the Lender has set for the Borrower.
2. **PROCESS OF BORROWING** – The Borrower will borrow money by way of advances of money by the Lender, payments to the Borrower's Line of Credit Account by the Borrower, and re-advances of money by the Lender.
3. **REQUESTING AN ADVANCE OF MONEY** – The Lender will lend the Borrower money on the Borrower's Line of Credit Loan if there are insufficient funds in the Borrower's Line of Credit Account to pay any cheque or other item (the "Item") drawn by the Borrower on the Borrower's Line of Credit Account. The Lender will treat the Item as a request to advance or re-advance money on the Borrower's Line of Credit Loan.
4. **EXAMINING ENDORSEMENTS** – The Lender will not be obliged to examine or assure itself of the regularity or validity of any endorsement or signature appearing on any Item. The Borrower releases the Lender from all claims by the Borrower or others concerning the regularity or validity of any endorsement or signature. The Borrower will not, however, be responsible for any Item paid by the Lender after the Borrower has given the Lender reasonable notice that the Item has been or may have been signed by an unauthorized person.
5. **EXCEEDING BORROWER'S AUTHORIZED LIMIT** – The Lender is not obliged to pay any Item drawn on the Borrower's Line of Credit Account if payment of the Item would result in the Borrower's Line of Credit Loan exceeding the Borrower's Authorized Limit. If the Borrower issues such an Item and the Lender accepts, certifies, or pays the Item, the Outstanding Balance in excess of the Authorized Limit will be immediately due and payable without demand and will bear interest at the Overdraft Rate compounded monthly not in advance. If payment of all Items presented for acceptance, certification, or payment on a particular day would cause the Borrower's Authorized Limit to be exceeded, the Lender may accept, certify, or pay such of these Items as the Lender sees fit and may refuse to accept, certify, or pay the remaining Items.
6. **REPAYMENT** – The Borrower will pay the whole amount of the Outstanding Balance when the Lender demands payment. Until the Lender demands payment, the Borrower will make monthly payments as set out on the front of this Line of Credit Loan Agreement under the heading "Loan Payments." All payments required to be made by the Borrower to the Lender pursuant to this Line of Credit Loan Agreement may be made by deposit to the Borrower's Line of Credit Account.
7. **DEBITING THE BORROWER'S ACCOUNTS** – If the Borrower does not make a payment as required by this Line of Credit Loan Agreement on or before the Payment Day, the Borrower authorizes the Lender to deduct the amount of the payment from any of the Borrower's accounts with the Lender or to redeem any number of the Borrower's equity or non-equity shares or other investment property in the Lender and apply those monies to the required payment.
8. **PREPAYING THE OUTSTANDING BALANCE** – The Borrower may pay the whole or any part of the Outstanding Balance at any time without notice or bonus.
9. **INTEREST CHARGES** – The Borrower will pay the Lender interest on the money the Borrower borrows from the date of each advance at the applicable interest rate or rates and in the manner noted in the Disclosure Statement of this Line of Credit Loan Agreement under the heading "Interest Rates." Overdue interest will bear interest at the Overdraft Rate and will be repayable by the Borrower to the Lender immediately.
10. **VARIABLE RATE** – If the interest rate payable on amounts which have not been demanded is a variable rate based upon the Prime Lending Rate, every time there is a change in the rate constituting the Prime Lending Rate, the interest rate payable on amounts which have not become due and payable will automatically change by the same amount without notice to the Borrower.
11. **CERTIFICATE OF RATE** – A certificate signed by any of the Lender's officers, including a branch manager, stating what the Prime Lending Rate or the Overdraft Rate was on any day or during any period will be conclusive evidence of the rate stated on the day or during the period stated.
12. **TERMINATING THE LINE OF CREDIT LOAN AGREEMENT** – Either the Borrower or the Lender may terminate this Line of Credit Loan Agreement by giving notice in writing of such termination to the other. On termination, the Borrower will immediately pay the whole amount of the Outstanding Balance to the Lender without demand.
13. **NO OBLIGATION TO ADVANCE** – The Borrower acknowledges and agrees that nothing in this Line of Credit Loan Agreement requires the Lender to advance or re-advance the Line of Credit Loan and that whether or not the Lender makes an advance or re-advance is at the Lender's absolute discretion.
14. **EVENTS OF DEFAULT** – This Line of Credit Loan Agreement will be in default if
  - a) the Borrower does not make a payment as required or the Borrower fails to observe any of the Terms or Conditions contained in this Line of Credit Loan Agreement or any other agreement with the Lender;
  - b) the Borrower commits or threatens to commit any act of bankruptcy, or becomes insolvent, or makes an assignment or order under the *Bankruptcy and Insolvency Act*, or makes a general assignment in favour of the Borrower's creditors, or sells the Borrower's assets, or if a bankruptcy petition is filed or presented against the Borrower;
  - c) one or more of the person(s) comprising the Borrower dies; or
  - d) the Lender considers the Outstanding Balance to be insecure.
15. **WAGE ASSIGNMENT CLAUSE** – The Borrower transfers, assigns and sets over to the Lender, 20 per cent of all wages (as defined in the Wages Act (ON)), owing to the Borrower, or earned by the Borrower from any person, firm or corporation by whom the Borrower is employed ("Assignment of Wages"). In the Event of Default, the Lender may take any necessary steps to collect on and enforce its rights under the Assignment of Wages and may apply such wages to the reduction of the Obligations. The Borrower agrees that this Assignment of Wages is valid and there are no other claims against the Borrower's wages while this Assignment of Wages is in effect. The Borrower agrees to not make any subsequent Assignment of Wages while this Assignment of Wages is in effect, without the Lender's prior written consent. The Lender may take any steps it believes necessary to protect its rights hereunder, including notification of the Borrower's employer, and requesting that said employer acknowledge the Lender's interest in the wages. This Assignment of Wages is in addition to, and not in substitution for, any other Collateral that the Lender may have with respect to the Loan.
16. **REMEDIES** – If the Borrower's Line of Credit Loan Agreement is in default, the Lender may require the Borrower to immediately pay all of the Outstanding Balance and all costs incurred by the Lender in enforcing the Lender's right to payment of the Outstanding Balance, including legal fees on a full indemnity basis.
17. **PLEDGING SECURITY** – The Lender may at any time require the Borrower to provide security to secure the Outstanding Balance, and the Borrower agrees to provide such security upon request and execute any documents reasonably required by the Lender in connection therewith.
18. **NOTIFYING BORROWER OF A CHANGE IN VARIABLE RATES** – The Lender will notify the Borrower of each change in the Prime Lending Rate and the Overdraft Rate either by sending a notice to the Borrower or by posting a notice at the Lender's place of business.
19. **INCREASING OR REDUCING BORROWER'S AUTHORIZED LIMIT** – The Lender may increase or reduce the Borrower's Authorized Limit or limit the amount the Lender will advance to the Borrower each day, or both, by sending notice to the Borrower. If the Lender reduces the Borrower's Authorized Limit to an amount less than the then Outstanding Balance, the amount by which the Outstanding Balance exceeds the new Authorized Limit will be immediately due and payable without demand.
20. **AMENDING THE LINE OF CREDIT LOAN AGREEMENT** – The Lender may amend this Line of Credit Loan Agreement at any time to change any of the provisions, including changing the fixed rate of interest or the basis for determining a variable interest rate. The Lender will notify the Borrower of the amendment by sending a notice to the Borrower and the amendment will be effective 48 hours after the date the notice is sent. Unless the Borrower immediately terminates this Line of Credit Loan Agreement, the Borrower will be deemed to have agreed to the amendment and the amendment will be binding on the Borrower.
21. **CHANGE IN FINANCIAL CIRCUMSTANCES** – The Borrower will notify the Lender of any material change in the Borrower's financial circumstances from those the Borrower sets out in the application for the Borrower's Line of Credit Loan.
22. **GOVERNING LAW** – This Line of Credit Loan Agreement shall be governed by, and construed in accordance with, the laws of the Province where the branch office of the Lender set out on page 1 of this Line of Credit Loan Agreement is located.
23. **SERVICE OF NOTICES AND DEMANDS** – Any notice or demand to be given to the Borrower under this Line of Credit Loan Agreement can be given by the Lender
  - a) in person;
  - b) by mail, email, or text message;
  - c) by telephone or mobile phone;
  - d) by fax;
  - e) via the Lender's online banking system and/or website; or
  - f) by any other communication method acceptable to the Lenderto the Borrower's respective address, fax number, or email address provided to the Lender in writing.
24. **DEEMED RECEIPT OF NOTICES AND DEMANDS** – Except as provided in Section 25, Labour Disputes, each notice and demand will be deemed to have been received by the person to whom it is addressed
  - a) on the date of receipt if delivered;
  - b) 5 days from the date of mailing if sent by mail;
  - c) the date of transmission if transmitted by email, text message, fax, or via the Lender's online banking system and/or website.Regardless of any other sections of this Line of Credit Loan Agreement, any notice or demand received or otherwise deemed received
  - d) outside the business hours of the branch office of the Lender set out on page 1; or
  - e) on a day that is not a Business Day,will be deemed to have been received on the next Business Day.

## TERMS AND CONDITIONS (CONTINUED)

25. **LABOUR DISPUTES** – If there is a labour dispute affecting mail delivery in Canada, any notice or demand that is mailed during, or 5 Business Days before, the labour dispute will be considered received when actually received by the person to whom it is addressed.
26. **COPIES OF DOCUMENTS AND RECEIPTS** – Upon request, the Borrower will give the Lender documents to verify credit, employment, residence, and other information with respect to the Borrower as may be required by the Lender in connection with the processing, approving, funding, servicing, and administering of the Line of Credit Loan.
27. **INVALID PROVISIONS** – If any term, covenant, obligation, or agreement in this Line of Credit Loan Agreement, or the application thereof to any person or circumstance, is found to be invalid or unenforceable for any reason, the remaining provisions of this Line of Credit Loan Agreement will not be affected and will continue to be separately valid and enforceable to the fullest extent permitted by applicable laws.
28. **FURTHER ASSURANCES** – The Borrower covenants that he or she shall execute such further documents and do such other things as may be required in the sole discretion of the Lender to give full effect to and carry out the provisions of the Line of Credit Loan and the Line of Credit Loan Agreement.
29. **AMENDMENTS IN WRITING** – None of the Terms and Conditions in this Line of Credit Loan Agreement may be amended, supplemented, or otherwise modified except by written instrument executed by the parties hereto.
30. **JOINT AND SEVERAL OBLIGATIONS** – If more than one person signs this Line of Credit Loan Agreement, all promises and agreements are the joint and several promises and agreements of each of the person(s) comprising the Borrower and will be binding on the heirs, successors, and representatives of each of the person(s) comprising the Borrower.
31. **LINE OF CREDIT LOAN AGREEMENT NOT ASSIGNABLE** – The Borrower will not assign this Line of Credit Loan Agreement.
32. **WAIVING A BREACH OR DEFAULT** – The Lender may waive any breach by the Borrower of any of the Terms and Conditions of this Line of Credit Loan Agreement or any default by the Borrower in the observance of any promise or conditions required by the Lender. However, no waiver by the Lender will be considered to operate as a waiver of any subsequent breach or default. Each waiver must be in writing and signed by the Lender to be effective. Any failure by the Lender to exercise, or any delay by the Lender in exercising, any right or remedy under or in respect of the Line of Credit Loan Agreement or any other agreement with the Lender will not operate as a waiver of such right or remedy.
33. **ENGLISH** – It is the express wish of the parties that this Line of Credit Loan Agreement and any related documents be drawn up in English. Les parties aux présentes ont expressément demandé que ce contrat et tous les documents s'y rattachant soient rédigés en anglais.