

Northern Commercial Loan Agreement

SCHEDULE A

This Schedule A forms part of the agreement between the Member and Northern Credit Union Limited (the "Credit Union") and if applicable, the Guarantor and sets out the terms and conditions of an interest bearing loan (the "Loan") made by the Credit Union to the Member.

1. Terms of Repayment

- a. The Borrower shall repay the Loan on demand.
- b. Unless demand is made earlier in accordance with the terms of this Agreement, this Loan will be deemed to be demanded by the Credit Union on the Maturity Date, when all outstanding interest and the balance of the Loan Amount shall be paid in full.
- c. Until demand and until receipt of any notice to the Member from the Credit Union directing otherwise, payments of principal and interest (the "Regular Instalment Payment") shall be made in such amounts, at such times and upon such dates as set out in this Loan Agreement, with the balance of the Loan Amount and all accrued unpaid Interest at the Interest Rate to be made on the Maturity Date.
- d. All payments received under this agreement shall be applied
 - i. first in accordance with the provisions of any security given in respect of the Loan, if any;
 - ii. second, to the payment of any costs payable under this Agreement, or under any security agreement relating to this Agreement;
 - iii. third, in successive order, to the payment of all compound interest and interest on the Loan;
 - iv. fourth, to the payment of the Loan Amount of the Loan.

2. Interest

- a. For Fixed Rate Loans: a fixed annual rate of Interest calculated not in advance and compounded monthly (the "Fixed Rate") and payable before and after maturity or default and judgment on the Loan Amount outstanding from day to day.
- b. For Variable Rate Loans: the Credit Union will assign a Prime Rate type to the Loan. The Credit Union currently uses two types of Prime Rates, known as the "Northern Prime" Rate and the "Central 1 Prime" Rate. The Loan Amount outstanding from day to day will bear interest at an annual rate of interest equal to the assigned Prime Rate type, plus an agreed upon percent per annum, calculated not in advance and compounded monthly (the "Interest Rate") and payable before and after maturity or default and judgment. The Member further understands and acknowledges the variable Interest Rate may increase or decrease in the future arising from changes to the Credit Union's Prime Rates.
- c. Interest on the Loan Amount and on all outstanding interest and costs, fees and expenses payable by the Member under this Agreement shall be calculated not in advance and compounded monthly and payable at the Interest Rate specified in this Loan Agreement, before and after demand, default and judgment on the amount outstanding from day to day.
- d. Where the rate of interest payable under this Agreement is found by a competent court of law, governmental agency or other tribunal to exceed the maximum rate of interest permitted by the laws of any applicable jurisdiction or by the rules or regulations of any appropriate regulatory authority, then during the time that the rate of interest would exceed the permissible limit, that part of each interest payment attributable to the portion of the interest rate that exceeds the permissible limit shall be deemed to be a prepayment of principal.

3. Adjustments to Regular Installment Payment

- a. Despite the required Regular Installment Payments as set out in the Terms of Repayment of this Agreement, where there is a variation in the Interest Rate payable under this Agreement by reason of a change in the Credit Union's Prime Rates, an interest adjustment payment shall be made on the date set forth in the notice to the Member and in the event that:
 - i. the amount paid by way of the Regular Installment Payments during the preceding twelve month period exceeds the amount required to be paid as interest under this Agreement, then the excess shall be credited to the reduction of the Loan Amount, or

- ii. the amount paid by way of the Regular Installment Payments is less than the amount required to be paid as interest under the terms of this Agreement then the deficiency shall be paid by the Member upon demand by the Credit Union.

- b. No principle of deemed investment applies, nor shall any interest be credited to the member, in respect of any excess payment made in the manner described above, nor shall any interest be payable in respect of any deficiency described above, until such times as a demand for the payment of that deficiency has been made;

- c. In the sole opinion of the Credit Union immediately following a Regular Installment payment Adjustment Date, the amount of the Regular Installment Payments may be revised to reflect any increase or decrease that has taken place in the Credit Union Prime Rates since the later of (i) the date of this Agreement and (ii) the most recent Regular Installment Payment Adjustment Date. The new regular monthly payment shall take effect commencing the month next following the date of the adjustment notice.

4. Annual Fee

- a. In consideration of the provision of the Demand Loan Facility, the Member shall pay the Credit Union its annual fee for each year or part thereof during which the Demand Loan Facility is available to the Member under this Agreement.

5. Guarantee

- a. In consideration of the Credit Union making the Loan, the Guarantor guarantees to the Credit Union payment of the Loan, all costs, fees and expenses payable by the Member together with all interest thereon at the rate specified above.
- b. Upon default of payment by the Member, the Guarantor agrees that the amount set forth in the Guarantee shall be fully recoverable against the Guarantor.
- c. This guarantee shall be binding despite any extension of time for repayment or variation in the terms of payment which may be agreed upon between the Member and the Credit Union, and it shall not be necessary for the Credit Union to exhaust its recourse against the Member before being entitled to payment from the Guarantor.

6. Security - Pledge of Shares and Deposits

As additional security for the payment of all amounts required to be paid under this Agreement and the performance of their respective obligations, the Member and the Guarantor pledge all shares and deposits in the Credit Union standing to the credit of either or both of them, and upon default the Credit Union is authorized to apply any shares or deposits to the payment of the Loan.

7. Prepayment Privileges

Loan prepayment privileges have been set forth in any accepted Commitment Letter between the Credit Union and the Member as may be amended in writing from time to time that relate to this Loan. Such prepayment privileges have been specifically adopted under this Agreement.

8. Default

The following are acts or events of default:

- a. where the Member defaults in the payment of any amount owed by it to the Credit Union including any interest chargeable thereon, or if the member defaults in the observance or performance of anything required to be done by this Agreement, or under any other agreement with the Credit Union including but not limited to any accepted Commitment Letter between the Member and the Credit Union as amended from time to time
- b. where the Member defaults in payment of any indebtedness or liability to a Bank or other lending institution, whether secured or not;
- c. where the Member is adjudged bankrupt or becomes insolvent, or a petition in bankruptcy is filed against the Member, or where the Member makes an assignment for the general benefit of creditors, or where proceedings of any type are instituted in any jurisdiction in respect of the alleged insolvency or bankruptcy of the Member;
- d. where the Guarantor is adjudged bankrupt or becomes insolvent, or a petition in bankruptcy is filed against the guarantor, or where the Guarantor makes an assignment for the general benefit of creditors, or where proceedings of any type are instituted in any jurisdiction in respect of the alleged insolvency or

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bankruptcy of the guarantor;

- e. where any certificate, statement, representation, warranty made in connection with this Agreement or any agreement between the member and the Credit Union as an inducement to the Credit Union to enter into a lending transaction, was false or misleading in any material respect at the time of its making, or where any material fact which ought to have been disclosed in the certificate, statement, representation, warranty was not disclosed, or where the Member fails to inform the Credit Union forthwith of any such material fact.
- f. any default arising out of and set forth in any security document granted by the Member as continuing collateral security for the obligations and liabilities under this Agreement.

9. Credit Union's Records

The records and books maintained by the Credit Union in the usual and ordinary course of its business that touch or concern the state of accounts between the Member and the Credit Union shall be prima facie evidence of the true state of accounts between the parties for all purposes including litigation.

10. Joint and Several Liability

- a. where more than one Member signs this Agreement, the liability of each shall be joint and several.
- b. where there is a Guarantor, the liability of the Guarantor shall be joint and several with the liability of the Member and where there is more than one Guarantor, the liability of each shall be joint and several with the other Guarantor.

11. Presentment, etc.

The Member and every Guarantor (the "signatories") hereby waive presentment, demand, notice of dishonour, notice of protest, notice of nonpayment and any other notice required by law to be given to any signatory on this Agreement in connection with the delivery, acceptance, performance, default or enforcement of this Agreement and every signatory consents to,

- a. any delays, extensions, renewals or other modifications of this Agreement
- b. any waivers of any term of this Notice;
- c. the release of any of the signatories under this Agreement or of any security given by any signatory in respect of that signatory's obligations under this Agreement,

by the Credit Union or any other person, and the signatories severally agree that no such action or failure to act by the Credit Union or any other person shall affect or impair the obligations of any of the signatories, or be construed as being a waiver by the Credit Union or that other person of its rights under the Agreement.

12. Obligation to Advance

The Credit Union shall be under no obligation to make any advance until the Member and all Guarantors shall have provided the Credit Union with:

- a. a duly executed copy of this Agreement;
- b. Security for the amount of the Loan (if requested), in form and substance satisfactory to the Credit Union and duly executed by the Member; and
- c. any additional material, documents and information which the Credit Union may require.

13. Further Assurances

The Member shall draw, execute and deliver at its own expense, all such instruments and documents, and do all such acts and things as the Credit Unions may from time to time reasonably consider necessary or advisable for the purpose of carrying out the intent and provisions of this Agreement.

14. Manner of Giving Notice

- a. Any notice, instruction or document required or permitted to be given or served by this Agreement or by law may be given personally or by first class mail to the intended recipient at its address as set out in this Agreement and a party may change its address for the purposes of this subsection by notice given in accordance with this subsection.
- b. any notice shall be deemed (in the absence of evidence of prior receipt) to

have been received by the intended recipient the same day if personally served and on the fifth business next following where sent by mail.

15. Amendments to be in Writing

- a. This Agreement shall not be deemed to be or construed as having been amended as a result of any oral communication between the parties or as a result of any practice of the parties, but all amendments to this Agreement shall be in writing and shall be signed by both parties, provided that any such agreement may be executed in counterpart form.
- b. despite subsection (1), the Credit Union shall be under no obligation to notify the Member of changes in the Prime, and such all changes shall take effect from the time when they are published by the Credit Union.

16. Assignment

- a. The rights of the Member under this Agreement are personal to the Member and neither the benefits nor the obligations of the Member under this Agreement may be assigned.
- b. All rights of the Credit Union under this Agreement shall inure to the benefit of its successors or assigns and all obligations of the Member shall bind the Members heirs, executors and administrators and his successors.

17. Time of the Essence

Time shall be of the essence in the performance of all obligations by all parties to this Agreement.

18. Interpretation

In this Agreement,

- a. a word importing the masculine, feminine or neuter gender only includes members of the other genders
- b. a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
- c. the headings to each section are inserted for convenience of reference only and do not form part of the Note;
- d. all references to the Credit Union shall be deemed to include the successors and assigns of the Credit Union and any holder of this Note.