

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

In return for the Lender agreeing to lend to the Borrower the Loan Amount, the Borrower agrees with the Lender as follows:

**1. DEFINITIONS** – In this Loan and Security Agreement:

Except as defined below, the capitalized terms and expressions set out on the previous pages have the meanings set out therein.

"**Business Day**" means a day on which the Lender is open for business.

"**Loan Amount**" means the outstanding principal balance of the Loan from time to time.

**2. GRANT OF SECURITY INTEREST** – As security for the due payment and performance of the Obligations, the Borrower hereby mortgages, charges, and assigns to the Lender, and grants to the Lender a security interest in, and the Lender hereby takes from the Borrower a security interest in, the property described above (or if space is insufficient, described on the attached Schedule of Collateral) complete with all present and future attachments, accessories, accessions, replacements, and additions and all proceeds thereof (collectively the "Collateral").

**3. INTEREST** – The unpaid Loan Amount will bear interest from the date of advance at the Annual Interest Rate and compounded at the Compounding Period shown in this Loan and Security Agreement, not in advance, both before and after each of maturity, default, judgment and demand.

**4. REPAYMENT** – The Borrower will pay the Obligations in accordance with this Loan and Security Agreement and at the Lender's address shown on page 1 of this Loan and Security Agreement or at such other address as the Lender may advise from time to time.

**5. DEBITING THE BORROWER'S ACCOUNTS** – If the Borrower does not make a payment as required by this Loan and Security 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.

**6. OWNERSHIP** – The Borrower promises to the Lender that the Collateral is the Borrower's property.

**7. NO OTHER CHARGES** – The Borrower promises to the Lender that the Collateral is free and clear of all other charges and security interests and the Borrower will keep the Collateral free and clear of all other charges and security interests.

**8. TAXES** – The Borrower will pay all taxes and licence fees on the Collateral before they are overdue. If the Collateral is a manufactured home (or other property on which taxes are payable annually), the Borrower will give the Lender proof of payment of taxes on or before December 31 of each year.

**9. WILL NOT SELL, ETC.** – The Borrower will not sell, lease, or otherwise transfer or dispose of, or give possession of, the Collateral (or any part of the Collateral) or any of the Borrower's interest in the Collateral, to anyone else without the Lender's written consent.

**10. ACCESSIONS** – The Borrower will not permit any of the Collateral to become an accession to (that is, become a part of) any other property other than other Collateral.

**11. WILL NOT ATTACH TO LAND** – The Borrower will not attach the Collateral to land or any building without the Lender's written permission.

**12. LOSS OR DAMAGE** – The Borrower will immediately inform the Lender of any loss of, or damage to, the Collateral.

**13. PROVIDE INFORMATION** – The Borrower will promptly provide the Lender with all information requested by the Lender concerning the Collateral and will, without the Lender having to request it, promptly advise the Lender of any change of the Borrower's name, of any sale of any of the Collateral and of the serial number, year, make, and model of all serial numbered goods at any time included in the Collateral.

**14. WILL REPAIR** – The Borrower will keep the Collateral in good repair and if the Borrower does not, the Lender may make repairs and either charge the Borrower for them or add the cost to the Obligations.

**15. WILL NOT REMOVE** – The Borrower promises to the Lender that the Collateral is located at the address provided in this Loan and Security Agreement and the Borrower will not permanently remove the Collateral from that address and will not temporarily remove the Collateral from the Province in which the Borrower's address noted on page 1 is situated without the Lender's consent. If the Borrower moves the Collateral, the Borrower will immediately advise the Lender of the new location.

**16. INSURANCE**

a) The Borrower will keep the Collateral insured to its full replacement value against loss and damage by fire and theft and, if required by the Lender, such other perils customarily provided in the standard insurance policy.

b) If the Collateral includes a motor vehicle, the Borrower will keep it insured to its full replacement value against loss or damage by fire, theft and collision and will insure it against third party liability and property damage to limits established by the Lender and, if not so established, to reasonable limits.

c) The Borrower will designate the Lender as an additional insured and loss payee of the insurance.

d) The Borrower will deliver, on request, the policies of insurance to the Lender and will pay all premiums necessary to keep the insurance policies in good standing.

e) If the Collateral is damaged, the insurance proceeds will be used to repair the Collateral.

f) If any of the Collateral is lost, stolen, or destroyed, the Lender will have the right to decide whether the insurance proceeds will be used to replace that Collateral or to pay the Obligations.

**17. PAY COSTS OF PREPARATION AND ENFORCEMENT** – The Borrower will pay all of the Lender's costs and expenses (including legal fees and expenses) in connection with preparing, and registering notice of, this Loan and Security Agreement and in connection with the enforcement of the Lender's rights and remedies under this Loan and Security Agreement.

**18. PAYING REPAIRS, LIENS, INSURANCE, ETC.** – If any lien or charge is created against the Collateral or if the Borrower fails to make the repairs or pay the taxes or maintain the insurance required by these Terms and Conditions, the Lender may pay the necessary amount and any amounts so paid will be added to the Obligations and will bear interest at the highest interest rate being borne by any of the other Obligations and will be repayable by the Borrower to the Lender immediately.

**19. EVENTS OF DEFAULT** – If the Borrower fails to comply with any terms of this Loan and Security Agreement or any of the following events occurs, the full amount of the unpaid Obligations will, at the Lender's option and without notice to the Borrower, become immediately due and payable:

a) if the Borrower breaks any promise or breaches any term contained in this Loan and Security Agreement or under any document with the Lender or if any promise made by the Borrower to the Lender is untrue;

b) if 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) if one or more of the person(s) comprising the Borrower dies; or

d) if the Lender considers the Obligations to be insecure or the Collateral or the Borrower's ability to repay the Obligations to be in jeopardy.

**20. 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.

**21. REMEDIES** – The Lender may enforce its right to collect the Obligations by exercising any one or more of the remedies provided for in the *Personal Property Security Act* of the Province where the branch of the Lender set out on page 1 of this Loan and Security Agreement is located (the "PPSA") for enforcement of a Security Agreement containing a security interest in consumer goods, including, without limitation:

a) seizing or repossessing and disposing of (by sale or lease) the Collateral;

b) retaining the Collateral in satisfaction of the Obligations;

c) accepting a surrender and disposing of (by sale or lease) the Collateral; or

d) suing the Borrower for the Obligations.

**22. PROCEEDS OF DISPOSITION** – The proceeds of disposing of the Collateral will be dealt with as provided in the PPSA and in the order provided in the PPSA.

**23. OFFER TO RENEW** – If the Lender wishes to amend the Due Date of this Loan and Security Agreement and the interest rate, payment amount and other terms, a notice in writing may be sent to the Borrower containing the terms under which the Lender is prepared to extend this Loan and Security Agreement ("Offer to Renew"). Notice will be sent by ordinary mail to the address of the Borrower as it appears in the records of the Lender and shall be deemed received on the 5th day after mailing. To accept or reject the Offer to Renew, the Borrower must provide, to the Lender, before the Due Date, written notice accepting or rejecting the Offer to Renew. If the Borrower

## TERMS AND CONDITIONS (CONTINUED)

rejects the Offer to Renew, or does not provide to the Lender, before the Due Date, written notice accepting the Offer to Renew, the Borrower will either:

- a) attend at the Lender and, if the Lender makes an alternative Offer to Renew and amend the interest rate and payments and other terms if applicable, accept that offer in writing, or
- b) repay the Lender the outstanding balance of the Obligations by the Due Date.

If an Offer to Renew is accepted by the Borrower before the Due Date, this Loan and Security Agreement will be amended effective on the date specified in the Offer to Renew. All other Terms and Conditions of this Loan and Security Agreement will remain in full force and effect.

Nothing herein shall confer on the Borrower any right to any extension or renewal of this Loan and Security Agreement.

**24. DEFINED TERMS** – Any words which are used in this Loan and Security Agreement and which are not defined in this Loan and Security Agreement shall have the meaning set out in the *PPSA*.

**25. PURCHASE MONEY SECURITY INTEREST** – The security interests created hereby shall be purchase money security interests to the extent that any of the Obligations are monies advanced by the Lender to or for the Borrower to enable the Borrower to purchase any of the Collateral and were so used and a certificate of one of the Lender's officers as to the extent that the Obligations are monies so advanced shall be *prima facie* proof of the purchase money security interests created hereby.

**26. ATTACHMENT** – Attachment of the security interests created hereby will not be postponed.

**27. NO AUTOMATIC DISCHARGE** – This Loan and Security Agreement shall not be, or be deemed to be, discharged only because at any time the Borrower does not owe the Lender any money and there are no other outstanding Obligations.

**28. DISCHARGE** – If at any time all Obligations have been satisfied, then at the Borrower's request and upon payment by the Borrower of the Lender's standard discharge fee and all the costs in connection with such discharge, the Lender will discharge this Loan and Security Agreement and will deliver to the Borrower all documents to effect such discharge.

**29. GOVERNING LAW** – This Loan and Security 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 Loan and Security Agreement is located.

**30. SERVICE OF NOTICES AND DEMANDS** – Any notice or demand to be given to the Borrower under this Loan and Security 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,
- f) by any other communication method acceptable to the Lender,

at the Borrower's respective address, fax number, or email address.

**31. DEEMED RECEIPT OF NOTICES AND DEMANDS** – Except as provided in Section 32, 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; or
- 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 Loan and Security 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.

**32. 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.

**33. SECURITY AGREEMENT ACKNOWLEDGEMENT AND FINANCING STATEMENT WAIVER** – The Borrower hereby acknowledges receiving a completed copy of this Loan and Security Agreement and waives all rights to receive from the Lender a copy of any financing statement, financing change statement, or verification statement filed at any time in respect of this Loan and Security Agreement or any amendments hereto where such waiver is not otherwise prohibited by law.

**34. 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 Loan.

**35. INVALID PROVISIONS** – If any term, covenant, obligation, or agreement in this Loan and Security 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 Loan and Security Agreement will not be affected and will continue to be separately valid and enforceable to the fullest extent permitted by applicable laws.

**36. FURTHER ASSURANCES** – The Borrower covenants that they 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 Loan and this Loan and Security Agreement.

**37. AMENDMENTS IN WRITING** – None of the Terms and Conditions in this Loan and Security Agreement may be amended, supplemented, or otherwise modified except by written instrument executed by the parties hereto.

**38. JOINT AND SEVERAL OBLIGATIONS** – If more than one person signs this Loan and Security 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.

**39. LOAN AND SECURITY AGREEMENT NOT ASSIGNABLE** – The Borrower will not assign this Loan and Security Agreement.

**40. WAIVING A BREACH OR DEFAULT** – The Lender may waive any breach by the Borrower of any of the Terms and Conditions of this Loan and Security 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 this Loan and Security Agreement or any other agreement with the Lender will not operate as a waiver of such right or remedy.

**41. ENGLISH** – It is the express wish of the parties that this Loan and Security 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.