

TERMS AND CONDITIONS

These Terms and Conditions and the application constitute the entire agreement regarding the provision of credit between the Applicant(s) (as defined below) and the Creditor (as defined below).

1. Release of Information: The undersigned applicant(s) (the "Applicant(s)") consent to: a) the collection, use, disclosure and retention of personal information for purposes of enabling Hensall District Co-operative Inc. (the "Creditor") to assess the credit-worthiness of the Applicant(s) and in order to collect or enforce payment of any amount owing by the Applicant(s) to the Creditor; b) the obtaining of credit and/or personal information as may be required at any time in connection with the credit hereby applied for (the "Credit Facility"), any renewal or extension of such Credit Facility or the collection or enforcement of payment of any amounts owing to the Creditor; c) the disclosure of any credit information concerning the Applicant(s) to any credit reporting agency or to any persons with whom the Applicant(s) have or propose to have financial relations; and d) the release of credit information relating to the Applicant(s) to the Creditor from any person the Applicant(s) may deal with. The Applicant(s) may withdraw consent to the collection, use, retention and disclosure of personal information as described above by giving the Creditor reasonable written notice. The withdrawal of consent still allows the Creditor to use and disclose personal information to collect or enforce payment of amounts owing as a result of prior or continuing dealings with the Creditor. The Creditor confirms that the personal information described above will not be used or disclosed for any other purposes without the Applicant(s)' written consent to do so and further confirms that upon payment of any amounts owing to the Creditor that the Creditor will destroy any personal information it has collected in connection with this matter.

2. Information Correct: The Applicant(s) acknowledge that the above information is for the purpose of obtaining credit from the Creditor and is warranted to be true and affirms that any credit given to the Applicant(s) is extended on the basis of the information that has been provided. The Applicant(s) authorize the Creditor to investigate the references listed above and to contact a credit bureau and/or any other sources pertaining to the Applicant(s)' credit and financial responsibility. The Creditor is also authorized to disclose the above credit information to other credit grantor's or credit reporting agencies.

3. Covenant to Pay and Interest: The Applicant(s) agree to pay all sums on or before the due date as provided by the Creditor. If payment is not made on or before the due date, interest will be charged commencing on the 1st day after the due date on the outstanding balance owing at a rate of 2.5% per month (30% per annum).

4. Amendments: The Creditor may, upon one month's prior written notice to the Applicant(s), amend or vary the terms of the Credit Facility with the Applicant(s) and the continued use of the Credit Facility by the Applicant(s) following notification that the terms of the Credit Facility have been varied or amended will be deemed acceptance by the Applicant(s) of the varied or amended terms as of the effective

date mentioned in the notice, both with respect to indebtedness incurred subsequent to such date and unpaid indebtedness at such date.

5. Joint and Several Liability: The Applicant(s), if more than one, are jointly and severally liable for all indebtedness regardless of which applicant takes delivery of the goods and/or services. Credit limits may be increased/decreased at the sole discretion of the Creditor and in all cases the Applicant(s) signing this agreement are jointly and severally responsible for payment of all sums owed by either applicant regardless of initial credit requirement or limit. The Creditor shall have the right, from time to time, to set off any amounts owing by the Creditor to the Applicants against any amounts owing by one or more of the Applicant(s) to the Creditor.

6. Application of Payments: The Applicant(s) agree that any payments are to be applied firstly on account of unpaid interest charges and secondly on account of the purchase price of goods and/or services.

7. Default: The Applicant(s), hereby agree that in the event of default on any payment or in respect of any term or terms of the Credit Facility, then the entire amount owing to the Creditor shall become immediately due and payable without further demand or notice of any kind. Any and all costs incurred by the Creditor relating to the enforcement of the Credit Facility or the recovery of monies owed under the Credit Facility which shall be considered as part of the principal debt owing, and shall bear interest at the rate of 2.5% per month (30% per annum) and shall include without limitation any collection agency fees and legal costs on a substantial indemnity basis.

8. Counterparts: A photocopy, facsimile or electronic copy of this Agreement will be considered a valid document in case of dispute. The Application may be signed in counterpart and transmitted by facsimile or electronic transmission.

9. NSF Charges: Any payment returned NSF will result in an additional charge by way of an administration fee in the amount of \$25.00 (subject to increase).

10. No Further Obligations on Creditor: All decisions with respect to the extension, continuation or termination of the Credit Facility shall be at the sole discretion of the Creditor, and nothing herein shall obligate the Creditor to extend or continue to extend credit to the Applicant(s).

11. Provision of Information: The Applicant(s) will provide the Creditor any financial information requested by the Creditor including but not limited to updated financial information and a revised account application, as conditions for the continued extension of credit.

12. General: No failure or delay by the Creditor in exercising any right shall operate as a waiver of such right. Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. This Agreement shall inure to the benefit of and shall be binding upon the Applicant(s) and their respective successors and

permitted assigns. The Applicant(s) may not assign their interest in this Agreement without the written consent of The Creditor. The Applicant(s) shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Creditor may reasonably require. If the Applicant(s) is a Corporation or Partnership, the signatory hereto hereby confirms it has authority to bind the Corporation or Partnership as the case may be. If there is more than one Guarantor, this Guarantee is being given by the Guarantors on a joint and several basis.