





# AGLINE® AGRICULTURAL, COMMERCIAL, AND GOVERNMENT USE CREDIT APPLICATION

Application must be complete. If you have questions about how to complete this application, call 1-800-356-9033.

**PLEASE PRINT**

**AIR MILES® Information:**

My AIR MILES Collector Number is: \_\_\_\_\_

How the account will primarily be used: (Check one)

- For Agricultural purchases
- For Governmental purchases
- For Commercial (Non-Agricultural) purchases
- Other (Type of organization using the account) \_\_\_\_\_

Tell us how your business is structured: (Check one – then complete sections indicated in parentheses)

- Sole Proprietorship (A, C, E)
- General Partnership\* (B, C, D, E)
- Limited Partnership\* (B, C, D, E)
- Corporation (B, C, D, E)
- Governmental Agency (B, C)
- For Non-Profit (B, C, D, E)
- Limited Liability Company (B, C, D, E)

\*Application must be signed by a General Partner

**Section A (For Sole Proprietorships)**

Please print above how you would like your account name to appear

Contact Person:  
 First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_  
 Date of Birth \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Soc. Ins. Number \_\_\_\_ - \_\_\_\_  
 Business Phone (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_

**Section B (For Sole Corporations, Partnerships, Government Agencies and Other Organizations)**

Business Name \_\_\_\_\_  
 Business Phone (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
 Contact Person:  
 First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_

**Section C (For All Accounts)**

Years in Business \_\_\_\_\_ Annual Gross Sales \$ \_\_\_\_\_ Net Income† (Last full year) \$ \_\_\_\_\_  
 Assets \$ \_\_\_\_\_ (minus) Liabilities \$ \_\_\_\_\_ (=) Net Worth \$ \_\_\_\_\_  
 Other Income† \$ \_\_\_\_\_ Chequing Account Number \_\_\_\_\_  
 Financial Institution \_\_\_\_\_ Financial Institution Phone (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_  
 Check all that apply:  Chequing  Savings  VISA  MasterCard  Discover  American Express/Optima

**Section D Primary Owner Information (For Corporations & Partnerships)**

First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_  
 Title \_\_\_\_\_ Soc. Ins. Number \_\_\_\_ - \_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_

**Section E (For All Agricultural Use Accounts)**

Acres Owned \_\_\_\_\_ Acres Rented \_\_\_\_\_ Acres Shared \_\_\_\_\_  
 Source of Operating Loan:  
 Name \_\_\_\_\_ City \_\_\_\_\_ Province \_\_\_\_\_  
 Contact \_\_\_\_\_ Contact Phone (\_\_\_\_) \_\_\_\_ - \_\_\_\_ Account Number \_\_\_\_\_

**Notice.** a. Do not sign this credit agreement before you read it or if any spaces intended for the agreed terms are left blank. b. You are entitled to a copy of this credit agreement at the time you sign it. **Keep it to protect your legal rights.** c. You may at any time pay off the full unpaid balance under this credit agreement.

You authorize AgLine and its affiliates to collect, use and disclose any of your personal information ("**Information**") from time to time for the following purposes ("**Purposes**"): (a) assess your creditworthiness, (b) extend credit to you, (c) service and collect your AgLine Account, (d) comply with applicable law, (e) establish your eligibility for special offers and discounts, (f) identify your preferences for goods and services, and (g) promote and market additional goods and services that we, our affiliates or other well-established companies offer, including by means of direct marketing. Check here if you do not consent to items (e), (f) or (g).  Your ability to receive credit from us will not be affected if you do not so consent.

You understand that AgLine and its affiliates: (1) may disclose certain of the Information to dealers, merchants, credit reporting agencies, credit bureaus, third party service providers, assigns and others with whom AgLine or any of its

affiliates does or proposes to do business, whose goods or services we believe you may find interesting or useful, (2) will make these disclosures for the Purposes above and to maintain the integrity of the credit-granting process, and (3) may collect personal information about you from your financial institution, credit reporting agencies or credit bureaus, and others with whom you do business from time to time for the Purposes above. You authorize these persons to provide such information to us. You are not required to provide your social insurance number to us but if you do it will be used to match credit bureau information. You can withdraw your consent to our collection, use or disclosure of Information for the Purposes above by writing to us or calling us at 1-800-356-9033. If you do, we may no longer be able to offer you the credit you request. We may use Information in our records for so long as it is needed for the Purposes and your consent remains valid after termination of our relationship with you.

You represent that the information given in this application is complete and accurate. Married applicants may apply for an individual account. You acknowledge that you have received a true copy of this credit agreement and you agree to its terms.

<b>SIGN HERE</b> Corporations & Partnerships <b>MUST Sign Both</b>	Primary Owner Signature <b>X</b> _____, Individually Date ____ / ____ / ____ <small>(Please do not print)</small>
	Company Legal Name _____ <small>(Please print)</small>
	By: <b>X</b> _____ Title _____ Date ____ / ____ / ____ <small>(Please do not print)</small>
	Print Name _____

**CO-APPLICANT INFORMATION (Please print)**

First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_  
 Date of Birth \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Soc. Ins. Number \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Annual Income \$ \_\_\_\_\_  
Month Day Year

Co-Applicant's Signature **X** \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
(Please do not print)

I would like to use my AgLine Preferred Account at these businesses:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**AgLine® CREDIT AGREEMENT**  
**Agricultural, Commercial and Governmental Use Account**  
**January 2002**

THIS IS YOUR AGREEMENT.  
PLEASE READ IT AND KEEP IT FOR YOUR RECORDS.

**TERMINOLOGY.** In this Agreement, the words *you, your, and yours* mean each person and/or business entity who applies for and is granted an AgLine Account, as well as any person permitted to use the AgLine Account. The words *we, us, and our* mean John Deere Credit Inc., carrying on business as AgLine.

**AgLine ACCOUNT.** You request an AgLine Account from us, and further authorize us to issue an AgLine Account to each merchant from whom you may make a purchase. By applying for a Preferred Account, or by using a Merchant Authorized Account to make a purchase from a merchant who requests us to open one for you, you agree that this Agreement will apply to all purchases made through your AgLine Account by you or any person you authorize. You authorize us to honour any purchases you make by telephone, mail, facsimile transmission (fax) or other electronic means on your AgLine Account. You agree that your signature is not necessary as identification in such cases. You agree that any authorized use of your AgLine Account constitutes your acceptance of all the terms and conditions of this Agreement, as it may be amended from time to time. If you submit your credit application to us by facsimile transmission (fax), you agree that the faxed copy of that application will have the same effect as a signed original. You will promptly notify us of any suspected loss, theft or unauthorized use of your AgLine Account. If that notice is given orally, you will confirm it in writing. You may be liable for the unauthorized use of your AgLine Account before you notify us orally or in writing at AgLine, 1001 Champlain Avenue, Suite 301, Burlington, ON L7L 9Z9 of the unauthorized use. In any case, your liability will not exceed \$50.

You consent and agree that your telephone conversations with us may be recorded for educational purposes to further improve our customer service. You agree that we may place phone calls to you using an automatic dialing-announcing device. You agree to give us prompt notice of any change in your name, mailing address, or place of employment. Until we receive notice of your new address, we may continue to send statements and other notices to the address you provided to us on the application for your AgLine Account or the address the merchant provided to us if your account is a Merchant Authorized Account. For the purposes of this Agreement, you will be deemed to "reside" in the province of your billing address as shown on our records. If more than one person or entity signed the credit application, each is jointly and severally responsible for all obligations and amounts due under this Agreement. You acknowledge that no one acted as a broker for the AgLine Account. This Agreement is not binding on us until we have approved your credit and given you notice of approval.

**ACCOUNT TYPE.** If your AgLine Account arose through our purchase of your existing account balance (a "Conversion Balance") with a merchant, or at the request of one or more merchants, without your submission and our approval of a credit application, your AgLine Account will be classified as a *Merchant Authorized Account*. If your AgLine Account resulted from our approval of your completed credit application for either: 1) a new AgLine Account; or 2) the conversion of your Merchant Authorized Account, your AgLine Account will be classified as a *Preferred Account*. Certain special features or promotions we may offer from time to time may be made available only to Preferred Accounts. When we open your AgLine Account, and on each monthly statement, we will indicate whether such account is either a Preferred Account or Merchant Authorized Account.

**ACCOUNT USE.** By applying for or accepting an AgLine *Agricultural/ Commercial or Governmental Account*, you agree to use your account primarily to make purchases for agricultural/commercial or governmental use, and *not* for personal, family or household use. (For personal, family or household use, we also offer an AgLine *Consumer Account* with

different credit limits, rates and repayment terms. Please write to us at the above address if you would like to apply for one.)

You can make purchases up to the full amount of your credit limit(s), and you agree to pay us all amounts charged by the use of your AgLine Account, plus Finance Charges and the other charges described below, as provided in this Agreement.

We are not responsible for the refusal of anyone to allow a purchase to be made through your AgLine Account. We are not responsible for the goods and services acquired or provided through the use of your AgLine Account. Any such claims and all disputes respecting any transaction must be settled between you and the merchant at the location at which the charge was made and shall have no effect on your obligations to us.

**CREDIT LIMITS.** We will establish and advise you of your credit limit(s). We may change your credit limit(s) at any time. You may request a change to your credit limit(s) by writing to us at the above address. If you have a Merchant Authorized Account, it is useable only at the merchant(s) who requested us to finance your purchases from them.

**MONTHLY STATEMENT.** Unless otherwise required by law, we will send you a monthly statement whenever there is activity on your AgLine Account. We will bill you on the monthly statement for all amounts you owe. Your monthly statement will show your New Balance, any Finance Charges, the Minimum Required Payment and the Payment Due Date. In addition, it will show your available credit limit(s), an itemized list of current purchases, payments and credits, and any charges applied in accordance with this Agreement, as well as other information concerning your AgLine Account.

Subject to applicable law, we will send your monthly statements on dates and in intervals determined by us. Such statement shall be deemed correct and accepted by you unless we are notified to the contrary in writing within 60 days of our mailing such statement.

You are responsible for notifying us of any change in your billing address. If you think your monthly statement is incorrect, write to us on a separate sheet at the address shown on the back of your monthly statement no later than 60 days after we sent you the first statement on which the error or problem appeared. Please describe the error as best you can and include your AgLine Account number in all correspondence. Each monthly statement will otherwise be deemed to be conclusively accepted by you as correct except as to the amount improperly credited.

**PAYMENT.** The Payment Due Date is the date the payment is due at the address shown on the front of your monthly statement. You may at any time pay your entire New Balance or pay more than the Minimum Required Payment, and you will avoid or reduce Finance Charges by doing so prior to the Payment Due Date. Payment of more than the Minimum Required Payment, while reducing your balance, will not prepay or be applied against future Minimum Required Payments. If your Payment Due Date falls on a Saturday, Sunday or holiday, the Payment Due Date will not be extended. All payments must be in Canadian dollars and drawn on funds on deposit in Canada.

You can pay your AgLine Account at most financial institutions or full-service automated teller bank machines (ATM). Please check with your financial institution or operator of your ATM to confirm it will accept your AgLine Account payment. To pay using an ATM you will need your statement stub along with a cheque made payable to AgLine. You must allow up to 5 days for ATM or financial institution payments to post to your AgLine Account. There may be a fee charged to you by the financial institution for this type of payment method.

**FINANCE CHARGE RATES.** Finance Charges will accrue on your AgLine Account Balance based upon the applicable Annual Percentage Rates charged by us. The **ANNUAL PERCENTAGE RATE** currently applicable to regular purchases on your AgLine Account is 19.75% per annum which is a daily rate of 0.05411%.

**Examples of interest charged:**

Outstanding Balance	30-Day Interest Charged
\$ 500	\$ 8.12
\$ 1,500	\$ 24.35
\$ 3,000	\$ 48.70

The **ANNUAL PERCENTAGE RATES** are subject to variation from time to time as specified under the heading "Changing This Agreement." The **ANNUAL PERCENTAGE RATES** applicable at any time hereafter will be disclosed on your monthly statement or in such other form of notice as we may determine.

Changes in your **ANNUAL PERCENTAGE RATES** will apply to your existing Account Balance(s) as well as to future purchases. An increase in your rate will increase the total Finance Charges accruing on your Account Balance and the balance on which your Minimum Required Payment is calculated.

**FINANCE CHARGE CALCULATION. FINANCE CHARGES** will accrue on your Account Balance(s) as follows:

**Purchases.** Except as noted below under "Grace Period," on purchases within your credit limit(s) we will add a **FINANCE CHARGE**, which (unless we elect a later date) accrues from the date of purchase and is calculated as shown below, if your entire New Balance is not paid in full on or before the Payment Due Date. To avoid additional Finance Charges on your new purchases, you must pay the entire New Balance in full on or before the Payment Due Date shown on your monthly statement.

**Grace Period.** We will not charge interest on purchases which appear on your monthly statement for the first time, if you pay the New Balance in full by the Payment Due Date in accordance with this Agreement. If you do not pay the New Balance in full by the Payment Due Date, we charge interest on the "Average Daily Balance," which will be recalculated to include each purchase (other than purchases which have not yet appeared on your monthly statement for the first time) from the date it is posted to your AgLine Account, until we receive full payment. If you make a partial payment, the "Average Daily Balance" will be reduced to reflect the amount of your payment and the date we receive it, and we will continue to charge interest until full payment is received.

Except as noted otherwise, the amount of your **FINANCE CHARGES** will be determined as follows:

We use the **ANNUAL PERCENTAGE RATES** then applicable to determine daily periodic rates. The applicable daily periodic rate is applied to the "Average Daily Balance" of your purchases, including current transactions, during the current billing cycle. To get the "Average Daily Balance," we take the beginning balance of your purchases each day, starting with any Previous Balance outstanding on the first day of the monthly billing cycle, except as noted above, add any new purchases and debits, including unpaid Finance Charges and other charges in respect of previous billing cycles, and subtract any payments or credits. This determines the daily balance. Unless we elect to use a later date, purchases are added to the daily balance as of the date of purchase. We total the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance" which is shown on your monthly statement.

You may avoid or reduce Finance Charges by payment of the full amount outstanding in respect of your AgLine Account on or before the Payment Due Date. Unpaid Finance Charges are included in the calculation of the balances upon which Finance Charges are payable in the next billing cycle. This could result in you paying Finance Charges on unpaid Finance Charges which may increase your actual cost of borrowing on an annualized basis to an effective rate in excess of the Annual Percentage Rate used to calculate the Finance Charges payable on your AgLine Account, depending on your payment record. Payment in full of your entire balance on or before the Payment Due Date may decrease your effective cost of borrowing on an annualized basis to a rate below such Annual Percentage Rate.

**DEFAULT FINANCE CHARGE RATE.** If you are in default, you may no longer qualify for any reduced interest rate special promotions and, subject to applicable law and at our option, the **ANNUAL PERCENTAGE RATE** applicable to such special promotion may be increased to 19.75% per annum and you agree to pay interest at such rate on the amount outstanding in respect of purchases under such special promotion.

A **MINIMUM FINANCE CHARGE** of 50 cents will be made when the result of the application of the periodic rate(s) to the "Average Daily Balance" would yield a Finance Charge of less than 50 cents for the month, unless prohibited by law.

**MINIMUM REQUIRED PAYMENT.** You agree to pay us each month a Minimum Required Payment equal to the sum of:

1. Any fees; **plus**
2. Any amount past due; **plus**
3. For each Conversion Balance **either**:
  - (a) the greater of \$25 or 10% of the Conversion Balance, if such balance exceeds \$25; **or**
  - (b) your entire Conversion Balance, if it is less than \$25; **plus**
4. For purchases **either**:
  - (a) the greater of \$25 or 10% of your New Balance (excluding all Conversion Balances, if any), if that balance exceeds \$25; **or**
  - (b) your entire New Balance (excluding all Conversion Balances, if any), if it is less than \$25; **plus**
5. For purchases of merchandise on special financing terms, the amount of the monthly instalment disclosed at the time of purchase from a participating merchant.

**"DUE-IN-FULL" PROVISION FOR GOVERNMENTAL ACCOUNTS.** If you are a federal, provincial, regional, municipal or other government agency or department or our records indicate your AgLine Account is classified as a governmental account, the Minimum Required Payment is the entire New Balance of your AgLine Account and is due on the Payment Due Date.

**SPECIAL PROMOTIONS.** From time to time special financing terms, such as extended interest free periods, incentive interest rates on certain purchases or for limited time periods, or other promotions may be available for the purchase of certain items from participating merchants. These special terms will be disclosed by the merchant at the time of purchase. Purchases you make during these special promotions will be separately identified on your monthly statement and will become part of the balance on which your Finance Charge and Minimum Required Payment are calculated at the time provided in the special terms disclosure.

**NO-PAYMENTS/NO-INTEREST ("NP/NI") TRANSACTIONS.** Unless otherwise disclosed, during the NP/NI period described on your monthly statement Finance Charges will not accrue on NP/NI purchases and such purchases will not form part of the balance on which your Minimum Required Payment is calculated. After the NP/NI period described on your monthly statement, Finance Charges will begin to accrue on NP/NI purchases at the **ANNUAL PERCENTAGE RATE** applicable to your regular purchases and such purchases will form part of the balance on which your Minimum Required Payment is calculated.

**SAME AS CASH TRANSACTIONS.** Unless otherwise disclosed, minimum monthly payments will be deferred and Finance Charges will accrue during any same as cash period described on your monthly statement at the **ANNUAL PERCENTAGE RATE** applicable to regular purchases. No Finance Charges will be due until the end of the same as cash period and any accrued Finance Charges will be waived if the entire same as cash balance is paid in full by the end of the same as cash period.

**SEASONAL TERMS TRANSACTIONS.** Unless otherwise disclosed, Finance Charges will accrue on seasonal terms transaction balances from and including the date of purchase (which date may be prior to your receipt of the purchased goods) to the date such balances are paid in full. Such balances will not form part of the balance on which your Minimum

Required Payment is calculated until the end of the seasonal terms period. Unless you are in default under this Agreement, no Finance Charge or payment in respect of seasonal terms transactions will be due until the end of the seasonal terms period. However, you must pay accrued Finance Charges on seasonal terms transactions even if the balance is paid in full on or before the end of the seasonal terms period. If a special seasonal terms Finance Charge rate applies to a seasonal terms transaction, that rate will be disclosed to you. The entire balance of all seasonal terms transactions, plus accrued Finance Charges will be due in full at the end of the seasonal terms period or, at our option, upon your default under this Agreement, whichever is earlier.

**RETURNED PAYMENT FEE.** If you send us a cheque that is dishonoured, we will add to your AgLine Account a fee of \$25.

**COLLECTION COSTS.** If we have to refer collection of your AgLine Account Balance to a lawyer, you will be required to pay to us the lawyer's fees (on a solicitor and client basis) plus court costs and related fees including any bankruptcy fees and costs, to the extent not limited or prohibited by applicable law.

**SERVICE FEES.** We may add to your AgLine Account a reasonable charge for photocopies and reprints of account and transaction documents which you may request and for other special services. We may assess a charge not to exceed \$20 per hour, or for any portion thereof, for research performed on your AgLine Account at your request, whether performed by us or our service provider. Any such charges will be subject to Finance Charges in accordance with this Agreement.

**OTHER SERVICES.** Third parties may offer additional features, services and enhancements related to your AgLine Account. You acknowledge that we are not liable for those features, services or enhancements and that they are the sole responsibility of such third parties.

**ACCEPTING PAYMENT.** We can accept late or partial payments, as well as payments marked "paid in full" or with other restrictive endorsements, without losing any of our rights under this Agreement.

**CREDIT REPORTS.** We may report your performance under this Agreement to credit reporting agencies and others who request a credit reference from us. You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill your credit obligations to us. We may ask credit reporting agencies or others you list as a credit reference for consumer reports or information regarding your credit history at any time for all legitimate purposes, including credit decisions and the review and collection of your AgLine Account. You authorize AgLine and its affiliates to collect, use and disclose any of your personal information ("Information") from time to time for the following purposes ("Purposes"): (a) assess your creditworthiness, (b) extend credit to you, (c) service and collect your AgLine account, (d) comply with applicable law, (e) establish your eligibility for special offers and discounts, (f) identify your preferences for goods and services, and (g) promote and market additional goods and services that we, our affiliates or other well-established companies offer, including by means of direct marketing. Please call us at 1-800-356-9033 if you do not consent to items (e), (f) or (g). Your ability to receive credit from us will not be affected if you do not so consent.

You understand that AgLine and its affiliates: (1) may disclose certain of the Information to dealers, merchants, credit reporting agencies, credit bureaus, third party service providers, assigns and others with whom AgLine or any of its affiliates does or proposes to do business, whose goods or services we believe you may find interesting or useful, (2) will make these disclosures for the Purposes above and to maintain the integrity of the credit-granting process, and (3) may collect personal information about you from your financial institution, credit reporting agencies or credit bureaus, and others with whom you do business from time to time for the Purposes above. You authorize these persons to provide such information to us.

You can withdraw your consent to our collection, use or disclosure of Information for the Purposes above by writing to us at AgLine,

1001 Champlain Avenue, Suite 301, Burlington, Ontario, L7L 9Z9 or calling us at 1-800-356-9033. If you do, we may no longer be able to offer you the credit you request. We may use Information in our records for so long as it is needed for the Purposes and your consent remains until after termination of our relationship with you.

**CLOSING YOUR ACCOUNT.** You may close your AgLine Account at any time by notifying us in writing. We may close or suspend your AgLine Account to future purchases at any time without prior notice. We may close or suspend your AgLine Account to future purchases if your account has no activity for 12 or more months. Regardless of the closing or suspension of your AgLine Account, you remain responsible for paying the amount you owe us according to the terms of this Agreement.

**SECURITY INTEREST.** You grant us a purchase money security interest in all merchandise purchased through your AgLine Account, and its proceeds, including insurance proceeds. Our security interest or charge continues until such merchandise is paid for in full by application of your payments in the manner described in this Agreement.

**PROPERTY INSURANCE.** While our security interest in the merchandise continues, you must maintain all-risk physical damage insurance on each merchandise item of which \$5,000 or more is financed through your AgLine Account. You may obtain such coverage from any source, and it is not available from or through us. You will name AgLine, as a loss payee of the insurance, entitled at least ten (10) days advance notice of its cancellation, and at our request you will provide evidence thereof. You assign and direct the insurer to pay us the proceeds of such insurance. You authorize us to make and settle claims, and to endorse in your name(s) and apply, any instrument for such proceeds to the unpaid purchase price of the item or, at our option, to its restoration, returning any excess to you.

**PAYMENT APPLICATION.** Subject to applicable law, your payment will be allocated in a manner we determine and may change from time to time. Your monthly payments will be applied first to interest, next to fees (if any), next to your Previous Balance, then to new purchases.

Payments will be credited as of the date of receipt at the address on the payment stub of your statement if received by 9:00 a.m. Eastern Time Monday through Friday (otherwise next business day), but if payment is not accompanied by the payment stub or not received at that location, credit may be delayed up to five days.

**MERCHANT CHARGEBACKS.** We may charge back to a merchant who sold goods or services to you on your AgLine Account, any part of your Account Balance related to those purchases. In that event, our rights under this Agreement will be deemed assigned to the merchant to the extent of the chargeback. You agree to such an assignment and further agree to pay the merchant the amount of such chargeback in accordance with the terms of this Agreement.

**DEFAULT.** You will be in default if: (a) you fail to pay the Minimum Required Payment within 10 days after the Payment Due Date; (b) the value of our security interest in any collateral is materially impaired; (c) in our opinion, your ability to repay is materially reduced by you exceeding your credit limit(s), by a change in your employment, by an increase in your obligations, by bankruptcy or insolvency proceedings involving you, by the institution of garnishment, attachment or execution proceedings against you or your property, by your death or incapacity, or (for community property province residents only) by a change in your marital status or domicile; (d) you provided us false or misleading information relating to your credit application or your AgLine Account; or (e) you fail to perform any other of your obligations under the terms of this Agreement as it may be amended or any other agreement between you and us.

Upon default, we may immediately close your AgLine Account to future purchases and, to the extent not prohibited by law, demand immediate payment of your entire AgLine Account Balance(s), after giving you any notice and opportunity to cure the default required by applicable law.

In addition, we shall have all the rights of a secured creditor under applicable law.

**DELAY IN ENFORCEMENT.** We can delay enforcing our rights under this Agreement without losing them.

**ELECTRONIC DISCLOSURES.** You agree that any notices, statements and/or disclosures related to your AgLine Account may be delivered to you in printed form or by electronic means if you provide an electronic mail address to us when you apply for your AgLine Account or at a later date. Until we receive notice of a new electronic mail address, we may continue to send such notices, statements and/or disclosures to the electronic mail address you most recently provided to us.

**GOVERNING LAW.** The interpretation of this Agreement will be governed by Ontario law. This is the entire Agreement between you and us and no oral changes can be made. Invalidity of any provision of this Agreement shall not affect the validity and enforceability of the remainder of its terms. This Agreement may not be assigned by you.

**CHANGING THIS AGREEMENT.** We may change this Agreement, including the Finance Charge Calculation and the Annual Percentage Rates, at any time upon notice to you at your last address shown in our records. This notice may be contained in your monthly statement, or such other form as we may determine. To the extent that the law permits, the changes will apply to your existing AgLine Account balance as well as to future transactions.

**AIR MILES® REWARD PROGRAM TERMS AND CONDITIONS.** The following terms and conditions govern how AIR MILES® reward miles of the AIR MILES Reward Program ("Program") of Loyalty Management Group Canada Inc. ("LMG") may be earned through purchases charged to your AgLine Account. These terms and conditions are in addition to the terms and conditions of the Program (the "Program Terms").

(a) Nothing in these terms and conditions between you and us shall vary or prejudice the rights of LMG under the Program Terms.

(b) AIR MILES reward miles are available through us only to holders of an AIR MILES Collector Card who are resident in Canada and have registered with both LMG and us for enrollment in the Program.

(c) So long as we are a participating sponsor of the Program, and provided your AgLine Account is in good standing, valid purchases appearing on your monthly statement (dated after registration with both LMG and us is completed) qualify for the issue of AIR MILES reward miles less refunds and credits shown on your monthly statement. Enrollment in the Program is not effective until you receive a monthly statement from us showing that reward miles have been issued. No other confirmation of effective enrollment with us will be provided.

(d) Purchases on your AgLine Account and purchases on your AgLine Account which arose through our purchase of your existing account balance with a merchant qualify for the issue of reward miles. Payments, late fees and interest charges, if any, conversion adjustments, merchant debits and other debits do not qualify for the issue of reward miles.

(e) Where purchases qualify for the issue of reward miles, one reward mile will be issued based on the award level established by us from time to time in the period ending with the latest monthly statement. Reward miles are issued in whole numbers and will be issued only when and if an incremental award level is fully reached. [Example: if one reward mile is issued for every \$50 advance (i.e. award level) then if a monthly statement shows \$248 in net advances, 4 reward miles would be issued (\$248/\$50). The \$48 will be disregarded and not accumulated. \$248 of purchases minus \$175 of credit memos from a return would yield a purchase amount of \$73.  $\$73/\$50 = 1.4$  reward miles. 1 reward mile would be awarded.] Reward miles will be deducted from accumulated or future issued reward miles for refunds which are not fully offset by new purchases shown in a given statement. Such reward miles will be calculated on the same basis as is done with respect to reward miles which are issued for purchases, as set out above. Where reward miles are issued, the AgLine monthly statement shows the number of reward miles earned for that month's purchases (net of any refunds or reversals).

(f) Except when your AgLine Account is not in good standing, reward miles earned each month through use of your AgLine Account will be issued to your AIR MILES Collector Account.

(g) Reward miles will be issued only to the primary holder of an AgLine Account and the secondary holder will have no additional rights against us or against LMG in relation to the Program.

(h) We may cancel or reverse any reward miles not properly issued. We may refuse to issue reward miles or may cancel reward miles already issued to you if we have reason to believe that you caused or allowed a breach of the conditions of use of your AgLine Account or a breach of the Program Terms, or for any other reason.

(i) Reward miles will not be issued for any purchase made through use of your AgLine Account while it is not in good standing. Reward miles credited to your monthly statement may not, at our discretion, be transferred to your AIR MILES Collector Account when your AgLine Account is not in good standing. Reward miles credited to your AgLine Account may be forfeited when your AgLine Account is cancelled.

(j) Reward miles do not constitute your property and cannot be transferred by you to another person, or from one AgLine Account to another. This means that if two AgLine Accounts have the same Collector number and one AgLine Account has purchases of \$225 and the other has purchases of \$175, you will receive a total of 7 reward miles ( $\$225/\$50 = 4$  reward miles and  $\$175/\$50 = 3$  reward miles) instead of 8 reward miles ( $\$225 + \$175 = \$400$  and  $\$400/\$50 = 8$  reward miles). Reward miles have no cash value.

(k) Records maintained by or on our behalf relating to the number of reward miles credited to your AgLine Account shall be conclusive except for manifest error. All discrepancies for reward miles earned in any billing period must be brought to our attention within 90 days of the date of the monthly statement for which adjustment is sought. Reward miles may not be redeemed until they are shown on your AgLine monthly statement.

(l) We are not responsible for the Program or any obligation in connection with it or its operation including, without limitation: (i) non-receipt of instructions to enroll you in the Program, for whatever reason; (ii) delay in completing your enrollment in the Program for whatever reason; (iii) unauthorized redemption of reward miles; (iv) failure or delay by LMG or any other person to provide goods or services; (v) loss or damage caused by goods or services supplied or requested in connection with the Program; or (vi) any changes to the Program including its termination.

(m) You understand and agree that we are not responsible for any tax liability which may arise through the issue of reward miles or with respect in any way to your redemption of reward miles. The determination of tax liability related to your participation in the Program is your responsibility. We make no representations about the current or future tax consequences to you of participation in the Program.

(n) We reserve the right to vary or to terminate these terms and conditions or to cancel our participation in the Program for the award of reward miles for purchases charged to your AgLine Account.

(o) Neither LMG nor its officers and employees are our agents for any purpose whatsoever.

(p) LMG is solely responsible for the Program and its operation. The Program, any of the rules and the Program Terms may be modified, in whole or in part, by LMG from time to time, with or without notice.

(q) Enrollment as a Collector in the Program and the collection and redemption of AIR MILES reward miles is governed by and subject to the Program Terms, including the AIR MILES Privacy Commitment. Visit [www.airmiles.ca](http://www.airmiles.ca) or call the AIR MILES Service Centre (1-888-AIR MILES (in Toronto call (416) 226-5171) for current Program Terms and other details and information about the Program.

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