



Overdraft Protection Agreement

1. **OVERDRAFT PROTECTION LIMIT** – The maximum limit of the overdraft protection with respect to the Account (the “**Limit**”) is determined by the application and approval process. The total of all funds advanced to the Account, including the Principal, as hereinafter defined, together with interest, fees and other charges (together, the “**Indebtedness**”) at any one time under this Promissory Note shall not exceed the Limit. Libro Credit Union Limited may reduce the Limit at any time without notifying the undersigned in advance.
2. **PROMISE TO PAY** – For value received, I/We, jointly and severally promise to pay, on demand to LIBRO CREDIT UNION LIMITED (“**Libro**”), the Indebtedness, subject to the following terms and conditions.
3. **ADVANCES AND REPAYMENTS** – The process of borrowing involves revolving advances of money by Libro, payments by the undersigned, and re-advances by Libro. The undersigned understands that Libro will not advance the Account any money under this Promissory Note unless there are insufficient funds in the Account to cover a cheque drawn by the Account holder, cash withdrawal, and/or transfer of funds from the Account as requested or authorized. In that case, Libro will advance money to the Account by honouring the cheque, disbursing the cash, processing the transfer of funds and/or authorizing the negative balance on the Account. Thus, a negative balance on the Account will be considered the principal balance owing by the Account holder to Libro (the “**Principal**”). The Account holder understands that all deposits to the Account will be taken as payments for the Indebtedness and the Account holder shall make deposits at least once every 30 days such that the Account is brought into a positive balance at least every 90 days.

The Owner will not be required to make any particular payments at any particular time except that they promise to pay the Indebtedness on demand. Libro may apply payments as set out above at any time, and from time to time, without notice. The Owner may pay the Indebtedness at any time, and from time to time, without notice, bonus, or penalty.

4. **INTEREST RATE** – I/We will pay to Libro interest on the Principal at the rate of **19.49%** per annum, compounded monthly (the “**Interest Rate**”). Libro may vary this Interest Rate from time to time. Notice of any Interest Rate change will be sent to the Owner at the address as recorded at Libro with the subsequent monthly account statement in accordance with the terms of the Owner Service Agreement. Any omission in notifying the Owner will not excuse the Owner from the liability to repay the Indebtedness.
5. **INTEREST CALCULATION** – Interest will be calculated on the Principal daily, if any, and charged at each month end to the Account and added to the Principal balance outstanding at that time, if any.
6. **SECURITY** – From time to time at the request of Libro, the Owner agrees to give Libro security sufficient to cover the Limit. The Owner understands and agrees that Libro has a lien on their credit union Ownership Shares and/or Shares Savings, as defined in the Owner Service Agreement, and any other deposits they may have with Libro, and such funds shall be applied as payment of the Indebtedness.
7. **DEFAULT DEMAND** – In the event of default by the Owner of any term or obligation of this Promissory Note, the Indebtedness shall immediately become due and payable at the option of Libro, if Libro delivers a demand for payment to the Owner in writing.

Libro may at its option demand payment, in writing, despite compliance by the Owner with the terms and/or obligations of this Promissory Note.
8. **LEGAL FEES** – The Owner acknowledges and agrees that any and all legal fees and disbursements incurred by Libro to demand payment and collect the amounts due and owing pursuant to the terms of this Promissory Note, will be added to the Indebtedness.
9. **WAIVER OF PRESENTMENT** – I/We hereby jointly and severally waive presentment for payment, demand, protest and notice of protest and notice of dishonour.
10. **ANNUAL REVIEW** – I/We agree to an annual review of this Promissory Note. Libro will notify the Owner of the time for such reviews and the Owner shall supply information on the present financial position at each review.
11. **ESTATE** – I/We agree that my/our promises, terms and obligations under this Promissory Note will be binding on my estate if I/we were to die. This Promissory Note shall be binding upon all successors, administrators, and assigns of the Account.
12. **JOINT AGREEMENT** – If more than one Owner has accepted this Promissory Note, then we agree with each other and with Libro that we are each and all jointly and severally liable under this Promissory Note.
13. **LIMITATIONS** – The Owner(s) acknowledge and agree that pursuant to the provisions of the *Limitations Act*, S.O. c.24 Sch. B, as amended, the limitation period with respect to the obligations contained herein shall be deemed to be varied by agreement of Libro and the Owner(s) such that it shall commence running only from the date of written demand for payment made by Libro to the Owner.

I/We consent to Libro obtaining credit information about me/us from any other credit granting or reporting agency and the release of such information to Libro. Such releases will only be for the limited purposes set out in the Owner Service Agreement, and I/we confirm receipt of a copy of the Owner Service Agreement.