

LIMITED RECOURSE CALL LOAN AGREEMENT

made as of the _____ day of _____, 20__.

BETWEEN:

_____ ,

a _____ (the "Lender")

- and -

_____, a corporation incorporated

pursuant to the laws of _____ (the "Member")

RECITALS:

- (a) The Lender has agreed to make available to the Member Loans in the amount and on the terms provided in this Agreement and Schedule 1 hereto, the proceeds of which are to be used in the business of the Member for the acquisition or financing of securities issued by the Lender, which Financed Securities represent claims upon the Lender in accordance with their terms.
- (b) The Member is a member of a self-regulatory organization and is required to comply with the SRO Rules (as defined) relating, among other things, to regulatory capital.
- (c) Pursuant to the SRO Rules, the concentration of financial exposure of the Member to the Lender as a provider of capital and to its affiliates, directly or indirectly, is to be limited, and shall require a capital charge to the Member, subject to reduction in respect of certain Loans made by the Lender to the Member in accordance with this Agreement.
- (d) The Member wishes to reduce the capital charges referred to in Recital (c) by limiting the recourse the Lender may have in respect of certain Loans relating to Financed Securities acquired by the proceeds of such Loans as identified on Schedule 1 from time to time.

IN CONSIDERATION of these premises and other good and valuable consideration, the parties agree as follows:

1. **Loan.** The Lender may advance from time to time by way of Loan to the Member the amounts identified in Schedule 1 (as it may be amended from time to time) on the terms specified therein and for the purpose of acquiring the Financed Securities of the Lender as specified in Schedule 1.
2. **Repayment of Loan.** The Member may make optional repayments of all or any part of a Loan in accordance with its terms provided that:
 - (i) the risk adjusted capital of the Member (calculated after taking into account such repayment) would not be less than zero; and
 - (ii) the Member is not in default in respect of repayment of the Loan or, immediately before or after taking into account the repayment, the Lender would not be entitled to exercise its rights under Sections 3 or 4 in accordance with the terms of the Loan.
3. **Default.** On default by the Member in respect of repayment of a Loan, the Lender may declare the Loan to be immediately due and payable and demand payment, provided that the Lender shall only accept payment or satisfaction of the Loan, or credit or benefit in lieu thereof, in any manner, directly or indirectly, to the extent and in the amount that the Lender is entitled to seek recourse against the assets, property or undertaking of the Member pursuant to Section 4.
4. **Limitation on Recourse.** The Lender, at any time whether before or after default, maturity or judgment, shall only be entitled to:
 - (i) require or enforce repayment or satisfaction of any Loan, or credit or benefit in lieu thereof, in any manner, directly or indirectly; or
 - (ii) effect recourse in respect of any Loan against the assets, property or undertaking of the Member in any forum or by any means (including, without limitation, by execution, garnishment, realization, claim in bankruptcy or insolvency, set-off or

netting of any kind, reduction or compromise of debts, consolidation of accounts or any other manner which may result in the satisfaction or extinguishment of the Loan or any part of it);

to the extent and in an amount not to exceed the market value of the Financed Securities of the Lender identified in Schedule 1 in respect of that Loan as at any time or times when such repayment is required or recourse is to be effective. Any judgment or order obtained by the Lender in any legal process or on realization undertaken by it shall only attach, bind or otherwise adversely affect the assets, property or undertaking of the Member to the extent of the limit specified above, and the Lender shall take such actions as may be reasonably necessary to ensure that such assets, property and undertaking are not attached, bound or affected beyond the limit specified including the delivery of such releases, discharges and other documents as may be required in that regard.

5. **Payments Contrary to Agreement.** Any payment or benefit received by the Lender contrary to Section 2 or 4 shall be held in trust for the Member and repaid or credited to it, as the case may be.
6. **Precedence.** This Agreement shall have precedence as between the Member, the Lender and the SRO over any other present or future agreement, security document, arrangement or legal rights between or affecting such parties, notwithstanding any term thereof to the contrary.
7. **Notice.** Any notice or communication hereunder which is given in writing may be effectively given by delivering the same or transmission by facsimile or other electronic means which can be recorded and retrieved, to the Lender as follows:

and to the Member as follows:

or to such address as any of the parties shall have specified by notice given to the other of them.

8. **Enurement.** This Agreement shall extend to and enure to the benefit of and be binding upon the successors and assigns of any of the parties.
9. **Assignment.** This Agreement shall not be assigned at any time by any party hereto without the prior written consent of the other party.
10. **Entire Agreement.** The parties acknowledge and agree that this Agreement contains, save as expressly herein, the entire agreement between the parties and that there are no other terms and conditions to the Agreement.
11. **Governing Law.** This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.
12. **English Language.** This Agreement has been drawn up in the English language at the request of the parties. Les parties ont requis que la présente convention soit rédigée en anglais.
13. **Definitions.** In this Agreement the terms set out below shall have the meanings indicated. Subject to the preceding sentence, this Agreement is intended to be interpreted in accordance with and be consistent with the SRO Rules.

“Financed Securities” means the securities of a provider of capital financed by each Loan as identified on Schedule 1.

“Lender” means the party identified as the Lender in this Agreement.

“Loan” means the principal sum and any interest thereon outstanding and payable from time to time in accordance with Section 1 and identified on Schedule 1.

“risk adjusted capital” means the risk adjusted capital of the Member as determined in accordance with the SRO Rules.

“Schedule 1” means the Schedule marked “Schedule 1” attached to this Agreement and bearing the most recent date and signed by the parties hereto.

“SRO” means the sponsoring self-regulatory organization of Canadian Investor Protection Fund having prime audit jurisdiction over the Member.

“SRO Rules” means the by-laws, regulations, rules, forms and regulatory notices and directions of the SRO in effect from time to time.

EXECUTED AND DELIVERED BY:

_____ [Lender]

By: _____

By: _____

_____ [Member]

By: _____

By: _____

SCHEDULE 1

to

Limited Recourse Call Loan Agreement dated _____, 20____
made between _____ as the Member
and _____ as the Lender

Amount of Loan	Date	Repayment terms, interest, etc.	Financed Securities ¹		Signed by Authorized Officer	
			Description	Amount	Lender	Member

¹ Financed Securities must be eligible for inclusion in Line 1 of Section B of Schedule 14 of Form 1