

ScotiaLine* Personal Line of Credit Agreement

PLEASE READ THIS.

Please read the following Agreement carefully. It is a legal contract.

The Agreement contains provisions that may restrict or reduce your rights. It also contains provisions that are designed to protect The Bank of Nova Scotia (the "Bank").

If your *ScotiaLine* Personal Line of Credit is secured by a mortgage against your home or other property, your failure to repay the debt for any reason could cause you to lose your home or property pledged as security. The Bank can also sue you for what you owe, to the extent this is allowed by law.

You will be bound by this Agreement unless you have not used the Card, Checks or Account for any purpose. We can change the terms of this Agreement under certain circumstances upon an advance written notice to you. We can also suspend your *ScotiaLine* Personal Line of Credit Account if you are in default or for any other reason without liability to us.

This Agreement provides for a maximum amount of credit ("Credit Limit") that you will receive. We can subsequently reduce your Credit Limit. If we reduce your Credit Limit we will not be liable to you or to others as a result of our reducing the Credit Limit on your *ScotiaLine* Personal Line of Credit account ("Account").

The interest rate on this *ScotiaLine* Personal Line of Credit varies with changes in the U.S. Prime Rate of Interest and so, your monthly minimum payment amount may increase or decrease whenever there are changes to the U.S. Prime Rate of Interest. If you fail to make a payment, you may be charged late fees and your APRs may increase up to Penalty Rate.

You can only use your *ScotiaLine* Personal Line of Credit and *ScotiaLine* checks ("Checks") for personal, family or household purposes and only for legal and genuine transactions. *ScotiaLine* checks can only be used in the United States Virgin Islands. You will pay us for all transactions made using the Account, including transactions made by a person authorized by you or non-permissible transactions. We may decline some transactions or refuse to pay Checks issued by you and we will not be liable for any losses suffered by you or third person as a result of such denial or refusal. You must keep secure and properly use the *ScotiaCard* banking card ("Card"), Checks or PIN issued to you to access and use the Account and you must notify us immediately the Card or Checks are lost or stolen to avoid liability for any transactions unauthorized by you. We will not be liable if a merchant, a business or an ATM does not accept your Card or Checks for any reason. We are not liable to you for any delay, loss, damage or inconvenience you may suffer because of your use of an ATM or because of any failure to provide ATM, Internet or Telephone banking services (where available). Your use of the Account is always subject to any legal restrictions or regulations that the government or other applicable authority may impose.

You must make sure that the sums of all monthly transactions that you enter into are below the Credit Limit or the approved by you extension of credit to avoid additional fees. We will send you a monthly statement informing you among other things about the minimum payment due, the outstanding balance, the manner of payment and the period for payment. We will apply your payment first to the unpaid interest, then to fees, and finally to the principal amount (i.e. cash advances made using the Card), and balance transfers and purchases made using the Checks). If different annual percentage rates apply to different balances on your Account, any payment in excess of the required minimum payment will be allocated first to the balance with the highest annual percentage rate and any remaining portion to the other balances in descending order based on the applicable annual percentage rate. Your minimum payments may not be sufficient to fully repay the principal amount owing and therefore if you default under this Agreement we may demand repayment in full and require you to pay the entire outstanding amount in one single balloon payment. You should inform us for any mistake made by us in your billing statement to avoid liability.

You must provide us each year (or when we ask for it) with your personal net worth statement, financial statement and any other information we may require. You must tell us in writing of any material change in your financial situation. We may report to credit agencies regarding your performance of this Agreement.

The Agreement says that any dispute between you and the Bank will be resolved by binding arbitration. Arbitration replaces your right to go to court. You will not be able to bring a claim, lawsuit, class action suit or other representative action arising out of or related to this Agreement in court by way of a private action or a private attorney general action, nor will you be able to bring any claim in arbitration as a class action or other representative action. The Agreement also waives your right to a trial by jury if the arbitration provision is not enforceable.

By signing the Agreement you are entering into this Agreement knowingly and voluntarily and you are agreeing to all of its provisions.

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Branch Address (the "branch")

ScotiaLine* Personal Line of Credit Agreement

This document, your application forms and requests, and accompanying supplement(s) and account-opening disclosures constitute your *ScotiaLine* Personal Line of Credit Agreement (the "Agreement"). This Agreement may also be referred to as the "Agreement" and/or as the "*ScotiaLine* Personal Line of Credit Agreement". This Agreement and the agreements incorporated herein by reference contain the terms and conditions applicable to your Account and govern the use of your Card and Account. Please read and keep this Agreement for your records.

Definitions You Need To Know

In this Agreement, the words "I", "me", "my", "you" and "your" mean the borrower, and if there is more than one borrower, each borrower who signs this Agreement. If more than one person signs this Agreement or is authorized to use the Account or the Card, the obligations set out in it are joint and several. That means each person who has signed this Agreement is responsible both individually and together for all of the obligations and for the entire debt under this Agreement.

The word "Account" means your *ScotiaLine* Personal Line of Credit and *ScotiaLine* Personal Line of Credit Account.

The word "Card" means the *ScotiaCard* banking card that will be issued to you when you open a savings or checking account with us.

The words "we", "our", "us", "Scotiabank" or "the Bank" mean The Bank of Nova Scotia, the issuer of your Card, Checks and the lender under the Account and any banks or companies affiliated or related to The Bank of Nova Scotia whether by agreement or ownership, ("Related Companies" or "Related Banks").

"Scotiabank Group" means collectively The Bank of Nova Scotia and all of its subsidiaries and affiliates. "Scotiabank Group Member" means The Bank of Nova Scotia, or any of its subsidiaries or affiliates.

Acceptance of this Agreement

This Agreement governs your *ScotiaLine* Personal Line of Credit Account, the use of your *ScotiaLine* banking card, the *ScotiaLine* checks ("Checks") and/or any other method of your accessing the Account as we may provide and stipulate by written notice to you from time to time. Any use of the Account is covered by this Agreement. Please read the entire Agreement and keep it for your records.

You confirm that you are 21 years old. . If the applicant for the Account has not attained the age of 21, you confirm that you are a co-signer, who has attained the age of 21, has the means to repay the debts that will be incurred by the underage applicant in connection with the Account, and assume joint liability for such debts You authorize us to pay for and charge the Account for all transactions made on the Account. You promise to pay us for all transactions made on the Account, as well as any fees and interest, including any charges, fees and interest incurred by any co-borrower, co-signer or authorized user on your Account. Each person who is included within the definition of "you," is responsible, jointly and severally, under this Agreement and for paying all amounts owed. By each use of the Checks, Card or any additional card to incur charges on the Account, any co-borrower, co-signer or authorized user on your Account indicates his/her agreement to pay us for all amounts charged to your Account, as well as fees and interest, if you fail to or refuse to pay it. We may require that you pay the full amount owed without first asking the other person(s) to pay, or, at our discretion, pursue any co-borrower, co-signer or authorized user, or, both of you jointly, for payment of all transactions made on the Account, as well as fees and interest, incurred or authorized by any of them. You authorize us to provide Account information to co-borrowers, co-signers and authorized users and to discuss the Account with them.

You and any person who succeeds you (including heirs, executors, administrators, your estate and legal representatives) will be bound by this Agreement if you or anyone authorized by you uses the Card, Checks or use the Account for any purpose, unless you cancel the Account at any time before you use the Card, Checks or Account for any purpose. If you cancel your Account within this period you will not be obligated to pay any fees or charges related to the

Account and we will promptly refund any fees or charges that have been already paid by you. If your Account is secured by a mortgage over your home, you will not be deemed to have accepted the terms of this Agreement until three days after you have executed the mortgage and you will not be able to use your ScotiaLine Personal Line of Credit until that time period has elapsed.

Security

Your obligations to repay us under this Agreement are (check one):

- unsecured, or
- secured by a SECURITY over personal property that you own, or
- secured by a MORTGAGE.

By initialing next to the appropriate paragraph below, you acknowledge your obligations under this Agreement are either unsecured, secured by personal property that you own or secured by a mortgage, and you acknowledge the consequences of those possibilities.

_____ I understand that my obligations under this Agreement are unsecured.

_____ I understand that my obligations under this Agreement are secured by a security interest over personal property I own, as set out in the applicable security agreement. I UNDERSTAND THAT IF I FAIL TO MAKE PAYMENTS AS REQUIRED UNDER THIS AGREEMENT OR DEFAULT IN ANY OTHER WAY UNDER THIS AGREEMENT, THE BANK MAY TAKE THE PROPERTY IN ORDER TO SATISFY MY OBLIGATIONS.

_____ I understand that my obligations under this Agreement are secured by a mortgage on real property that I own. I UNDERSTAND THAT IF I FAIL TO MAKE PAYMENTS AS REQUIRED UNDER THIS AGREEMENT OR DEFAULT IN ANY OTHER WAY UNDER THIS AGREEMENT, THE BANK MAY TAKE THIS REAL PROPERTY IN A FORECLOSURE PROCEEDING AND SELL IT IN ORDER TO SATISFY MY OBLIGATIONS. IF THE REAL PROPERTY IS MY PRIMARY RESIDENCE, I UNDERSTAND THE BANK MAY TAKE MY HOME AND SELL IT IN ORDER TO SATISFY MY OBLIGATIONS. I FURTHER UNDERSTAND THAT ANY MORTGAGE GRANTED TO THE BANK SHALL SECURE ALL PRESENT AND FUTURE INDEBTEDNESS TOGETHER WITH INTEREST THEREON INCLUDING ALL FUTURE ADVANCES MADE UNDER THIS AGREEMENT TO THE SAME EXTENT AS IF SUCH FUTURE ADVANCES WERE MADE ON THE DATE OF THE EXECUTION OF SUCH MORTGAGE OR OTHER INSTRUMENT EVEN THOUGH THERE MAY NOT BE ANY ADVANCE MADE AT THE TIME OF EXECUTING THE MORTGAGE OR OTHER INSTRUMENT AND EVEN THOUGH THERE MIGHT NOT BE ANY INDEBTEDNESS OUTSTANDING AT THE TIME ANY ADVANCE IS MADE. THE MORTGAGE SHALL SECURE ANY AND ALL FUTURE ADVANCES MADE BY THE BANK TO YOU AS PROVIDED FOR BY 28 V.I.C. Section 1032 "Mortgages and other instruments securing optional future advances", as amended from time to time.

Credit Limit

The maximum amount of your ScotiaLine Personal Line of Credit is \$_____ or such other amount as we may stipulate by written notice to you from time to time ("Credit Limit") subject to the terms of this Agreement. Your Credit Limit appears on your billing statements. Cash advances, including cash advances using Check(s), as well as Balance Transfers and Purchases made using the Checks, are charged against your Credit Limit.

You are responsible for keeping track of your Account balance, including all transactions, Finance Charges (defined as "Interest Rates" such as APRs and Penalty Rates) and Fees (as described in "Fees" section below) on the Account, and making sure it remains below your Credit Limit. You must pay any amount over your Credit Limit immediately if we ask you to. The terms of this Agreement also apply to any balances you may have over your Credit Limit.

We may reduce the Credit Limit on the Account (not home-secured) at any time with or without advance notice. If your Account is secured by your home and any of the conditions provided in section "Changes to this Agreement" below occurs, we may prohibit additional extensions of credit or reduce your Credit Limit upon providing you with a 45-day notice prior to the reduction. The notice will contain the specific reason for the reduction.

If we decide to reduce your Credit Limit, we may not impose any over-the-limit fees or penalty rates on your Account accrued solely as a result of your balance exceeding your newly reduced Credit Limit unless we provide you in writing with a 45-day advance notice prior to reducing your Credit Limit. See Sections "Fees" and "Penalty Rate" for additional details.

A change to your Credit Limit will not affect your obligation to pay us. Unless you tell us otherwise, we will decline any transaction that causes you to go over your credit limit. If you want us to authorize these transactions, you can request over-the-credit limit coverage. We may, but are not required to, authorize charges that go over your Credit Limit even if you requested over-the-limit coverage.

We may increase your Credit Limit if you ask us to do so and after we verify your repayment ability. To verify your repayment ability we may consider your income and assets, current obligations, employment history, credit score and credit history, payment and transaction history of your accounts, account status, and other information related to your creditworthiness.

Using Your Account

The Account is a personal line of credit that must be used only for personal, family or household purposes and not for any business purposes.

Unless we agree or it is required by law, we will not be responsible for merchandise or services purchased or leased through use of the Account.

You promise to use the Account only for valid and lawful transactions. For example, internet gambling may be illegal in some places. It is not our responsibility to make sure that you use the Account only for permissible transactions, and you will remain responsible for paying for a transaction even if it is not permissible.

You can borrow funds from your Account by using the Checks we will supply to you, or by using Internet Banking or Telephone Banking (if available), or your Card (if available), at any Scotiabank automated teller machine ("ATM") where accessible for this purpose or by any other method we may allow from time to time. The use of your Card is governed also by the Personal Financial Services Agreement, which is incorporated herein by reference. You acknowledge that you read the Bank's agreement governing your Card and by using the Card agree to be bound by the Personal Financial Services Agreement, which will apply to all transactions made using the Card except as modified by this Agreement or any amendments to this Agreement.

We will not be liable if a merchant, a business or an ATM does not accept your Card or Checks for any reason. Where a merchant becomes liable to make any refund to you, we will credit the designated account with the refunded amount only on receipt by us of a properly issued credit voucher or other appropriate verification or authorization of the refund.

Notwithstanding anything contained in this Agreement, we may make a single advance to you at the same time as you sign this Agreement, in an amount equal to your Credit Limit ("Single Advance"). *Where we make a Single Advance to you, we may not supply you with Checks or the Card, you will have no available credit, and you may not draw any other amounts on the Account, until we advise you by written notice or unless you make payments which bring your balance below your Credit Limit.*

Types of Transactions:

- .. **Cash Advances:** You may use your Card and Checks to obtain loans ("Cash Advance(s)") through various means we may make available (e.g., ATM machines) up to the applicable limits on your Account.
- ..
- .. **Checks:** You may use a Check to pay for goods or services ("Purchases"), to obtain Cash Advances, to transfer balances to the Account ("Balance Transfer(s)"), or for other uses we allow. You can use the Checks in the United States Virgin Islands only wherever they are accepted. **Only the person(s) whose name(s) is (are) printed on the Check may sign the Check and if there is more than one borrower, you will tell us if both of you must sign the Checks together or if each one of you individually can sign the Checks.**

•• **Promotional Checks:** If the Checks are provided to you more than 30 days after the account-opening disclosures under Regulation Z were provided to you, or are provided within 30 days of the account-opening disclosures and the finance charge terms for the Checks differ from the finance charge terms previously disclosed, the Checks will disclose on the front of the page the promotional rates, if any, applicable and the time period they will remain in effect, the date by which you must use the Checks to qualify for the promotional rates; the type of rate and APR applicable to the Checks; grace period, if any; and any transaction fees applicable to the Checks.

•• **NOTE: Balance Transfers and Purchases made using the Checks are treated as Cash Advances.**

Automated Teller Machines (ATMs), Internet Banking and Telephone Banking : The amount you can transact and/or withdraw each day as a cash advance from an ATM, and the available ATM services, may vary from time to time. You agree that the Bank's rules and agreements governing ATM, Internet Banking and Telephone Banking access will apply to all transactions made under this Agreement except as modified by this Agreement or any amendments to this Agreement. We are not liable to you for any delay, loss, damage or inconvenience you may suffer because of your use of an ATM or because of any failure to provide ATM, Internet or Telephone banking services (where available). We are not responsible for informing you of any mechanical failures of an ATM or for telling you when these services are changed, withdrawn or unavailable. Also, we are not responsible for your acts or omissions, or those of any third party. Furthermore, the Bank shall in no way be liable for any accident, act of aggression, theft, loss or damage you may suffer while using an ATM or any automated banking services, whether you are on Bank or other premises.

Additional Account-Related Services: You understand that optional services may be available to you at an additional cost under the Account or the Card. Further, you understand that some or all services available using the Card may be governed by separate agreements or authorizations by which you agree to be bound if you avail yourself of such service(s). You also understand that some of these services are supplied by firms independent of us and that we are not liable for them.

Billing Cycle: In order to manage the Account, we divide time into periods called "billing cycles". Each billing cycle is approximately one month in length. For each calendar month, the Account will have a billing cycle that ends in that month. Your Account will have a billing cycle ending the same day on each calendar month whether or not there is a billing statement for that billing cycle.

International Transactions: We will bill you in U.S. dollars for debts incurred in a foreign currency. Debit and credit transactions in a foreign currency will be converted and posted to your account in U.S. dollars. Conversion from a foreign currency to U.S. dollars will be made by us at a rate of exchange determined by the Bank on the date the transaction is posted to your Account.

Refusal to Authorize Transactions: We may, but are not required to, decline a transaction on the Account for any of the following reasons:

- because of operational considerations,
- because the Account is in default,
- if we suspect fraudulent or unlawful activity or,
- in our discretion, for any other reason.

We are not responsible for any losses if a transaction on the Account is declined for any reason, either by us, a merchant, business or a third party, even if you have sufficient credit available. For online transactions, we may require that you register the Account with an authorization system that we select. We will notify you if we want you to register. If you do not register, we may decline your online transactions.

Refusal to Pay Checks: Each Check you write is your request for funds. When we receive a Check for payment, we may review the Account to decide whether to authorize that Check. We may, but are not required to, reject and return unpaid a Check for any reason including the following examples:

- .. Your Credit Limit has been exceeded, or would be exceeded if we paid the Check.
- .. The Check is post-dated. If a post-dated Check is paid, resulting in another Check being returned or not paid, we are not responsible.
- .. You have used the Check after the date specified on it.
- .. You are in default or would be if we paid the Check.

Lost or Stolen Cards, Checks or Account Numbers:

- .. If any Card, account number, Checks or PIN is lost or stolen, or you think someone used or may use them without your permission; you must notify us at once by calling us at (246) 431-3030 during regular business hours. Do not use the Account after you notify us, even if your Card is found or returned. We may terminate or suspend your credit privileges when you notify us of any loss, theft or unauthorized use related to the Account. You may be liable if there is unauthorized use of the Account from which you receive no benefit but your liability will not exceed \$50.00. You will not be liable for any such transactions made after you notify us of the loss, theft or unauthorized use. However, you must identify for us the unauthorized charges from which you received no benefit. We may require you to provide us information in writing to help us find out what happened. We may also require you to comply with certain procedures in connection with our investigation.
- .. If any of your Checks are lost or stolen, or you think someone used or may use them without your permission, you must notify us at once by calling your Scotiabank branch during regular business hours as soon as you believe that any Check or Checks are missing.

Errors in Billing Statement: This provision contains important information about your rights and our responsibilities under the Fair Credit Billing Act. If your billing statement contains any errors, you must tell us within 60 days of the date of your statement. If you do not receive your statement within 60 days of the date of your statement, you must promptly tell us this in writing. If you do not inform us about a missing statement or of any errors within any billing statement you did receive within 60 days of its date, then, except as to any errors that have been actually communicated to us, we will presume that the billing statement in question is accurate. When you write to us, you must include in your letter:

- .. your name and account number.
- .. the dollar amount of the item in question.
- .. a description of the error and an explanation, if you can, why you believe there is an error.
- .. a request for additional information if you need additional information.

If you have authorized us to pay your credit card statement automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three (3) business days before the automatic payment is scheduled to occur.

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent as it relates to the disputed amount only. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against the Credit Limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the amounts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you will have to pay finance charges from the date of the transaction and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. We must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50.00 of the questioned amount, even if your statement was correct.

Special Rule for Card Purchases/Merchant Disputes: If you have a problem with the quality of goods or services that you purchased with your Card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or territory or within 100 miles of your current mailing address. You must have used your credit card for the purchase and must not yet have fully paid for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify. If we own or operate the merchant, if the merchant is a Related Company or if we mailed you the advertisement for the property or services all purchases are covered regardless of amount or location of purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at the address above. While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

Payments

Payment Instructions: Your billing statement includes instructions you must follow for making payments and sets forth the date by which we must receive the payment. We will mail your billing statement at least 21 days before the payment due date. The payment due date will be same day each month and will be at least 25 days after the closing date of the billing cycle. Your billing statement will generally show your Account balance outstanding at the beginning of the billing cycle, transactions made during the billing cycle, credits to your Account during the billing cycle, periodic rates used to compute the finance charge and corresponding APR, the amount of the balance on which the finance charge was computed, the amount of finance charges and fees, the APR, closing date of the billing cycle and the outstanding balance on that date, the due date of payment and late payment costs; information regarding approved credit counseling agencies.

- .. You agree to pay us amounts you owe in U.S. dollars using a payment check, draft, money order or by allowing us to debit your deposit account held at Scotiabank or at another financial institution.
- .. Payments can be made by mail sent to us at the address listed on your monthly billing statement, at any branch of the Bank, including Scotiabank's 24 Hour ATM, via the Internet and by telephone banking, where available. To make payments at an ATM, by Internet or by telephone, you will require the Card.
- .. We reserve all our rights regarding, any payment by check or other form of payment which you send to us for less than the minimum balance that is marked "paid in full" or with a similar notation or that you otherwise tender in full of a disputed amount (conditional payments). For example, if it is determined there is no valid dispute, we may accept the payment and you will still owe any remaining balance. We may refuse to accept any such payment by returning it to you, not cashing it or by destroying it
- .. You must make your payments even if the normal mail service is disrupted. If appropriate, we will tell you where to do so, and where to pick up your billing statement, by advertising on radio or television or in the newspapers. Your billing statement will be deemed to have been delivered to you five (5) days after the day it is available for you to pick up, whether or not you do so.
- .. Your payment by mail shall be received by us by 5:00 p.m. on the payment due date. If the payment due date is a day on which we do not receive or accept payments by mail, we will not treat a payment received by mail the next business day as late for any purpose.
- .. We will credit your payment to your Account as of the date of receipt, if your payment conforms to the above-described payment requirements. For purposes of this paragraph only, the "date of receipt" means the date the payment instrument or other means of completing the payment reaches us.
- .. A delay in crediting your Account caused by us will not result in finance or other charges to your account. If we fail to credit your conforming payment in time to avoid the imposition of finance or other charges, we will adjust your Account so that the charges imposed are credited to your account during the next billing cycle. If we make a material change in the mailing address, office, or procedures for handling your payments, and such change causes a material delay in the crediting of your payment made during the 60-day period following the date on which such change took effect, we will not impose any late fee or finance charge for a late payment on your Account.

If your payment does not conform to the requirements stated above, crediting may be delayed and additional finance charges and fees may be imposed. We may accept late payments, partial payments or any payments marked as being payment in full or as being settlement of any dispute without losing any of our rights under this Agreement or under the law. Our acceptance of any such payments does not mean we agree to change this Agreement in any way. You agree that an acceptance of such payments will not operate as an accord and satisfaction without our prior express written approval.

Offset: We may charge against any other account you have with us the amount of any payment that you are obliged to make to us under this Agreement and credit the amount to the Account.

Minimum Payment: Each billing statement will reflect a Minimum Payment amount (as indicated on your billing statement). Your Minimum Payment may vary each billing cycle depending on the amount of the balance as well as the finance charges incurred on your Account during the billing cycle, your credit reports and score, income, assets and current obligations. You agree to pay at least the total minimum payment due, as indicated below, by the date it is due. You may pay more than the minimum payment due and may pay the full amount you owe us at any time. If you have a balance that is subject to Finance Charges, the sooner you pay us, the less you will pay in Finance Charges because Finance Charges accrue on your balance each day. If you pay only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay this balance. In some instances, where the minimum payment is not sufficient to repay the interest charges, you may never repay the outstanding balance on your Account if you pay only the required minimum payment. An estimate of the time it would take to repay your actual balance making only the minimum payments will be provided in your billing statement.

We may increase the minimum payment on your Account after giving you at least 45 days written notice prior to the effective date of the change.

Your billing statement shows your previous balance and your new balance. If your Account is secured, unless otherwise indicated on your billing statement, your minimum payment will be equal to the greater of the amount of interest accrued over the previous billing cycle or \$50.00. If only the minimum periodic payments are made, a balloon payment may result. A "balloon payment" results if paying the minimum monthly payments does not fully amortize the outstanding balance on your Account on the due date, and you must repay the entire outstanding balance at such time. If your Account is unsecured, unless otherwise indicated on your billing statement, your minimum payment will be equal to the greater of 3% of the indebtedness shown on the billing statement, or \$25.00. Where the total amount of the new balance amount is less than \$50.00 in the case of a secured Account or \$25.00 in the case of an unsecured Account, the minimum installment will be equal to the total indebtedness. As part of the total minimum payment due, we also add any amount past due and any amount over your Credit Limit. Your minimum payments may not be sufficient to fully repay the principal that is outstanding on your Account and therefore if you default under this Agreement and we demand full repayment, you could be required to pay the entire outstanding amount in one single payment.

Payment Allocation : We apply your payment first to the unpaid interest, then to applicable fees (such as annual fees, over-the-limit fees, late payments fees and cash advance fees), insurance premiums, and finally to the principal amount (i.e. cash advances, balance transfers, checks and purchases made on your Account). If different annual percentage rates apply to different balances on your Account, any payment in excess of the required minimum payment will be allocated first to the balance with the highest annual percentage rate and any remaining portion to the other balances in descending order based on the applicable annual percentage rate.

Credit Balances: We will not pay you any interest on any credit balances in your Account. When a credit balance in excess of \$1 is created on your Account (through transmittal of funds to us in excess of the total balance due on your Account, through rebates of unearned finance charges or insurance premiums, or through amounts otherwise owed to or held for your benefit), we will credit the amount of the credit balance to your Account and apply it to any new charges and fees billed to the Account; or, refund any part of the remaining credit balance within seven business days from receipt of a written request from you; or, make a good faith effort to refund to you by cash, check, or money order, or credit to your deposit account, any part of the credit balance remaining in the Account for more than six months. If we were unable after six months to refund your credit balance to you, we may dispose of it pursuant to the applicable state laws.

Promotions: From time to time we may offer special terms for the Account. If we do, we will notify you about the terms of the offer and how long they will be in effect. Any promotion is subject to the terms of this Agreement as modified by the promotional offer.

Finance Charges

Daily Periodic Rates and Annual Percentage Rates: Your initial and subsequent (if any) annual percentage rate ("APR") and the corresponding initial and subsequent daily periodic rates are listed on the Rates and Fees Table that is at the end of this Agreement or provided in the Account-Opening Disclosure Statement provided to you in compliance with the Truth In Lending Act separately. To get the initial and subsequent daily periodic rates we divide the APR by 365. We also use 365 days in the case of a leap year. The APR may change as shown below. The following historical table reflects how, due to changes in the U.S. Prime Rate in effect as of the 21st day of December of each year, the APR and monthly minimum payments have varied during the past 15 years, for a single \$10,000.00 cash advance. The table presumes: A) there are no additional cash advances or purchases made on your Account during the fifteen years, B) only minimum payments were made each month, and C) that the APR remained constant along the course of each year. The table does not necessarily indicate how the U.S. Prime Rate or your payments will change in the future. For demonstration purposes, we show only one payment per year even though payments may have varied along the course of each year.

Historical Example

Year	Index	Margin	Annual Percentage Rate	Balance	Minimum Monthly Payment (Greater of Interest only or Min \$50)
1995	8.50%	1.00%	9.50%	\$ 10,000.00	\$ 80.68
1996	8.25%	1.00%	9.25%	\$ 10,000.00	\$ 78.56
1997	8.50%	1.00%	9.50%	\$ 10,000.00	\$ 80.68
1998	7.75%	1.00%	8.75%	\$ 10,000.00	\$ 74.32
1999	8.50%	1.00%	9.50%	\$ 10,000.00	\$ 80.68
2000	9.50%	1.00%	10.50%	\$ 10,000.00	\$ 89.18
2001	4.75%	1.00%	5.75%	\$ 10,000.00	\$ 50.00
2002	4.25%	1.00%	5.25%	\$ 10,000.00	\$ 50.00
2003	4.00%	1.00%	5.00%	\$ 10,000.00	\$ 50.00
2004	5.25%	1.00%	6.25%	\$ 10,000.00	\$ 53.08
2005	7.25%	1.00%	8.25%	\$ 10,000.00	\$ 70.07
2006	8.25%	1.00%	9.25%	\$ 10,000.00	\$ 78.56
2007	7.25%	1.00%	8.25%	\$ 10,000.00	\$ 70.07
2008	3.25%	1.00%	4.25%	\$ 10,000.00	\$ 50.00
2009	3.25%	1.00%	4.25%	\$ 10,000.00	\$ 50.00

The above example is based on a 31-day billing cycle, ending January 20th of each year.

Variable Rates:

- .. The APRs that apply to the Account will vary with changes to the U.S. Prime Rate. We calculate the APR by adding a margin to the U.S. Prime Rate published in *The Wall Street Journal* "Money Rates" table on the 21st day of each month (or the first following business day if the 21st day is on a weekend or a holiday) before the month in which the billing cycle began. If *The Wall Street Journal* stops publishing the U.S. Prime Rate, we will select a similar reference rate and inform you on your billing statement or through a separate notice.
- .. A "margin" is the percentage we add to the U.S. Prime Rate to calculate the APR. A "business day" is any day that is not a weekend or federal holiday. The Rates and Fees Table at the end of the Agreement lists the margin for the variable rate(s) (if more than one) and corresponding APR.
- .. On the twenty-first (21st) day of each month or the first day of each billing cycle, we determine what the U.S. Prime Rate was during the previous billing cycle until the closing of the current billing cycle on the twentieth (20th) of each month. We then add the applicable margin to that U.S. Prime Rate to get the APR for the new billing cycle. The daily periodic rate is calculated as described above.

- .. If the daily periodic rate increases, you will have to pay a higher periodic finance charge.
- .. You may have to pay a higher minimum payment depending on whether your Account is secured or unsecured.

Maximum Rates for Secured Accounts: The maximum APR that can apply to your Account will be set out in the Rates and Fees Table at the end of this Agreement.

Penalty Rates: Your APR may increase if you are in default under this Agreement for any of the reasons shown under the section entitled "Default/Collection" below. If any of those events occurs or, to the extent allowed by law and this Agreement, if at any time after the Account is closed we demand immediate payment of your outstanding balance and we do not receive payment within the time we specify, we may increase the APR (including any promotional APR) up to a maximum of the Penalty Rate stated in the Rates and Fees Table. We will provide you with a notice at least 45 days prior to the effective date of the increase of the APR, in which will specify among other things that the Penalty Rate has been triggered, the date on which it will apply, the circumstances under which the Penalty Rate will cease to apply to your Account, the balances to which it will be applied, and if the rate increase was due to your failure to make a minimum periodic payment within 60 days from the due date for that payment that the increase will cease to apply if we receives six consecutive required minimum periodic payments on or before the payment due date, beginning with the first payment due following the effective date of the increase. If after we gave you a 45-day notice of reduction of the Credit Limit, the outstanding balance on your Account as of the effective date of the new Credit Limit exceeds the newly reduced Credit Limit on your Account we may impose a penalty rate on your Account. If we increase the APR as a result of breach of terms of workout or temporary hardship arrangement we do not need to provide you a notice of the increase provided that the rate does not exceed the rate applied prior to the arrangement. The Penalty Rates are also subject to subsection "Special Rule for Changes That Increase any APR, Fee or Finance Charges on Your Account (not home-secured)" below.

We may consider the following factors to determine the Penalty Rate: the length of time the Account has been open, the existence, seriousness and timing of the defaults on the Account; other indications of the Account usage and performance; information about your other relationships with us; and information we obtain from consumer credit reports obtained from credit bureaus, other information related to your creditworthiness. If we decide not to increase your APR even though there is a default or if we do not increase your APR up to the maximum Penalty Rate stated in the Rates and Fees Table, we reserve our right to increase your APR in the event of any future default upon 45-day advance notice. We may in our discretion determine to charge reduced penalty rates or reinstate standard rates for all or selected balances on the Account.

Periodic Finance Charge Calculation: We impose periodic Finance Charges when we apply annual percentage rates ("APRs") to your Account. In this section, "Statement Cycle" refers to the number of days between one billing statement date and the next billing statement date. You agree to pay us Periodic Finance Charges as set out below.

If you use your Card or Checks to make a Purchase, obtain a Cash Advance, or make a Balance Transfer, or if you use a Check, we will charge you Finance Charges on each transaction from the date the transaction is posted to your Account to the date it is repaid in full. We calculate the Interest Rates for the balance on your Account the same way for any and all reasons you may draw upon your *ScotiaLine* Personal Line of Credit (for example, for Purchases, Cash Advances, Checks or Balance Transfers). This is how it works:

Finance Charges are calculated by applying the periodic rate to the average daily balance (including current transactions) of your Account. To get the "average daily balance" we take the beginning balance (excluding unpaid periodic finance charges from previous statement cycles), add any new Cash Advances, Purchases, Balance Transfers and Checks and debit adjustments related to Cash Advances, Purchases, Balance Transfers and Checks made during the current Statement Cycle, and subtract any payments or credit adjustments applied to Cash Advances, Purchases, Balance Transfers and Checks. This gives us the daily balance. Then, we add up all the daily balances for the current Statement Cycle and divide the total by the number of days in the current Statement Cycle. This gives us the "average daily balance."

The current annual percentage rate is divided by 365 to determine a daily periodic interest rate. The resulting daily periodic interest rate is multiplied by the average daily balance and then multiplied by the number of days in the Statement Cycle to determine the amount of Finance Charges chargeable on such Cash Advances, Purchases, Balance Transfers and Checks.

Paying Interest: We accrue periodic interest charges on all transactions (Cash Advances, Purchases, Checks and Balance transfers) from the date they are added to your daily balance until payment in full is received on the Account.

There is no grace period within which you may pay to avoid periodic finance charges.

Fees

We may charge the following fees. The amounts of these fees are listed in the Rates and Fees Table. These fees will be added to your balance unless you cancel your Account before you use your Card, Checks or Account. The fees (other than late payment fees and returned-payment fees) that we will charge to your Account (not home-secured) during the first year after account opening, will not exceed more than 25 percent of the Credit Limit in effect when the Account is opened, or we will remove the fees exceeding the 25% limitation and any interest charged on these fees at the end of the billing cycle. We will not charge a fee for making a payment except for payments involving an expedited service by our service representative.

Transaction Fee: If you use the Account (whether by Checks or Card or both) for more than five (5) transactions in one billing cycle, we will charge you a fee for each additional transaction.

Annual Fee: If the Account has an annual fee, it will be billed yearly in arrears on the anniversary date when the card was issued (as stated in the Rates and Fees Table), whether or not you use the Account, and you agree to pay it when billed. We will notify you if the annual fee that will be imposed and charged to the Account when the Account is opened is 15 percent or more of the Credit Limit. If you close your Account before you use your Card, Checks or Account or before making a payment on the Account after receiving your first billing statement we will refund the annual fee, if it has been paid. Thereafter, we will refund the annual fee only if you notify us that you wish to close the Account within 30 days of the date we mail your billing statement on which the annual renewal fee is charged and at the same time, you pay your outstanding balance in full. Your payment of the annual fee does not affect our right to close the Account or limit your right to make transactions on the Account.

Late Fee: If we do not receive at least the required total minimum payment by the date it is due as shown on your billing statement for any statement cycle, we may charge a late payment fee in the amount of \$25. Any subsequent violations that occur after the first offense, over the next 6-months, may be subject to a \$35 late payment fee. After the 6-month period has elapsed, the next late payment violation will be subject to a \$25 fee and another 6-month period will commence where late payment violations may be subject to a \$35 fee, and so on. In any case, the amount of the fee will not exceed the minimum monthly payment amount for the billing statement in which your monthly payment was late.

Return Payment Fee: If: (a) your check or similar instrument is not honored, (b) an automatic debit or other electronic payment is returned unpaid, or (c) we must return a payment check because it is not signed or cannot be processed, we may charge a fee of \$25. Any subsequent violations that occur after the first offense, over the next 6-months, may be subject to a \$35 return payment fee. After the 6-month period has elapsed, the next violation will be subject to a \$25 fee and another 6-month period will commence where return payment violations may be subject to a \$35 fee, and so on. In any case, the amount of the fee will not exceed the minimum monthly payment amount for the billing statement in which your monthly payment was returned.

Non-sufficient Funds (NSF) Fee: If your payment is returned as a result of non sufficient funds, we may charge a fee of \$25. Any subsequent violations that occur after the first offense, over the next 6-months, may be subject to a \$35 NSF fee. After the 6-month period has elapsed, the next violation will be subject to a \$25 fee and another 6-month period will commence where NSF violations may be subject to a \$35 fee, and so on. In any case, the amount of the fee will not exceed the minimum monthly payment amount for the statement cycle in which the item was returned for non sufficient funds.

One Fee for Violation Resulting From a Single Event or Transaction: We will not impose more than one of the above-described fees for violating the terms of your account based on a single event or transaction. For example, if your payment is returned after the date it was due as shown on your billing statement as a result of non-sufficient funds or other reason, we will impose a late fee, a returned payment fee or a non-sufficient funds fee but not all of them because the late payment and the returned payment have resulted from the same event or transaction.

Stop Check Fee: If: (a) we stop payment on a Check at your request, or (b) we refuse to pay a Check, we may charge a stop check fee.

Administrative Fees: If you request a copy of a billing statement, sales draft or other record of the Account or if you request a replacement Card for one that is lost or damaged or any special services (for example, obtaining Cards on an expedited basis, certified checks, etc.), we may charge you for these services. However, we will not charge you for copies of billing statements, sales drafts or similar documents that you request for a billing dispute you may assert against us under applicable law. We may charge, for any services listed above and other services we provide the fees from time to time in effect when we offer the service.

Mortgage Related Fees: If your Account is secured by a mortgage we may charge you the following fees: (i) fees for title examination, abstract of title, title insurance, property survey, and similar purposes; (ii) fees for preparing loan-related documents, such as deeds, mortgages, and reconveyance or settlement documents; (iii) notary and credit report fees; (iv) property appraisal fees or fees for inspections to assess the value or condition of the property if the service is performed prior to closing, including fees related to pest infestation or flood hazard determinations; and (v) amounts required to be paid into escrow or trustee accounts if the amounts would not otherwise be included in the finance charge.

Default/Collection

We may consider you to be in default if:

- .. you fraudulently or materially misrepresent facts to us so that we grant you the *ScotiaLine* Personal Line of Credit Account.
- .. we do not receive the total minimum payment amount due by the date shown on your billing statement.
- .. you make a payment to us that is not honored by your financial institution.
- .. you have given us a mortgage on your home or in other real property or an interest in your personal property and you transfer or sell any part or grant any security interest in the property or give possession or control of it to anyone else without our prior written permission or if you fail to maintain the value of your home or other real property.

If we consider the Account to be in default for any of the above-stated reasons, we may close the Account without notice and require you, your estate or personal representative to pay your outstanding balance immediately. We may also require you to pay interest at the Penalty Rate shown on the Rates and Fees Table or in a separate document, reduce your Credit Limit or prohibit future advances, increase your Minimum Payment, or take any other actions permitted by law or this Agreement. To the extent permitted by law, if you are in default because you have failed to pay us, you will pay our collection costs, attorneys' fees, court costs, and all other expenses of enforcing our rights under this Agreement.

In the case the Account is unsecured, secured by personal property or secured by real property which is not your home, in addition to the above reasons, we may consider you to be in default if:

- .. you exceed your Credit Limit.
- .. you fail to comply with the terms of this Agreement.
- .. we obtain information that causes us to believe that you may be unwilling or unable to pay your debts to us or to others on time.
- .. you file for bankruptcy.
- .. you become incapacitated or in the event of your death.
- .. a judgment is rendered against you.
- .. breach of terms of workout or temporary hardship arrangement.

If we consider the Account to be in default for any of the above stated-reasons and your Account is unsecured, secured by personal property or secured by real property which is not your home, we may close the Account without notice and require you, your estate or personal representative to pay your outstanding balance immediately. We may also require you to pay interest at the Penalty Rate shown on the Rates and Fees Table or in a separate document, reduce your Credit Limit, increase your Minimum Payment, or take any other actions permitted by law or this Agreement. To the extent permitted by law, if you are in default because you have failed to pay us, you will pay our collection costs, attorneys' fees, court costs, and all other expenses of enforcing our rights under this Agreement.

Closing Your Account

You may close your Account at any time. If you call us to close the Account, we may require that you confirm your ScotiaLine Personal Line of Credit Agreement – USVI
8/3/10

request in writing at PO Box 420, St. Thomas, VI 00804.

We may not close your Account prior to its expiration date solely because you did not incur Finance Charges. However, we may close the Account if it has been inactive for three or more consecutive months. An account is inactive for purposes of this paragraph if no credit has been extended (such as by purchase, cash advance or balance transfer) and if the account has no outstanding balance. We may close your Account upon receiving reasonable notice of your death by your estate representative. We may also close your Account if you reject a Change pursuant to the terms of section **"Changes to this Agreement"**.

Except as stated in this Agreement or under applicable law, we may close the Account at any time or suspend your credit privileges at any time for any reason without prior notice. If we close the Account we will not be liable to you for any consequences resulting from closing the Account or suspending your credit privileges. If you or we close the Account, you and any authorized users must immediately stop using the Account and destroy all Cards and Checks or other means to access the Account or return them to us upon request. You will continue to be responsible for charges to the Account, even if they are made or processed after the Account is closed and you will be required to pay the outstanding balance on the Account according to the terms of this Agreement. In addition, to the extent allowed by law and unless provided otherwise in this Agreement, we may require you to pay the outstanding balance immediately or at any time after the Account is closed.

Arbitration

PLEASE READ THE FOLLOWING PARAGRAPHS CAREFULLY. THEY SAY THAT ANY DISPUTE OR CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BETWEEN YOU AND US WILL BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT. YOU WILL NOT BE ABLE TO BRING A CLAIM, LAWSUIT, CLASS ACTION SUIT OR OTHER REPRESENTATIVE ACTION IN COURT BY WAY OF A CLAIM OR A PRIVATE ATTORNEY GENERAL ACTION, NOR WILL YOU BE ABLE TO BRING ANY CLAIM IN ARBITRATION AS A CLASS ACTION OR OTHER REPRESENTATIVE ACTION. YOU WILL NOT BE ABLE TO BE PART OF ANY CLASS ACTION OR OTHER REPRESENTATIVE ACTION BROUGHT BY ANYONE ELSE OR BE REPRESENTED IN A CLASS ACTION OR OTHER REPRESENTATIVE ACTION. IN THE ABSENCE OF THIS ARBITRATION CLAUSE, YOU AND WE MAY OTHERWISE HAVE HAD A RIGHT OR OPPORTUNITY TO BRING A CLAIM IN A COURT, BEFORE A JUDGE OR JURY, AND/OR TO PARTICIPATE OR BE REPRESENTED IN A CASE FILED IN COURT BY OTHERS (INCLUDING CLASS ACTIONS AND OTHER REPRESENTATIVE ACTIONS). OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO A COURT, SUCH AS DISCOVERY OR THE RIGHT TO APPEAL THE DECISION MAY BE MORE LIMITED. EXCEPT AS OTHERWISE PROVIDED BELOW, THOSE RIGHTS ARE WAIVED.

Binding Arbitration : Any dispute, difference, controversy, or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity of this Agreement, shall be settled by binding arbitration in accordance with Federal Arbitration Act (the "FAA"), 9 U.S.C. §1-16 as amended from time to time. The party filing the claim in arbitration must choose one of the following two arbitration administrators: American Arbitration Association; or National Arbitration Forum.

Arbitration is conducted under the rules of the selected arbitration administrator by an impartial third party chosen in accordance with the rules of the selected arbitration administrator. You can obtain copies of the current rules of each arbitration administrator, information about arbitration and arbitration fees, and instructions for initiating arbitration by contacting the following arbitration administrators:

- .. American Arbitration Association, 335 Madison Avenue, Floor 10, New York, NY 10017-4605, Web site: www.adr.org, 800-778-7879; or
- .. National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, Web site: www.arbitration-forum.com, 800-474-2371.

The place of arbitration will be the appropriate District of the United States Virgin Islands.

HOWEVER, THE REQUIREMENT THAT ANY DISPUTE, DIFFERENCE, CONTROVERSY OR CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, OR THE BREACH, TERMINATION OR INVALIDITY OF THIS AGREEMENT, SHALL BE SETTLED BY BINDING ARBITRATION DOES NOT RESTRICT AND SHALL NOT BE INTERPRETED TO RESTRICT THE BANK'S RIGHT TO FILE A LAWSUIT AGAINST YOU IN A JUDICIAL FORUM IF YOU DEFAULT IN YOUR OBLIGATIONS TO PAY THE AMOUNTS DUE TO THE BANK OR OTHERWISE FAIL TO PERFORM YOUR OBLIGATIONS UNDER THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS. THE BANK

SHALL HAVE THE RIGHT TO FILE A LAWSUIT IN COURT AGAINST YOU TO COLLECT THE AMOUNTS YOU OWE THE BANK AND TO FORECLOSE ANY MORTGAGE LIEN AND SECURITY INTERESTS YOU GRANT TO THE BANK UNDER THIS AGREEMENT AND ALL RELATED LOAN DOCUMENTS.

Changes to this Agreement

Unsecured Accounts, Accounts Secured by Personal Property or Accounts Secured by Real Property Which is Not Your Home: If your Account is unsecured, secured by personal property or secured by real property which is not your home, we can unilaterally change the terms of this Agreement as permitted by applicable law, the Credit Limit or any of the terms of the Account or services that are available with the Card and Checks, regardless of whether you have access to the Account, by adding, deleting, or modifying any provision. Our right to add, delete, or modify provisions includes changes, removal and introduction of new financial terms, such as the APRs and fees, and other terms such as the nature, extent, and enforcement of the rights and obligations you or we may have relating to this Agreement. Modifications, additions, or deletions are called "Changes" or a "Change".

We will notify you of Changes of any Significant Term (as defined by Rule 226.9 of Regulation Z, copy of which is attached to this Agreement) or other term of this Agreement or increase of the required minimum payment at least 45 days prior to the effective date of the Change or prior to the billing cycle in which the Change is to be implemented. Unless stated otherwise in the notice, we may apply a changed term or increased rate from the effective date of the Change to transactions that occur more than 14 days after provision of the notice. If we are changing a rate on your Account, other than Penalty Rate, and a Penalty Rate currently applies to your Account, the new rate described in the notice will not apply to your Account until your Account balances are no longer subject to the Penalty Rate. If we changed any Significant Term of the Account since the last renewal without disclosing that change in the change-in-terms notice we will provide you with notice at least 30 days prior to renewal of the information (i.e., the date by which the card will expire if not renewed, the annual or other periodic fee that will apply if the card is renewed, and the method by which you may terminate the Account). The notice will further describe any rights you may have with respect to the Changes and the consequences if you do or do not exercise those rights.

Your Right to Reject the Change: For example, if the Change involves change of a Significant Term of your Account (other than an increase in the required minimum payment or change in the terms as a result of your failure to pay the required minimum payment for 60 or more days after the due date for that payment), the notice will state that you have the right to reject such Change or close your Account by notifying us before the effective date of the Change by calling us at the telephone number provided in the notice. If you do not notify us by the date stated in the notice that you reject the Change, you will be deemed to accept the Change in the notice and to accept and confirm all terms of your Agreement regardless of whether you have access to or use the Account.

If, however, you notify us before the effective date of the Change that you reject the Change, we at our discretion may accept your rejection or close the Account and terminate your credit availability. If we decide to close your Account or suspend your credit availability you will be obligated to re-pay your outstanding balance (the amount owed on your Account as of the end of the 14th day after the date on which we provided you with notice of the Change). Upon our sole discretion, you will have the option to repay the outstanding balance on your Account by paying it within an amortization period of not less than 5 years; by paying a minimum periodic payment that includes a percentage of the outstanding balance that is equal to not more than twice the percentage required before the effective date of the increase set forth in the notice required; or by any other method determined by us to be not less beneficial than those two methods. A method is no less beneficial if it results in a required minimum periodic payment that is equal to or less than a minimum payment calculated using the method for the Account before the effective date of the increase. When applying these methods we may utilize the date on which we were notified of your rejection or a later date (such as the date on which the Change would have gone into effect but for the rejection).

Special Rule for Changes That Increase any APR, Fee or Finance Charges on Your Account (not home-secured): During the first year of opening your Account we may not increase any APR, fee or finance charges under this Agreement unless any of the following conditions applies:

- We did not receive your minimum payment within 60 days after the due date for such payment, we notified you 45 days prior to the effective date of the increase of the reason for the increase, and we terminate such increase not later than 6 months after the date on which it is imposed, if we receive your minimum payments on time during that period; or
- We informed you in advance of the increase in any APR under the Agreement that will become effective upon the expiration of a specified period of time, the length of the period and the annual percentage rate that would apply after expiration of the period, and the increased annual percentage rate will not be applied to transactions that

- occurred prior to commencement of the period;
- The increase is due to an increase in your variable APR in accordance with your Agreement; or
- The increase is due to your failure to comply with the terms of a workout arrangement between you and us, provided that the annual percentage rate applicable to a category of transactions following any such increase does not exceed the rate that applied to that category of transactions prior to commencement of the workout arrangement, or completion of the arrangement.

After one year of your Account being open, we may increase the APRs, fees or finance charges on your Account even if neither of the above-described conditions applies if we notify you at least 45 days prior to the effective date of the increase or prior to the billing cycle in which the increase is to be implemented. Unless stated otherwise in the notice, the increase of the APRs, fees or finance charges under your Agreement will not apply to your outstanding balance. For purposes of this paragraph only an outstanding balance means the amount owed on your credit card account as of the end of the 14th day after the date on which we provided you with notice of an increase in the annual percentage rate, fee, or finance charge on your Account. The notice will describe any rights you may have with respect to the Changes and the consequences if you do or do not exercise those rights, such as your right to repay the outstanding balance on your Account using the methods described in subsection “Your Right to Reject the Change” above and your right to reject such increase by notifying us before the effective date of the increase. If you reject the Changes, we may accept your rejection, or close your Account and suspend your credit availability. For your right to reject the increase see subsection “Your Right to Reject the Change” above.

Accounts Secured by a Mortgage on Your Home: If your Account is secured by a mortgage over your home, we may not unilaterally change the terms of this Agreement except:

- we may change the index we use to calculate the APR and your margin if the original index is no longer available, the new index has an historical movement substantially similar to that of the original index, and the new index and margin would have resulted in an APR substantially similar to the rate in effect at the time the original index became unavailable.
- if you specifically agree to the proposed changes in writing at that time.
- when we make a change that will unequivocally benefit you throughout the remainder of the term of this Agreement.
- if the changes we propose to make are insignificant to the terms of this Agreement, such as changes in your billing cycle.

We will notify you of these changes least 45 days prior to the effective date of the Changes. Unless we state otherwise, these changes will apply to transactions made on or after the effective date of the Changes and will not apply to your existing outstanding balance. If we have changed any term of the Account since the last renewal without disclosing that change in the change-in-terms notice we will provide you with notice at least 30 days prior to renewal of the information (i.e., the date by which the card will expire if not renewed, the annual or other periodic fee that will apply if the card is renewed, and the method by which you may terminate the Account). The notice will further describe any rights you may have with respect to these changes and the consequences if you do or do not exercise those rights.

We may prohibit additional extensions of credit or reduce your Credit Limit (up to the amount of your outstanding balance) if and during any period in which:

- the maximum APR has been reached;
- the value of your home declines significantly below its appraised value when we approved your application for the purposes of the *ScotiaLine* Personal Line of Credit;
- we reasonably believe that you will be unable to fulfill your repayment obligations under this Agreement because of a material change in your financial circumstances;
- you file for or are placed in bankruptcy;
- you are in default of any material obligation under this Agreement (including but not limited to moving out of your home, subject to the mortgage, or creating an intervening lien to be filed that would take priority over future advances made by us);
- we are precluded by any government action from imposing the APR provided for in this Agreement;
- The priority of our security interest in your home is adversely affected by government action to the extent that the value of our security interest is less than 120 percent of the Credit Limit; or
- we are notified by any regulatory agency that continued advances constitute an unsafe and unsound practice.

We will provide you with a 45-day notice before any action prohibiting additional extensions of credit or reducing your Credit Limit is taken. The notice will contain the specific reason for the action and may provide conditions for reinstatement of your Credit Limit.

Credit Information

You agree to furnish us with annual financial statements and other information from time to time (a minimum of at least once a year) at our request. You are required to notify us in writing of any material change in your financial condition. You will give the Bank such financial statements and information as the Bank may from time to time request in writing for the purpose of keeping your file up to date or complying with any regulatory requests. You authorize us to furnish information concerning your performance under this Agreement to third parties, including credit reporting agencies and our affiliates.

We may periodically review your credit history by obtaining information from credit bureaus and others. We may report information about you and the Account to credit bureaus, including your failure to pay us on time.

If you think we have reported inaccurate information to a credit bureau, you may write to us at the address listed on your billing statement. Please include your name, address, account number, telephone number and a brief description of the problem. If available, please provide a copy of the credit bureau report in question. We will promptly investigate the matter and, if our investigation shows that you are right, we will contact each credit bureau to which we reported the information and will request they correct the report. If we disagree with you after our investigation, we will tell you in writing or by telephone. We will also notify the credit bureau that you dispute the information unless you let us know that you no longer dispute the information.

Accepting our Records

You agree to accept our records of a transaction as accurate and conclusive unless you can provide contrary proof that is satisfactory to us.

Notices/Change of Information

We will send Cards, Checks, billing statements and other notices to you at the last address shown in our files. In the event there is more than one Account holder, notice to one of you will be considered notice to all of you and all of you will remain obligated on the Account.

If you change your name, address, or home, cellular or business telephone number or email address (if you elect and if that service is offered to you to receive billing statements or other notices online), you must notify us immediately in writing at the address shown on your billing statement. We may, at our option, accept mailing address corrections from the United States Postal Service. We may contact you about the Account, including for customer service or collection, at any address or telephone number as well as any cellular telephone number you provide us.

You agree to provide us with sixty (60) days prior written notice of your intent to: (a) transfer or sell any substantial part of any personal property which may be security for repayment of the Account; or (b) transfer or sell the real property or any part thereof which may be security for the repayment of the Account.

Telephone Monitoring and Recording

We, and if applicable, our agents, may listen to and record your telephone calls with us. You agree that we, and if applicable, our agents, may do so, whether you or we initiate the telephone call.

Information Sharing

You acknowledge that you received a copy of our Privacy Policy Notice Statement, which is part of this Agreement. The Privacy Policy Notice Statement contains important information about your privacy choices.

You also acknowledge and agree that in the course of conducting our general business we can share any information about you with other companies in the Scotiabank Group, our service providers, credit or charge card associations, loyalty program partners and any other third parties, to the extent permitted or required by law.

We can also disclose information about you to affiliated and nonaffiliated third parties, where the disclosure is: a) in

response to credit inquiries made by another bank, financial institution, credit agency or credit bureau; b) for general business purposes, or whenever in the Bank's discretion is necessary or desirable to protect the Bank's interests or otherwise; c) in order to comply with any requirement for disclosure imposed by law or any court or governmental agency or department; d) in order to facilitate an investigation of or prosecution for fraud or money laundering; e) in order to complete a transaction initiated by you, the Secondary Cardholder or Additional Cardholders; f) in order to process your application and/or necessary for the use of your Account or our maintenance of your Account; or g) upon request by the administrator or executor of your estate. You consent to and authorize any such disclosure and neither we nor any Scotiabank Group Member or any of their respective officers, directors, employees and agents shall in any way be liable for disclosing any such information or for such information being inaccurate or incomplete.

We may disclose all the personal information we collect to other nonaffiliated third parties such as reputable credit reporting agencies, government agencies, regulators, financial services providers (i.e. companies engaged in banking services; consumer financial services; credit card services; brokerage services; mortgage loans; trust and custodial services; investment management and financial planning services; mutual funds investment services; and insurance services), and other non-financial companies that perform marketing services on our behalf or to other institutions with whom we have joint marketing agreements (i.e. companies, engaged in marketing and selling of consumer products and services; retailers; publishers, and airlines).

We do not provide directly all of the services related to your relationship with us. We may use nonaffiliated third party service providers to process or handle personal information on our behalf and to assist us with various services such as printing, mail distribution and marketing and in the process we may release personal information. You understand that we may outsource the processing and housing of program information and data (including your personal and financial information) to a jurisdiction outside the United States Virgin Islands. You further understand that law enforcement authorities and/or governmental authorities in these jurisdictions may, under applicable legislation or statutes in the jurisdiction, may access your personal information and data. In effecting such disclosures, we and any Scotiabank Group Member and any of their respective officers, directors, employees or agents shall not in any way be liable to you for the breach of any privacy, secrecy or confidentiality provisions of any laws and/or regulations of the domicile of the Account or elsewhere.

As provided in the Privacy Policy Notice Statement you will have the right to limit our right to share your personal information with our affiliates and with non-affiliates in some cases.

If we sell a company in the Scotiabank Group or a portion of the business of a Scotiabank Group member, we may release the information we have about you to the prospective purchaser. We will require any prospective purchaser to protect the information provided and to use it in a manner that is consistent with Scotiabank's privacy policies and practices.

You shall, at all times, indemnify and keep us and any Scotiabank Group Member and their respective officers, directors, employees and agents harmless against all losses, costs, expenses, actions, proceedings, claims, damages or other liabilities (including legal fees and expenses) arising, directly or indirectly, by reason of such disclosures by us or any Scotiabank Group Member or any of their respective agents, such indemnity being in addition to any indemnity which may be available at law.

Tax Deductibility

You should consult a tax advisor about the possibility of deducting the finance charges on your Account.

Enforcing this Agreement

We can delay enforcing or not enforce any of our rights under this Agreement without losing our right to enforce them in the future. If any of the terms of this Agreement are found to be unenforceable, all other terms will remain in full force.

Assignment

We may assign the Account without your consent, any amounts you owe us, or any of our rights and obligations under this Agreement to a third party. The person to whom we make the assignment will be entitled to any of our rights that we assign to that person.

WAIVER OF TRIAL BY JURY

In the event that arbitration is not enforceable in the United States Virgin Islands, in any action, proceeding or counterclaim, in any civil action, counterclaim or proceeding, whether at law or in equity, which arises out of, concerns or relates to this Agreement, any and all transactions contemplated by this Agreement, the performance of this Agreement, or the relationship created by this Agreement, whether in contract, tort, strict liability or otherwise, trial shall be to a court of competent jurisdiction and not to a jury. You and we each hereby irrevocably waive all of our rights to a trial by jury in any action, proceeding, or counterclaim, including, but not limited to, actions where one of us claims a tort, "bad-faith," fraud or otherwise, arising in any way relating to this Agreement and any of the other documents that we executed in connection with this transaction or any security - contemplated hereby. Neither party has made or relied upon any oral representation to or by any other party regarding the enforceability of this provision. Each party has read and understands the effect of this jury waiver provision. Each party acknowledges that it has been advised by its own counsel, or had the opportunity to be advised by its own counsel, with respect to the transaction governed by this Agreement and specifically with respect to the terms of this section.

Governing Law

THE TERMS AND ENFORCEMENT OF THIS AGREEMENT AND YOUR ACCOUNT SHALL BE GOVERNED AND INTERPRETED IN ACCORDANCE WITH FEDERAL LAW AND, TO THE EXTENT STATE LAW APPLIES, THE LAW OF THE TERRITORY OF THE UNITED STATES VIRGIN ISLANDS, WITHOUT REGARD TO CONFLICT-OF-LAW PRINCIPLES. SUCH LAWS WILL APPLY NO MATTER WHERE YOU LIVE OR USE THE ACCOUNT.

Notice to Cosigner

If you are a cosigner (a person, assuming liability without receiving the contractual right to obtain extensions of credit under the Account), you are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

We can collect this debt from you without first trying to collect from the borrower. We can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record. This notice is not the contract that makes you liable for the debt.

Acceptance of Agreement

You agree that you have fully read, understood and informed yourself of the contents of all the pages of this Agreement by reading it before you signed it. You are entering into this Agreement knowingly and voluntarily, in its entirety, including, but not limited to, the Agreement to arbitrate, waiver of right to a jury trial and any and all other limitations and waivers on liability contained herein.

Signed at _____ this _____ day of _____, 20 ____.

Borrower's signature

The Bank of Nova Scotia

Co-borrower's signature

Authorized signature

* Trademarks of The Bank of Nova Scotia.

**ScotiaLine* Personal Line of Credit
Rates and Fees Table**

The following terms are applicable to your *ScotiaLine* Personal Line of Credit Account.

Interest Rates and Interest Charges	
Annual Percentage Rate (APR)	<input type="checkbox"/> _____ % variable for the Unsecured Personal Line of Credit <input type="checkbox"/> _____ % variable for the Secured Personal Line of Credit <input type="checkbox"/> _____ % variable for the Cash Secured Personal Line of Credit
Variable Rate Information for Standard APRs	<p>The personal lines of credit have a variable-rate feature, and your APR may vary each billing period based on the U.S. Prime Rate as described in the Finance Charges section in the <i>ScotiaLine</i> Personal Line of Credit Agreement.</p> <p>The APRs are determined as follows:</p> <p><u>Unsecured Personal Line of Credit:</u> the U.S. Prime Rate plus 5.00%. <u>Secured Personal Line of Credit:</u> the U.S. Prime Rate plus 1.00%. <u>Cash Secured Personal Line of Credit:</u> the U.S. Prime Rate plus 0.25%.</p>
Penalty Rate and When it Applies	<p>Up to 30% APR (however, if your account is not secured by your home and the maximum credit limit for your account is \$9,000 or less, then the Penalty Rate is up to 18.50%). The Penalty Rate for which you qualify will depend on your creditworthiness, the seriousness and timing of your default, and other factors provided in your <i>ScotiaLine</i> Personal Line of Credit Agreement.</p> <p>This APR may be applied to your account if you:</p> <ul style="list-style-type: none"> • fraudulently or materially misrepresent facts to us. • make a late payment. • make a payment to us that is not honored by your financial institution. • go over your credit limit. • fail to comply with the terms of your <i>ScotiaLine</i> Personal Line of Credit Agreement. • you become unwilling or unable to pay your debts to us or to others on time. • file for bankruptcy. • become incapacitated or in the event of your death. • a judgment is rendered against you. • have given us a mortgage on your home or in other real property or an interest in your personal property and you transfer or sell any part or grant any security interest in the property or give possession or control of it to anyone else without our prior written permission or if you fail to maintain the value of your home or other real property. • breach of terms of workout or temporary hardship arrangement. <p>How Long Will the Penalty APR apply?: If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due.</p>
Maximum APR	30% (however, if your account is not secured by your home and the maximum credit limit for your account is \$9,000 or less, then the Maximum APR is 18.50%)
Paying Interest	We will begin charging interest on all transactions (cash advances, purchases, checks, balance transfers) on the posting date.
For Credit Card Tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card visit the website of the Federal Reserve Board at http://www.federalreserve.gov/creditcard .
Fees	
Set-up and Maintenance Fees	Notice: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available. For example, if you are assigned the minimum credit limit of \$250, your initial available credit will be only \$200.

	You may still reject this plan, provided that you have not used the account or paid a fee after receiving a billing statement. If you do reject the plan, you are nor responsible for any fees or charges.
<ul style="list-style-type: none"> Annual Fees 	\$50 for primary borrowers \$25 for secondary borrowers (if applicable)
Transaction fees	
<ul style="list-style-type: none"> Transaction Fee 	\$5 (Applied to each transaction that exceeds the 5th transaction in the billing cycle).
Stop Check fees	\$50
Penalty Fees	
<ul style="list-style-type: none"> Late payment fee 	Up to \$35
<ul style="list-style-type: none"> Returned payment fee 	Up to \$35
<ul style="list-style-type: none"> NSF fee 	Up to \$35
Other Fees	
<ul style="list-style-type: none"> Replacement/ Additional Statement 	\$15
<ul style="list-style-type: none"> Lost or damaged card 	\$15

Acknowledgment: By signing this document, you agree to be bound by the terms and conditions set out in this document and in the *ScotiaLine* Personal Line of Credit Agreement which forms part of this document.

Signed at _____ this _____ day of _____, 20 ____.

Borrower's signature

The Bank of Nova Scotia

Co-borrower's signature

Authorized signature

* Trademarks of The Bank of Nova Scotia.