

DATE: _____, 20____ (the "Date")

MEMBER(S) NAME(S):

CREDIT UNION:

MEMBER(S) NUMBER(S):

BRANCH ADDRESS:

(individually and collectively, the "**Borrower**")

(the "**Credit Union**")

OBLIGOR(S) FULL NAME(S):

OBLIGOR ADDRESS:

(individually and collectively, the "**Obligor**")

(Notes: Obligor may be Borrower or a guarantor; Obligor **must** be an individual)

RE: **LOAN TO THE BORROWER¹**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Obligor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST.

As security for payment and performance of the Obligations, the Obligor mortgages, charges, assigns, transfers and pledges to the Credit Union as a fixed and specific mortgage and charge, and grants the Credit Union a security interest in all or any of the following, to the extent the respective box or boxes is/are selected, but in all cases excluding the last day of the term of any lease or any agreement to lease held by the Obligor now or in the future (collectively, the "**Collateral**"):

(Note: Obligor to initial next to applicable Collateral; if no box or boxes are initialled by the Obligor, then box (i) will be considered initialled)

- ____ (i) All of the Obligor's present and after-acquired personal property (including but not limited to equipment, inventory, accounts, chattel paper, documents of title, goods, intangibles, investment property, money, fixtures, book debts, vehicles, and other amounts of any nature).²

- ____ (ii) All of the Obligor's property, assets and undertaking not secured in box (i) above, including all real, immoveable and leasehold property and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including, without limitation, all structures, plant and other fixtures now owned or hereafter owned or acquired (the "**Real Property**").³

- ____ (iii) All of the Obligor's present and after acquired personal property (including but not limited to equipment, inventory, accounts, chattel paper, documents of title, goods, intangibles, investment property, money,

¹ **Note to Credit Union:** In a financing transaction, a borrower obtains money from a lender and agrees to repay it with interest and to perform certain obligations. When the obligations under a loan agreement are secured, the borrower grants a security interest pursuant to this security agreement over all or certain of its assets in favour of the lender.

² **Note to Credit Union:** This option should be used in replacement of a "general security agreement".

³ **Note to Credit Union:** This option should only be used when a floating charge on the Real Property of the Borrower is required. If the Credit Union only wants a charge over specific lands, then clause (xiii) should be used instead. We expect that this would rarely be used by Individuals.

fixtures, book debts, vehicles, and other amounts of any nature) now or hereafter situate on, annexed to, used in connection with or arising from the business or affairs carried on at or about the Lands and any proceeds thereof (including insurance proceeds), all present and future contracts for the supply of work or materials or provision of services relating to the construction, operation or maintenance of the Lands and the business or affairs carried on at or about the Lands, and all permits, licences and concessions relating to the ownership of the Lands or the operation of the business or affairs carried on at or about the Lands, as well as all documents, contracts, books of account and other books relating to or being records of or by which such are or may hereafter be secured, evidenced, acknowledged or made payable or relating to the Obligor's business, customers and clients.

- _____ (iv) All of the Obligor's present and after-acquired personal property (including but not limited to equipment, inventory, accounts, chattel paper, documents of title, goods, intangibles, investment property, money, fixtures, book debts, vehicles, and other amounts of any nature) except:

- _____ (v) All of the Obligor's _____ *(add description of equipment)* equipment of whatever kind and wherever situated including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatever nature.

- _____ (vi) All accounts, instruments, debts and chattel paper which are now due, owing or accruing due, or which may hereafter become due, owing or accruing due, to the obligor, together with all records (whether in writing or not) and other documents of any kind which in any way evidence or relate to any or all of the accounts, instruments, debts or chattel paper.

- _____ (vii) All of the Obligor's present and after-acquired inventory, wherever located.

- _____ (viii) The following described personal property:

- _____ (ix) All harvested and unharvested crops whether growing or matured, and whether grain, roots, seeds, leaves or otherwise howsoever, and any interest of the Obligor therein, wherever located.

- _____ (x) All of the Obligor's _____ *(add description of livestock)*, male or female, born or unborn, branded or unbranded, of whatever age or stage of growth, wherever located.

- _____ (xi) The Obligor's motor vehicles, trailers, mobile homes, manufactured homes, boats, outboard motors for boats, and/or aircraft (other than those held as inventory for sale or lease by the Obligor) identified by the following registration marks (for aircraft only), serial numbers or vehicle identification numbers:

<u>Make</u>	<u>Model</u>	<u>Year</u>	<u>Registration Mark (aircraft) / Serial Number / Vehicle Identification Number⁴</u>

⁴ **Note to Credit Union:** Add additional rows as applicable.

_____ (xii) (A) All shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the equity or capital of each issuer identified in Schedule “B” to this Agreement (each, an “**Issuer**”), however designated and whether voting or non-voting and all warrants, options or other rights to acquire any of the foregoing, and all securities convertible into or exchangeable for any of the foregoing, whether any of the foregoing are evidence by certificated securities, uncertificated securities or security entitlements (all of the foregoing, collectively, “**Equity Interests**”) in any Issuer, (B) all books, accounts, invoices, letters, papers, documents, disks and other records in any form, electronic or otherwise, evidencing or relating to that property and all contracts, investment property, instruments and other rights and benefits in respect of that property, (C) all renewals, substitutions and replacements of the foregoing and all increases and additions thereto, and (D) all proceeds from the foregoing, including property in any form derived directly or indirectly from any dealing therewith or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to the property or any right to payment, and any payment made in total or partial discharge or redemption of an instrument or investment property (collectively, the “**Equity Collateral**”).⁵

_____ (xiii) The following described real property: ⁶

SCHEDULES

The terms and conditions contained in the Schedules hereto are incorporated by reference into and form an integral part of this Agreement.

⁵ **Note to Credit Unions:** This option should be selected where the Obligor will be pledging the shares it holds in another entity.

⁶ **Note to Credit Unions:** This option should be selected where a fixed charge on the Real Property of the Borrower is required. A separate document (whether it be a mortgage or other caveat) will be required to create a registered real property interest in the land.

WHEREAS, the Obligor has caused this Agreement to be duly executed and delivered on the Date. ⁷

WITNESS

Name:

OBLIGOR

Name:

WITNESS

Name:

OBLIGOR

Name:

WITNESS

Name:

OBLIGOR

Name:

WITNESS

Name:

OBLIGOR

Name:

⁷ **Note to Credit Unions:** Duplicate signature blocks as required to permit all Obligor to execute.

SCHEDULE "A"

1. INTERPRETATION

1.1 Capitalized Terms. Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, are defined as follows:

(a) the words "accessions", "account", "account debtor", "certificated security", "chattel paper", "clearing house option", "consumer goods", "control", "crops", "document of title", "equipment", "financial asset", "fixtures", "futures account", "futures contract", "futures intermediary", "goods", "instrument", "intangible", "inventory", "investment property", "money", "option", "proceeds", "receiver", "securities account", "securities intermediary", "security", "security certificate", "security entitlement" and "uncertificated security" shall have meanings attributed thereto in the PPSA.

(b) In this Agreement, except where the context otherwise requires:

"Agreement" means this agreement, as amended, modified, supplemented, restated or replaced from time to time

"Event of Default" means the occurrence of (i) a "default", "event of default" or similar circumstance identified in any Loan Document that entitles the Obligor's counterparty to enforce its rights under that Loan Document, (ii) the failure of the Obligor to pay any of the Obligations when due, or (iii) any demand for payment validly made by the Credit Union pursuant to any Loan Document that is not met in accordance with the terms of the demand or within any applicable grace period.

"Lands" means all lands described in Schedule "B" as the Location of Property.

"Loan Document" means any document or security relating to the Obligations as the same may be amended, modified, supplemented, restated or replaced from time to time.

"Obligations" means all debts, liabilities and obligations of the Obligor to the Credit Union, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing or remaining unpaid by the Obligor to the Credit Union in any currency, whether arising from dealings between the Credit Union and the Obligor or from other dealings or proceedings by which the Credit Union may be or become in any manner whatever a creditor of the Obligor, and wherever incurred, and whether incurred by the Obligor alone or with another or others and whether as principal or surety (including obligations under or in connection with any guarantee or indemnity given by the Obligor), and all interest, fees, commissions and legal and other costs, charges and expenses owing or remaining unpaid by the Obligor to the Credit Union in any currency.

"PPSA" means the *Personal Property Security Act (Alberta)* as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.2 Other Interpretation Rules. In this Agreement:

(a) Any reference to "the Collateral" in this Agreement shall be interpreted as referring to "the Collateral or any of it."

(b) Each Obligor (if more than one) acknowledges, covenants and agrees that it is the intention of this Agreement that the obligations of the Obligors hereunder are joint and several and

each Obligor acknowledges, covenants and agrees that it shall be jointly and severally liable for the Obligations and all other payment and performance obligations hereunder.

- (c) The division into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (d) Unless otherwise specified or the context otherwise requires, (i) “including” or “includes” means “including (or includes) but is not limited to” and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it, (ii) a reference to any legislation, statutory instrument or regulation or a section of it is a reference to the legislation, statutory instrument, regulation or section as amended, restated and re-enacted from time to time, (iii) words in the singular include the plural and *vice versa* and words in one gender include all genders, and (iv) words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and an “Obligor” that is a partnership shall, as the context requires, be and shall be construed as being by the partners or general partner, as applicable, of such Obligor on behalf of and in respect of such partnership.
- (e) Unless otherwise specified or the context otherwise requires, any reference in this Agreement to payment of the Obligations includes performance of the Obligations.
- (f) This Agreement shall be governed by, and interpreted and enforced in accordance with, the law of the Province of Alberta and the laws of Canada applicable in the Province of Alberta, excluding the conflict of law rules of that province. The Obligor irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Alberta and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

2. TERMS GOVERNING SECURITY, ETC.

- 2.1 Last Day of Lease. As the Collateral does not include the last day of the term of any lease or any agreement to lease held by the Obligor now or in the future, should the liens created by this Agreement become enforceable, the Obligor shall hold the last day in trust for the Credit Union and shall assign it to any person acquiring that term or the part of the term that is mortgaged and charged in the course of any enforcement of the liens or any realization of the Collateral. Alternately, the Credit Union may assign the last day as attorney of the Obligor or may appoint any person acquiring the term or any other person or persons as a new trustee or trustees of the last day, free of any obligation regarding the last day.
- 2.2 Floating Charge. The security interest created in Real Property, if applicable, is intended as a floating charge that will attach as provided in Section 2.3. The floating charge shall become a fixed charge as soon as the Credit Union notifies the Obligor to that effect.
- 2.3 Attachment. The Obligor agrees that the Credit Union has given value and that the liens created by this Agreement are intended to attach (a) with respect to Collateral that is now in existence, upon execution of this Agreement, and (b) with respect to Collateral that comes into existence in the future, upon the Obligor acquiring rights in the Collateral or the power to transfer rights in the Collateral to the Credit Union. In each case, the parties do not intend to postpone the attachment of any lien created by this Agreement.
- 2.4 Continuing Agreement. The liens created by this Agreement are continuing, to secure a current or running account, and will extend to the ultimate balance of the Obligations, regardless of any intermediate payment or discharge of the Obligations in whole or in part. Without limiting the foregoing, the Obligations may include advances and re-advances under revolving credit facilities,

which permit borrowing, repayment of all or part of the amount borrowed and re-borrowing of amounts previously paid.

- 2.5 In Addition to Other Rights; No Marshalling. This Agreement is in addition to and is not in any way prejudiced by or merged with any other lien now or subsequently held by the Credit Union in respect of any Obligations. The Credit Union shall be under no obligation to marshal in favour of the Obligor any other lien or any money or other property that the Credit Union may be entitled to receive or may have a claim upon.
- 2.6 Liabilities Unconditional. The liabilities of the Obligor under this Agreement are absolute and unconditional, and will not be affected by any act, omission, matter or thing that, but for this Section 2.6, would reduce, release or prejudice any of its liabilities under this Agreement, or that might constitute a legal or equitable defence to or a discharge, limitation or reduction of the Obligor's liabilities under this Agreement, whether or not known to it or the Credit Union or consented to by it or the Credit Union.
- 2.7 Merger of Obligor. If the Obligor amalgamates or merges with one or more other entities, the Obligations and the liens created by this Agreement shall continue as to the Obligations and the undertaking, property and assets of the Obligor at the time of amalgamation or merger, and shall extend to the Obligations and the present and future undertaking, property and assets of the amalgamated or merged entity, and the term Obligor shall extend to the amalgamated or merged entity, all as if the amalgamated or merged entity had executed this Agreement as the Obligor.
- 2.8 Limitation Periods. To the extent that any limitation period applies to any claim for payment of the Obligations or remedy for enforcement of the Obligations, the Obligor agrees that:
- (a) any limitation period is expressly excluded and waived entirely if permitted by applicable law;
 - (b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law;
 - (c) any applicable limitation period shall not begin before an express demand for payment of the Obligations is made in writing by the Credit Union to the Obligor; and
 - (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Obligations by the Obligor.

3. REPRESENTATIONS OF THE OBLIGOR

3.1 Representations. The Obligor represents and warrants to the Credit Union as follows:

- (a) set forth in Schedule "B" hereto are:
 - (i) its true, complete and accurate name and any prior names;
 - (ii) its true, complete and accurate birthday;
 - (iii) its true, complete and accurate address;
 - (iv) the location of all of its freehold and leasehold real property;
 - (v) the locations of its personal property; and

- (vi) all of its accounts (including its deposit accounts and its securities accounts) and the institution and branch at which they are held;
- (b) if a security interest is granted in Equity Collateral:
 - (i) set forth in Schedule "B" hereto is a true and complete list of all Equity Interests of each Issuer in which the Obligor has any interest;
 - (ii) all of the Obligor's right, title and interest in, to and under the Equity Collateral, if any, may be freely assigned and transferred to the Credit Union, and the interests created in such Equity Collateral may be dealt with by the person or the filing of any document or the fulfillment of any legal requirement or the taking of any proceeding, other than any approval or consent that may be required from the board of directors or shareholders of an Issuer pursuant to its constating documents, which has already been obtained and will be maintained in full force and effect during the term of this Agreement;
 - (iii) there is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Obligor would be required to sell or otherwise dispose of any Equity Collateral;
 - (iv) the Credit Union is not acting as agent of the Obligor in any way with respect to the Equity Collateral;
 - (v) no part of the Equity Collateral now consisting of uncertificated securities has ever been evidenced or represented by certificated securities and those uncertificated securities are not evidenced or represented by any other document evidencing ownership of them;
 - (vi) no person, other than the Credit Union, now has control (for purposes of the PPSA) of any part of the Equity Collateral;
 - (vii) no holder of any Equity Interest forming part of the Equity Collateral has any liability, as such, for any debts, liabilities or obligations of the Issuer of the Equity Interest;
 - (viii) every Equity Interest forming part of the Equity Collateral that is an interest in a partnership or limited liability company is a security.

3.2 Materiality. The Obligor acknowledges that its representations and warranties are material, will be relied upon by the Credit Union (notwithstanding any investigation made by the Credit Union at any time) and shall survive the execution and delivery of this Agreement without any time limitation.

4. RIGHTS AND OBLIGATIONS OF THE OBLIGOR

4.1 Maintain Collateral. The Obligor shall diligently maintain the Collateral so as to preserve the Collateral and the income from the Collateral and shall comply with all requirements of any governmental authority and all agreements relating to any of the Collateral and all other conditions on which the Collateral is held.

4.2 Restrictions on Liens and Dispositions. The Obligor shall not create, assume, incur or permit the existence of any lien on the Collateral except as permitted in any applicable Loan Document, nor shall the Obligor sell, lease, lend or otherwise dispose of the Collateral, or permit such a disposition to occur, except as expressly permitted in any Loan Document.

- 4.3 Possession and Control of Collateral. The Obligor shall, on request by the Credit Union from time to time, deliver to the Credit Union possession of all chattel paper, instruments and negotiable documents of title. The Obligor shall also take whatever steps the Credit Union requires from time to time to enable the Credit Union to obtain control of any investment property forming part of the Collateral, including (a) arranging for any securities intermediary, futures intermediary or issuer of uncertificated securities to enter into an agreement satisfactory to the Credit Union to enable the Credit Union to obtain control, (b) delivering any certificated security to the Credit Union with any necessary endorsement and (c) having any security registered in the name of the Credit Union or its nominee. If requested by the Credit Union, the Obligor shall also cause each Issuer to maintain a notation concerning this Agreement satisfactory to the Credit Union in its securities register and provide the Credit Union with a certificate of the Issuer attaching a copy of the notation.
- 4.4 Safekeeping. The Credit Union is not obligated to keep any Collateral separate or identifiable or to take steps to preserve rights relating to Collateral against prior parties or other persons. The Credit Union shall have no duty with respect to any Collateral delivered to it, other than to use the same degree of care in the safe custody of the Collateral delivered to it that it uses with respect to similar property that it owns of similar value. Without limiting the foregoing, the Credit Union may lodge all instruments, chattel paper, investment property or other Collateral with any bank or trust company to be held in safekeeping on behalf of the Credit Union (without incurring any liability for any act or omission of the bank or trust company) or may hold Collateral itself. The Obligor shall reimburse the Credit Union on demand for all expenses incurred by the Credit Union in connection with safekeeping with interest from the date the expenses are incurred until paid at the highest rate of interest applicable to the Obligations. The expenses and interest shall form part of the Obligations.
- 4.5 Receipts by Obligor. If the Obligor receives any certificate representing Equity Interests of any Issuer (including any certificate representing a dividend or distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), whether in addition to, in substitution for, as a conversion of, or in exchange for any portion of the Collateral, or otherwise, the Obligor shall hold the certificate in trust for the Credit Union and immediately deliver it to the Credit Union in the form received with any endorsement required by the Credit Union, to be held by the Credit Union as part of the Collateral. In addition, if the Obligor receives any money or other property as a distribution upon the partial or complete liquidation or dissolution of any Issuer, the Obligor shall hold the money or property in trust for the Credit Union and immediately deliver it to the Credit Union in the form received to be held by the Credit Union as part of the Collateral.
- 4.6 Other Assurances; Power of Attorney. On request by the Credit Union, the Obligor shall (a) provide the Credit Union with details of all goods to which provisions of the PPSA or regulations or orders under the PPSA regarding serial numbers apply, (b) mark or take other steps to identify the Collateral as being subject to the liens created by this Agreement, and (c) execute, acknowledge and deliver all financing statements, certificates, further assignments, documents, transfers, stock transfer powers, proxies, instruments, security documents, acknowledgments and assurances and do all further acts and things as the Credit Union may consider necessary or desirable to give effect to the intent of this Agreement (including providing the Credit Union with a fixed and specific mortgage and charge and a perfected security interest in all freehold and leasehold real property, all patents, trademarks and other intellectual property and all aircraft, ships and railway rolling stock in which the Obligor now or in the future holds an interest), or for the collection, disposition, realization or enforcement of the Collateral or the liens created by this Agreement. The Obligor constitutes and appoints the Credit Union its true and lawful attorney, with full power of substitution, to do any of the foregoing or any other things that the Obligor has agreed to do in this Agreement, whenever and wherever the Credit Union may consider it to be necessary or desirable, and to use the Obligor's name in the exercise of the Credit Union's rights under this Agreement. This power of attorney is coupled with an interest and is irrevocable by the Obligor.
- 4.7 Restriction on Change of Name. The Obligor shall not change its name without providing the Credit Union with 30 days advance written notice and promptly taking other steps, if any, as the Credit

Union requests to ensure that the position of the Credit Union is not adversely affected by the change in name.

- 4.8 Restriction on Change of Obligor Location. The Obligor shall not permit its chief executive or registered office to be located out of the province of Alberta (the “**Specified Location**”), or do anything else to cause the Obligor to be located out of the Specified Location for the purpose of any *Personal Property Security Act* or other applicable law, without providing the Credit Union with 30 days advance written notice and promptly taking other steps, if any, as the Credit Union requests to ensure that the position of the Credit Union is not adversely affected by the change of location.
- 4.9 Restriction on Change of Property Location. The Obligor shall not permit any of its tangible personal property to be located out of the Specified Location (other than (a) inventory in transit, (b) goods of a type normally used in more than one jurisdiction that are equipment or inventory leased or held for lease by the Obligor to others, or (c) tangible personal property of a value that is not material in relation to the Obligations, that is temporarily located out of the Specified Location) without providing the Credit Union with 30 days advance written notice and promptly taking other steps, if any, as the Credit Union requests to ensure that the position of the Credit Union is not adversely affected by the change of location.
- 4.10 Use of Collateral; Inspection. Until the occurrence of an Event of Default, the Obligor may use the Collateral in any lawful manner consistent with the provisions of this Agreement and the Loan Documents. The Obligor shall at all reasonable times and from time to time on reasonable notice, permit representatives of the Credit Union to inspect any of the Collateral and to examine and take extracts from its financial books, accounts and records, including accounts and records stored in computer data banks and computer software systems, and to discuss its financial condition with its senior officers and (in the presence of such of its representatives as it may designate) its auditors, the reasonable expense of all of which shall be paid by the Obligor.
- 4.11 Voting Before Default. Until the occurrence of an Event of Default, if any Equity Interest is registered in the name of the Credit Union or its nominee, pursuant to proxies or powers of attorney (which shall be given at the expense of the Obligor), all of the rights and powers of a holder of the Equity Interests forming part of the Collateral, including the right to vote. However, the Obligor shall not exercise those rights and powers in a way that would (a) violate or be inconsistent with any Loan Document, (b) by reason of any recapitalization, reclassification or similar action or by reason of any amendment to the constating documents of any Issuer, reduce the value of the Collateral as security for the Obligations or impose any new restriction on the transferability of any of the Collateral, or (c) otherwise prejudice the interests of the Credit Union.
- 4.12 Credit Union May Perform Obligor’s Duties. If the Obligor fails to perform any of its duties under this Agreement, the Credit Union may, but shall not be obligated to, perform any or all of those duties, without waiving any rights to enforce this Agreement. The Obligor shall pay the Credit Union, immediately on written demand, an amount equal to the costs, fees and expenses incurred by the Credit Union in doing so plus interest from the date the costs, fees and expenses are incurred until paid at the highest rate of interest applicable to the Obligations. The costs, fees, expenses and interest shall be included in the Obligations under this Agreement.
- 4.13 Credit Union Not Liable for Obligor’s Agreements. Nothing in this Agreement shall make the Credit Union liable to observe or perform any term of any agreement to which the Obligor is a party or by which it or the Collateral is bound, or make the Credit Union a mortgagee in possession. The Obligor shall indemnify the Credit Union and save it harmless from any claim arising from any such agreement.
- 4.14 Release of Liens. If the Obligor has indefeasibly paid the Obligations in full in cash and otherwise performed all of the terms of the Loan Documents, and if all obligations of the Credit Union to extend credit under any Loan Document have been cancelled, then the Credit Union shall, at the

request and expense of the Obligor, release the liens created by this Agreement and execute and deliver whatever documents are reasonably required to do so.

5. RIGHTS AND OBLIGATIONS ON DEFAULT

- 5.1 Application of Article. The provisions of this Article 5 apply on the occurrence of an Event of Default that is continuing.
- 5.2 Termination of Further Credit and Acceleration of Obligations. The Credit Union shall be under no obligation to make further advances or otherwise extend further credit and the Credit Union may declare that the Obligations are immediately due and payable in full, but if the Obligor becomes bankrupt (voluntarily or involuntarily), or institutes (or has instituted against it) any proceeding seeking liquidation, rearrangement, relief of debtors or creditors or the appointment of a receiver or trustee over any material part of its undertaking, property and assets or any analogous proceeding in any relevant jurisdiction, then without prejudice to the other rights of the Credit Union as a result of any of those events, without notice or action of any kind by the Credit Union and without presentment, demand or protest of any nature or kind, the Credit Union's obligation to make advances or otherwise extend credit shall immediately terminate and the Obligations shall become immediately due and payable. Upon the Obligations becoming due and payable, the Credit Union may enforce payment of the Obligations and the Credit Union shall have the rights and remedies of a secured party under the PPSA and other applicable law together with those rights and remedies provided by this Agreement or otherwise provided by applicable law.
- 5.3 Rights of Credit Union. The Credit Union may (a) require the Obligor to assemble the Collateral and deliver or make the Collateral available to the Credit Union at a reasonably convenient place designated by the Credit Union, (b) enter on any premises of the Obligor or any other place where Collateral may be located, (c) take possession of the Collateral by any method permitted by law, (d) render any equipment unusable without removing it from the Obligor's premises, (e) use the Collateral in the manner and to the extent that the Credit Union may consider appropriate and (f) hold, insure, repair, process, maintain, protect and preserve the Collateral and prepare it for disposition. The Credit Union is not, however, required to insure the Collateral, and the risk of any loss of or damage to the Collateral shall be borne by the Obligor.
- 5.4 Appointment of Monitor. The Credit Union may from time to time appoint any person (the "**Monitor**") to investigate any or all of the Collateral, the Obligor and the Obligor's business and affairs and report to the Credit Union. The Obligor shall co-operate fully with the Monitor and give the Monitor full access to its facilities, property, records, creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall not participate in the management of the Obligor's business or affairs and shall have no responsibility, nor shall it incur any liability, in respect of the Collateral, the Obligor or the Obligor's business or affairs. The Monitor shall act solely on behalf of the Credit Union and shall have no contractual relationship with the Obligor as a consultant or otherwise, nor shall the Obligor be entitled to receive any report by the Monitor. The appointment of the Monitor shall not be regarded as an act of enforcement of the Liens created by this Agreement. All costs incurred in connection with the appointment of the Monitor and the performance by the Monitor of its activities as such, including legal fees on a full indemnity basis shall be payable by the Obligor to the Credit Union immediately on demand, shall bear interest from the date they are incurred until paid at the highest rate of interest applicable to the Obligations and shall be included in the Obligations.
- 5.5 Proceeds. The Credit Union may take charge of all proceeds of the Collateral and may hold them as additional security for the Obligations. The Credit Union may give notice to any or all Issuers, account debtors of the Obligor and/or persons liable to the Obligor under an instrument to direct all payments or other proceeds relating to the Collateral to the Credit Union and any payments or other proceeds of the Collateral received by the Obligor therefrom, after notice is given by the Credit Union, shall be held by the Obligor in trust for the Credit Union and immediately paid over to the Credit Union. The Credit Union shall not, however, be required to collect any proceeds of the

Collateral. The Credit Union may also enforce any rights of the Obligor in respect of the Collateral by any manner permitted by applicable law.

- 5.6 Rights re Investment Property Etc. The Credit Union may have any instruments, investment property or Equity Interests registered in its name or in the name of its nominee and shall be entitled but not required to exercise voting and other rights that the holder of that Collateral may at any time have; but the Credit Union shall not be responsible for any loss occasioned by the exercise of those rights or by failure to exercise them. The Credit Union may also enforce its rights under any agreement with any securities intermediary, futures intermediary or issuer of uncertificated securities.
- 5.7 Notice of Disposition. If required to do so by applicable law, the Credit Union shall give the Obligor written notice of any intended disposition of the Collateral in accordance with any applicable Loan Document or by any other method required or permitted by applicable law. The Obligor waives giving of notice to the maximum extent permitted by applicable law.
- 5.8 Statutory Waivers. To the maximum extent permitted by law, the Obligor waives all of the rights, benefits and protections given by any present or future statute that imposes limits on the rights, remedies or powers of the Credit Union or on the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute. In particular, the Obligor waives all rights, benefits and protections given by sections 47 and 50 of the *Law of Property Act* (Alberta) insofar as they extend to or relate to any Collateral.
- 5.9 Disposition and Other Rights of Credit Union. The Credit Union may (a) carry on all or any part of the business of the Obligor, (b) make payments on account of, to discharge, or to obtain an assignment of any lien on the Collateral, whether or not ranking in priority to the liens created by this Agreement, (c) borrow money required for the seizure, retaking, repossession, holding, insuring, repairing, processing, maintaining, protecting, preserving, preparing for disposition or disposition of the Collateral or for any other enforcement of this Agreement or for carrying on the business of the Obligor on the security of the Collateral in priority to the liens created by this Agreement, (d) file proofs of claim and other documents to establish the claims of the Credit Union in any proceeding relating to the Obligor, (e) sell, lease or otherwise dispose of all or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition, either for cash or on credit, at such time and on such terms and conditions as the Credit Union may determine and (f) complete blanks in any endorsement by the Obligor of a certificated security in order to complete a disposition. If any disposition involves deferred payment, the Credit Union will not be accountable for and the Obligor will not be entitled to be credited with the proceeds of disposition until payment is actually received in cash. On any disposition, the Credit Union shall have the right to acquire all or any part of the Collateral that is offered for disposition and the rights of the Obligor in that Collateral shall be extinguished. The Credit Union may also accept the Collateral in satisfaction of the Obligations or may from time to time designate any part of the Obligations to be satisfied by the acceptance of particular Collateral that the Credit Union reasonably determines to have a net realizable value equal to the amount of the designated part of the Obligations, in which case only the designated part of the Obligations shall be satisfied by the acceptance of the particular Collateral.
- 5.10 Commercially Reasonable Actions and Omissions. The Obligor agrees that it is commercially reasonable for the Credit Union to, *inter alia*: (a) not incur expenses that it reasonably considers significant to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) not to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, not to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) not to exercise collection remedies against account debtors or other persons obligated on Collateral or to remove liens on or adverse claims against Collateral, (d) to exercise collection remedies against Issuers and other persons liable in connection with the Collateral directly or through the use of collection agencies and other collection specialists, (e) to

advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as the Obligor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers or other persons, including employees of the Obligor, brokers, investment bankers, consultants and other professionals to assist in the collection or disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to vary or rescind any contract for the disposition of any Collateral, or (l) to purchase insurance or credit enhancements or take other steps to insure the Credit Union against risks of loss, collection or disposition of Collateral or to provide the Credit Union a guaranteed return from the collection or disposition of Collateral. The Credit Union is not required to take steps to qualify, or cause to be qualified, any securities forming part of the Collateral for public distribution or request the Issuer to qualify them. The Credit Union need not dispose of any securities by public distribution even if they are qualified for public distribution. The Credit Union may dispose of securities by an exemption from the prospectus requirements of applicable securities legislation as they consider appropriate notwithstanding that doing so may require them to comply with limitations or restrictions relating to the exemption. The limitations or restrictions may include complying with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications (including being accredited investors, agreeing to pay a minimum price or demonstrating qualifications required to obtain any approval of the sale or resulting purchase that is required under applicable law), and restricting prospective bidders and purchasers to those who will represent and agree that they are purchasing as principal for their own account for investment and not with a view to distribution or resale. The Obligor acknowledges that the purpose of this Section 5.10 is to provide selected examples of actions and omissions that would be commercially reasonable in the Credit Union's exercise of remedies against the Collateral and that other actions and omissions shall not be considered commercially unreasonable solely on account of not being mentioned in this Section 5.10, nor shall the Credit Union be liable or accountable for any discount attributable to the specified actions and omissions. Nothing in this Section 5.10 shall be construed to grant any rights to the Obligor or to impose any duties on the Credit Union that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 5.10. In exercising its rights and obligations under this Agreement, the Credit Union shall not be responsible or liable to the Obligor or any other person for any loss or damage from the realization or disposal of any Collateral or the enforcement of this Agreement, or any failure to do so, or for any act or omission on its part or on the part of any of its directors, officers, employees, agents or advisors in that connection, except that the Credit Union may be responsible or liable for loss or damage arising from its wilful misconduct or gross negligence.

- 5.11 Costs of Realization. All costs incurred in connection with realizing the security constituted by this Agreement or exercising any of the Credit Union's rights under this Agreement, including costs incurred in connection with repossessing, holding, insuring, repairing, processing, preparing for disposition, and disposing of any Collateral and legal fees on a solicitor and his/her own client, full indemnity basis (in this Section 5.11, "**realization costs**") shall be payable by the Obligor to the Credit Union immediately on demand. Realization costs shall bear interest from the date they are incurred until paid at the highest rate of interest applicable to the Obligations. Realization costs and interest shall be included in the Obligations under this Agreement.
- 5.12 Other Security; Application of Money. The Credit Union may (a) refrain from enforcing any other security or rights held by or on behalf of the Credit Union in respect of the Obligations, or enforce any other security or rights in any manner and order as it sees fit, and (b) apply any money received from or in respect of the Collateral in any manner and order as it sees fit and change any application of money received in whole or in part from time to time, or refrain from applying any money and hold it in a suspense account.

- 5.13 Third Parties. No person dealing with the Credit Union is required to determine (a) whether the liens created by this Agreement or the powers purporting to be exercised have become enforceable, (b) whether any Obligations remain owing, (c) the propriety of any aspect of the disposition of Collateral, or (d) how any payment to the Credit Union has been or will be applied. Any person who acquires Collateral from the Credit Union in good faith shall acquire it free from any interest of the Obligor.
- 5.14 Appointment of Receiver. The Credit Union may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term includes a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral. The Credit Union may remove any receiver appointed by the Credit Union and appoint another in its place, and may determine the remuneration of any receiver, which may be paid from the proceeds of the Collateral in priority to other Obligations. Any receiver appointed by the Credit Union shall, to the extent permitted by applicable law, have all of the rights, benefits and powers of the Credit Union under this Agreement, the PPSA or otherwise. Any receiver shall be deemed the agent of the Obligor and the Credit Union shall not be in any way responsible for any misconduct or negligence of any receiver.
- 5.15 Rights Cumulative. No failure on the part of the Credit Union to exercise, nor any delay in exercising, any right or remedy under any Loan Document or this Agreement shall operate as a waiver or impose any liability on the Credit Union, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and do not exclude any rights and remedies provided by applicable law.
- 5.16 Obligor Liable for Deficiency. If the proceeds arising from the disposition of the Collateral fail to satisfy the Obligations, the Obligor shall pay any deficiency to the Credit Union on demand. Neither the taking of any judicial or extra-judicial proceeding nor the exercise of any power of seizure or disposition or other remedy shall extinguish the liability of the Obligor to pay and perform the Obligations, nor shall the acceptance of any payment or alternate security create any novation. No covenant, representation or warranty of the Obligor in this Agreement shall merge in any judgment.
- 5.17 Release by Obligor. The Obligor hereby releases and discharges the Credit Union and any receiver from all claims of any kind, whether in damages or not, that may arise or be caused to the Obligor or any person claiming through or under the Obligor as a result of any act or omission of the Credit Union or any receiver except that the Credit Union or receiver may be responsible or liable for loss or damage arising from its wilful misconduct or gross negligence.

6. NOTICES

- 6.1 Notices in Writing. Any notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery courier service or certified registered mail addressed to the respective parties and at the address for the Borrower (if the Borrower is the Obligor) provided by the Borrower to the Credit Union from time to time, and for the Obligor (other than the Borrower) and for the Credit Union as set out on the first page hereof, or to such other address as any party may from time to time notify the other. A notice is deemed to have been given and received if sent by personal delivery or courier service, or mailed by certified or registered mail, on the date of delivery if it is a business day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next business day.
- 6.2 Electronic Communication. Notwithstanding the foregoing, notices and other communications to or from the Credit Union hereunder may be delivered or furnished by electronic communication (including e-mail) pursuant to procedures approved by the Credit Union. The Credit Union or the Obligor may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by the Credit Union, provided that approval of such procedures may be limited to particular notices or communications.

7. ENTIRE AGREEMENT; SEVERABILITY

- 7.1 Entire Agreement. This Agreement embodies all the agreements between the Obligor and the Credit Union relating to the liens created in this Agreement and the related rights and remedies. No party shall be bound by any representation or promise made by any person relating to this Agreement that is not embodied in it. Any waiver of, or consent to departure from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Credit Union, and only in the specific instance and for the specific purpose for which it has been given.
- 7.2 Severability. If, in any jurisdiction, any provision of this Agreement or its application to any circumstance is restricted, prohibited or unenforceable, that provision shall, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to other circumstances.

8. DELIVERY OF AGREEMENT

- 8.1 Counterparts and Delivery. This Agreement may be executed in one or more counterparts, each of which when so executed when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile, PDF or other electronic means shall be as effective as physical delivery of an original counterpart signed manually.
- 8.2 No Conditions. Possession of this Agreement by the Credit Union shall be conclusive evidence against the Obligor that the Agreement was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with. This Agreement shall be operative and binding notwithstanding that it is not executed by any proposed signatory.
- 8.3 Receipt and Waiver. The Obligor acknowledges receipt of a copy of this Agreement. The Obligor waives any notice of acceptance of this Agreement by the Credit Union. The Obligor also waives the right to receive a copy of any financing statement or financing change statement that may be registered in connection with this Agreement or any verification statement issued with respect to a registration, if waiver is not otherwise prohibited by law. The Obligor agrees that the Credit Union may from time to time provide information regarding this Agreement, the Collateral and the Obligations to persons that the Credit Union believes in good faith are entitled to the information under applicable law.

9. SUCCESSORS AND ASSIGNS

- 9.1 Successors and Assigns. The Obligor may not assign or transfer all or any part of its liabilities under this Agreement. All rights of the Credit Union under this Agreement shall be assignable and the Obligor shall not assert against any assignee any claim or defence that the Obligor now has or may in the future have against the Credit Union. This Agreement shall enure to the benefit of the Credit Union and its successors and assigns and be binding on the Obligor and its successors and any permitted assigns.

SCHEDULE “B”

OBLIGOR AND PROPERTY DETAILS

<u>Full Name of Obligor(s)</u> ⁸	
<u>Birthdate of Obligor(s)</u>	
<u>Address of Obligor(s)</u>	
<u>Prior Names (if any)</u>	
<u>Equity Interests</u> Include the name of the issuer, the number and class of equity interest, and the certificate no.	

⁸ **Note to Credit Unions:** The name of the individual is to be determined by the following:

- where the individual was born in Canada and the individual's birth is registered in Canada with a government agency, the name as stated in the individual's birth certificate or equivalent document issued by the government agency;
- where the individual was born in Canada but the individual's birth is not registered in Canada with a government agency, the name of the individual is (i) the name as stated in the current Canadian passport, (ii) the name as stated in a current Canadian social insurance card, or (iii) the name as stated in a current passport issued to the individual by the government of a jurisdiction other than Canada where the individual habitually resides;
- where the individual was not born in Canada but is a Canadian citizen, the name of the individual is the name as stated in the individual's certificate of Canadian citizenship;
- where the individual was not born in Canada and is not a Canadian citizen, the name of the individual is (i) the name as stated in a current Canadian visa, (ii) the name as stated in a current passport issued to the individual by the government of the jurisdiction where the individual habitually resides, or (iii) the name as stated in the birth certificate or equivalent document; and
- notwithstanding the above, (i) if the individual changes name because of marriage or an adult interdependent relationship and that name is recognized under the law of the jurisdiction where the individual habitually resides, the name of the individual is the name adopted by the individual after marriage or becoming an adult interdependent partner, and (ii) if the individual changes name in accordance with change of name legislation, the name of the individual is the name as stated in the individual's change of name certificate or equivalent document, as the case may be.

<p><u>Location(s) of Property</u></p> <p><i>Please provide both the legal description(s) and municipal description(s)</i></p>	<p><u>Freehold Real Property</u></p>
<p><u>Location(s) of Property</u></p> <p><i>If your leasehold interest is registered, please provide the applicable instrument / registration number as it appears on title to the leased lands.</i></p>	<p><u>Leasehold Real Property</u></p> <p><u>Other Jurisdictions with Property</u></p>
<p><u>Account(s)</u></p> <p>Please include the account number, name of institution and branch location(s), if applicable.</p>	<p><u>Deposit Accounts</u></p> <p><u>Securities Accounts</u></p>