

SPECIFIC SECURITY AGREEMENT
(Consumer Lending)

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

MEMBER(S) NAME(S):

CREDIT UNION:

LAKELAND CREDIT UNION LTD.

MEMBER(S) NUMBER(S):

BRANCH ADDRESS:

5016 - 50 Ave, PO Box 8057

Bonnyville, AB

T9N 2J3

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

(the "**Credit Union**")

OBLIGOR(S) FULL NAME(S):

OBLIGOR ADDRESS:

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

RE: LOAN TO THE BORROWER

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

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 held by the Obligor now or in the future (collectively, the "**Collateral**"):

The Obligor's motor vehicles, trailers, mobile homes, manufactured homes, boats, outboard motors for boats, and/or aircraft 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>Serial Number / Vehicle Identification Number</u>

SCHEDULE:

The terms and conditions contained in Schedule "A" are incorporated by reference into and form an integral part of this Agreement.

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

WITNESS

Name:

OBLIGOR

Name:

WITNESS

Name:

OBLIGOR

Name:

WITNESS

Name:

OBLIGOR

Name:

WITNESS

Name:

OBLIGOR

Name:

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.

"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 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.
- 2.2 Continuing Agreement. The liens created by this Agreement are continuing, may 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.
- 2.3 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.
- 2.4 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 2.4, 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.

- 2.5 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.
- 2.6 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) it has accurately disclosed its full legal name, any prior names, and current and former address(es); and
 - (b) the Collateral is located in Alberta.
- 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 forming part of the Collateral.
- 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. 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. In addition, if the Obligor receives any money or other property as proceeds of Collateral, 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, 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 change its domicile from 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 the Collateral to be located out of the Specified Location (other than temporarily) 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.
- 4.11 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.
- 4.12 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.

- 4.13 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 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 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.
- 5.5 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.
- 5.6 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.

- 5.7 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, and (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. 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.
- 5.8 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 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 Obligor acknowledges that the purpose of this Section 5.8 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 5.8, nor shall the Credit Union be liable or accountable for any discount attributable to the specified actions and omissions. Nothing in this Section 8 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 5.8. 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.

- 5.9 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 5.9, "**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.
- 5.10 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.
- 5.11 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.
- 5.12 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.
- 5.13 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.
- 5.14 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.
- 5.15 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. This Agreement may be signed electronically.
- 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.