

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

MEMBER(S) NAME(S):

CREDIT UNION:

MEMBER(S) NUMBER(S):

BRANCH ADDRESS:

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

(the "**Credit Union**")

GUARANTOR(S) FULL NAME(S):

GUARANTOR'S ADDRESS:

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

(Notes: Guarantor must **not** be sole Borrower; Guarantor **must** be an individual)

RE: **LOAN TO THE BORROWER¹**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the Guarantor hereby guarantees payment on demand to the Credit Union, of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Credit Union or remaining unpaid by the Borrower to the Credit Union, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Credit Union and the Borrower or by or from any agreement or dealings with any third party by which the Credit Union may be or become in any manner whatsoever a creditor of the Borrower or however otherwise incurred or arising anywhere within or outside the country where this Guarantee is executed and whether the Borrower be bound alone or with another or others and whether as principal or surety; together with interest thereon from the date of demand for payment at a rate equal to the greater of (i) the highest rate applicable to the corresponding debts and liabilities of the Borrower to the Credit Union, or (ii) Credit Union Prime Rate plus 5% (such debts and liabilities, including interest thereon, being hereinafter called the "**Liabilities**"). "**Credit Union Prime Rate**" means the variable rate of interest (expressed as a percentage rate per annum on the basis of a 365 day year) which the Credit Union establishes and quotes from time to time as the reference rate for interest then in effect for determining interest rates on Canadian dollar loans in Canada.

The total liability of the Guarantor in respect of the Liabilities is: *Borrower to initial (a) or (b); if (b), complete amount.*

_____ (a) Unlimited; or

_____ (b) notwithstanding the foregoing, limited to \$ _____ plus all other amounts agreed to in accordance with the terms of this Guarantee.

Note: If neither (a) nor (b) is initialled by the Guarantor, or if both are initialled, or if (b) is initialled but no figure is inserted in the blank, then (a) alone will be considered initialled and the Guarantor's liability will be unlimited.

¹ **Note to Credit Union:** This guarantee is intended to be used when a party (the Guarantor) becomes liable for the payment or performance of an obligation or action of another party (the Borrower).

AND THE GUARANTOR AGREES WITH THE CREDIT UNION AS FOLLOWS:

1. The Credit Union may grant time, renewals, extensions, indulgences, releases and discharges to, take securities from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Borrower and others and with all securities as the Credit Union may see fit, and may apply all moneys at any time received from the Borrower or others or from securities upon such part of the Liabilities as the Credit Union deems best and change any such application in whole or in part from time to time as the Credit Union may see fit, the whole without in any way limiting or lessening the liability of the Guarantor under this Guarantee, and no loss of or in respect of any securities received by the Credit Union from the Borrower or others, whether occasioned by the fault of the Credit Union or otherwise, shall in any way limit or lessen the liability of the Guarantor under this Guarantee.
2. This Guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Credit Union.
3. The Credit Union shall not be bound to exhaust its recourse against the Borrower or others or any securities it may at any time hold before being entitled to payment from the Guarantor of the Liabilities. The Guarantor renounces to all benefits of discussion and division.
4. The Guarantor may, by notice in writing delivered to the manager of the branch of the Credit Union receiving this instrument, with effect from and after the date that is ninety (90) days following the date of receipt by the Credit Union of such notice, terminate its liability under this Guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Credit Union may fulfill any requirements of the Borrower based on agreements, express or implied, made prior to the receipt of such notice and any resulting Liabilities shall be covered by this Guarantee.
5. All indebtedness and liability, present and future, of the Borrower to the Guarantor are hereby assigned to the Credit Union and postponed to the Liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Credit Union and forthwith upon receipt shall be paid over to the Credit Union, the whole without in any way limiting or lessening the liability of the Guarantor under this Guarantee; and this assignment and postponement is independent of the guarantee contained herein and shall remain in full effect notwithstanding that the liability of the Guarantor under the said guarantee may be extinct. The term "Liabilities" as previously defined, for purposes of the postponement feature provided by this Guarantee, and this section in particular, includes any funds advanced or held at the disposal of the Borrower under any line(s) of credit.
6. This Guarantee shall not be affected by the death or loss or diminution of capacity of the Guarantor or by any change in the name of the Borrower or in the membership of the Borrower's corporation or partnership through the death or retirement of one or more shareholders or partners or the introduction of one or more other shareholders or partners or otherwise, or by the acquisition of the Borrower's business by another party, or by any change whatsoever in the objects, capital structure or constitution of the Borrower, or by the Borrower's business being amalgamated or otherwise merged with another entity, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Borrower" shall include every such entity.
7. This Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Credit Union, and all dividends, compositions, proceeds of security valued and payments received by the Credit Union from the Borrower or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim in reduction of the liability under this Guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Credit Union or proceeds thereof, and the Guarantor shall have no right to be subrogated in any rights of the Credit Union until the Credit Union shall have received payment in full of the Liabilities.
8. All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained by the Borrower from the Credit Union shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Borrower or of the directors, partners or agents of the Borrower, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Credit Union or not. Any sum which may not be recoverable from the Guarantor on the basis of a guarantee, whether for the reasons set out in

the previous sentence, or for any other reason, similar or not, shall be recoverable from the Guarantor as sole or principal debtor in respect of that sum, and shall be paid to the Credit Union on demand with interest and accessories.

9. This Guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Credit Union, and any present or future obligation to the Credit Union incurred or arising otherwise than under a guarantee, of the Guarantor or any of them or of any other obligant, whether bound with or apart from the Borrower; excepting any guarantee surrendered for cancellation on delivery of this instrument. The Credit Union shall be under no obligation to marshal in favour of the Guarantor any such security or any of the funds or assets the Credit Union may be entitled to receive or have a claim upon.

10. The Guarantor shall be bound by any account settled between the Credit Union and the Borrower, and if no such account has been so settled immediately before demand for payment under this Guarantee any account stated by the Credit Union shall be accepted by the Guarantor as conclusive evidence of the amount which at the date of the account so stated is due by the Borrower to the Credit Union or remains unpaid by the Borrower to the Credit Union.

11. This Guarantee shall be operative and binding upon the Guarantor, and possession of this instrument by the Credit Union shall be conclusive evidence against the Guarantor that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Credit Union the Guarantor obtains from the manager of the branch of the Credit Union receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

12. No suit based on this Guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon the Guarantor if and when an envelope containing such demand, addressed to the Guarantor at the address noted above or otherwise provided by the Guarantor to the Credit Union, is posted, postage prepaid, in the post office, and in the event of the death of the Guarantor demand for payment addressed to any one of such Guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Credit Union and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the Guarantor shall also be liable to the Credit Union for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Credit Union resulting from any action instituted on the basis of this Guarantee. All payments hereunder shall be made to the Credit Union at a branch or agency of the Credit Union.

13. This Guarantee covers all agreements between the parties hereto relative to the guarantee and assignment and postponement contained herein, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein. This Guarantee shall remain in full force and effect, unless a release in writing has been issued by the Credit Union or the originally executed version of this Guarantee is returned by the Credit Union to the Guarantor. No modification, variation or amendment of any term of this Guarantee shall be binding or effective unless made by written agreement, executed by the parties hereto and no waiver of any term hereof shall be binding or effective unless in writing.

14. This Guarantee shall extend to and enure to the benefit of the Credit Union and its successors and assigns, and every reference herein to the Guarantor is a reference to and shall be construed as including the Guarantor and the heirs, executors, administrators, legal representatives, successors and assigns of the Guarantor, to and upon all of whom this Guarantee shall extend and be binding.

15. This Guarantee shall be governed by and construed in accordance with the laws of the Province of Alberta. The Guarantor irrevocably submits to the courts of the Province of Alberta in any action or proceeding arising out of or relating to this Guarantee, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The Guarantor agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Credit Union may serve legal process in any manner permitted by law or may bring an action or proceeding against the Guarantor or the property or assets of the Guarantor in the courts of any other jurisdiction.

16. The Guarantor hereby acknowledges receipt of a copy of this Guarantee.

17. The Guarantor hereby waives Guarantor's right to receive a copy of any financing statement or financing change statement registered by the Credit Union at the applicable Personal Property Registry.

18. This Guarantee may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party hereto may execute this Guarantee by signing any counterpart. The words "execution", "execute", "executed", "signed", "signature" and words of like import in this Guarantee, or in or related to any document to be signed in connection with this Guarantee, and the transactions contemplated hereby or thereby, shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, in accordance with applicable law including, without limitation, as provided in Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Transactions Act* (Alberta), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada. The Credit Union may, in its discretion, require that any such documents and signatures executed electronically or delivered by fax, .pdf or other electronic transmission be confirmed by a manually-signed original thereof (and in each such instance, the Guarantor shall provide same); provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by fax or other electronic transmission.

[Remainder of page intentionally left blank]

WHEREAS, the Guarantor has caused this Guarantee to be duly executed and delivered on the Date.^{2 3}

WITNESS

Name:

GUARANTOR

Name:

WITNESS

Name:

GUARANTOR

Name:

WITNESS

Name:

GUARANTOR

Name:

WITNESS

Name:

GUARANTOR

Name:

² **Note to Credit Union:** In order to be effective, the individual guarantor must appears before a lawyer, who explains the content of the guarantee to the individual, and they must signs the guarantee in the presence of the lawyer.

³ **Note to Credit Union:** Duplicate signature blocks as required to permit all Guarantors to execute.

GUARANTEES ACKNOWLEDGMENT ACT

CERTIFICATE ⁴

I HEREBY CERTIFY THAT:

1. _____ (guarantor's name), the guarantor in the guarantee dated _____ made between _____ and _____ which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by _____ (print name), Lawyer at the _____ of _____ in the Province of Alberta, this _____ day of _____, 20____.

Signature of Lawyer⁵

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor

⁴ **Note to Credit Union:** A separate *Guarantees Acknowledgement Act* Certificate must be completed for each individual guarantor.

⁵ **Note to Credit Union:** With reference to an acknowledgement made in Alberta, the lawyer must be active member of The Law Society of Alberta, other than an honorary member, who has not been suspended, and with reference to an acknowledgment made in a jurisdiction other than Alberta, the lawyer must be entitled to practise law in that jurisdiction.