

ASSIGNMENT OF RENTS AND LEASES FOR CORPORATIONS

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

MEMBER(S) NAME(S):

CREDIT UNION:

MEMBER(S) NUMBER(S):

BRANCH ADDRESS:

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

(the "**Credit Union**")

ASSIGNOR(S) NAME(S):

ASSIGNOR(S) ADDRESS:

IF ASSIGNOR(S) IS AN INDIVIDUAL, DATE(S)
OF BIRTH:

(individually and collectively, the "**Assignor**")
(note Assignor may be a Borrower)

RE: LOAN TO THE BORROWER

THIS GENERAL ASSIGNMENT OF RENTS AND LEASES, dated as of the Date noted above (the "**Assignment**"), between the Assignor and the Credit Union;

WHEREAS by a mortgage (which mortgage together with any renewals or extensions thereof, or any mortgage taken in substitution therefor, either wholly or in part, is hereinafter called the "**Mortgage**"), the Assignor mortgaged to the Credit Union the following lands situate in the Province of Alberta:

*(insert
legal
description
of lands)*

(hereinafter called the "**lands**"), to secure all obligations and liabilities owed by the Assignor to the Credit Union (hereinafter collectively called the "**Indebtedness**");

AND WHEREAS there may have been, or may be, constructed a building or buildings on the lands (hereinafter individually and collectively called the “**building**” and together with the lands, the “**Premises**”);

AND WHEREAS all or part of the Premises is leased or to be leased to tenants and the Assignor has agreed to grant, transfer and assign to the Credit Union all of the Assignor’s right, title and interest in and to any and all lease agreements and accepted offers to lease, now or hereafter made and entered into by the Assignor covering any of the Premises, together with any extensions, renewals or modifications of said leases and accepted offers to lease and any guarantees of the lessee’s obligations under said leases and accepted offers to lease (all of said leases, accepted offers to lease, together with all such guarantees, modifications, renewals and extensions thereof, being hereinafter collectively called the “**Leases**”);

AND WHEREAS the Assignor has agreed to grant, transfer and assign to the Credit Union of the Assignor’s right, title and interest in all rents payable and to become payable under the Leases, all other monies reserved and payable or to become payable under the Leases, all security deposits received by the Assignor under the Leases, all other benefit and advantage to be derived from the Leases, and all rental insurance proceeds received or receivable by the Assignor (hereinafter collectively called the “**Rents**”) as additional and collateral security for the payment of the monies due and to become due under the Mortgage.

NOW THEREFORE, in consideration of the terms and conditions contained herein and the Credit Union making any advance under the Mortgage, the Assignor and the Credit Union covenant and agree as follows:

1. The Assignor does hereby transfer and assign to the Credit Union the Leases and Rents, and grants the Credit Union the right, at its option, to demand and receive the same and to distrain for the same, at any time and from time to time and to apply amounts so received at its discretion to any amounts due and payable to the Credit Union under the Mortgage.
2. The Assignor may collect the Rent hereby assigned until notified to the contrary in writing by the Credit Union, after which the Rent hereby assigned, if received by the Assignor, shall be received and held in trust for the Credit Union. Once demand in writing is made by the Credit Union upon the tenants, or upon such other holder of the tenants’ estate and interest in the Premises, the Rent shall be paid to the Credit Union at a place to be designated in such demand. Demand may be made by service of a copy of this Assignment personally or by delivery upon the tenants, or upon such other holder of the tenants’ estate and interest in the Premises, and the parties so served are hereby authorized and directed to give full effect to this Assignment and to pay all Rent accruing due to the Credit Union, whose receipt thereof shall constitute full discharge of such tenants’ responsibility for such payment.
3. The Assignor is executing this agreement for the purpose of securing unto the Credit Union (a) payment of the Indebtedness, and (b) performance and discharge of each obligation, covenant and agreement of the Assignor contained herein, in the Mortgage and in all other agreements between the Assignor and the Credit Union.
4. The Assignment is being taken as additional and collateral security for the due payment of all sums due under the Mortgage and none of the rights or remedies of the Credit Union under the Mortgage shall be merged in or in any way waived, affected, delayed or prejudiced hereby.
5. The Assignor:
 - (a) will fulfill or perform each and every condition and covenant of the Leases by the Assignor, as lessor, to be fulfilled or performed;
 - (b) will give notice to the Credit Union within ten (10) days of any default by the Assignor, or any lessee under the Leases, and the Assignor will at the sole cost and expense of the Assignor,

enforce the performance and observance of each and every covenant and condition of the Leases by any lessee to be performed or observed, unless the Credit Union provides its prior written approval to do otherwise;

(c) has not and will not collect the rents thereunder for more than a one (1) month period unless such amount is deposited with the Credit Union; and

(d) will not modify nor in any way alter the rentals or term of the Leases, will not accept a surrender thereof, and will not waive nor release any lessee from any obligations or conditions by any lessee to be performed.

6. After any failure by the Assignor to pay any Indebtedness owed by the Assignor to the Credit Union or after any default in the performance of any covenant of the Assignor herein, in the Mortgage or any other agreement executed on behalf of the Assignor relating to or securing the Indebtedness, the Credit Union, at its option, irrespective of whether notice has been delivered to the Assignor and without regard to the adequacy of the security for the Indebtedness hereby secured, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by the court, may, insofar as permitted at law or under any Leases or by agreement with any tenants or otherwise:

(a) enter upon, take possession of and operate the Premises;

(b) make, enforce, modify and accept the surrender of the Leases;

(c) obtain and evict tenants;

(d) fix or modify rents; and

(e) do any acts which the Credit Union deems proper to protect the security hereof until all Indebtedness secured hereby is paid in full and, either with or without taking possession of the Premises, in its own name, sue for or otherwise collect and receive all rents, issues and profits, including those past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable solicitors' fees on a solicitor and client basis, upon any Indebtedness secured hereby, in the Mortgage in such order as the Credit Union may determine.

7. The entering upon and taking possession of the Premises, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or waive, modify or affect any notice of default under the Mortgage or invalidate any act done pursuant to such notice.

8. Service of a copy of this general assignment of rents and leases personally or by registered mail upon any lessee of the Assignor occupying any portion of the Premises pursuant to a Lease shall operate as an absolute assignment of such lessee's Lease and such lessee is hereby authorized and directed to give full effect to such assignment and, without restricting the generality of the foregoing, to pay all rentals accruing due subsequent to such service unto the Credit Union, whose receipt thereof shall constitute full discharge of such lessee's responsibility for such payment.

9. Nothing herein shall be deemed to have the effect of making the Credit Union responsible for the collection of the Rents or any part thereof, or for the performance of any covenant, term or condition, either by lessor or lessee, contained in any of the Leases, and the Credit Union shall not by virtue of this Assignment or by any steps, actions, distress or other proceedings taken to enforce its rights hereunder be deemed to be a mortgagee in possession of the lands.

10. Neither this Assignment nor anything herein contained shall bind the Credit Union to recognize any lease or agreement to lease the lands or any part thereof nor in any way render the interest of the Credit Union under the Mortgage subject to any such lease or agreement and all remedies now available to the Credit Union under the Mortgage are hereby reserved to the Credit Union and may be exercised notwithstanding any such lease, agreement to lease or this Assignment.

11. The Credit Union shall be liable to account only for such monies as may actually come into its hands by virtue of this Assignment, less collection charges, and such monies when so received by it shall be applied on account of the monies due under the Mortgage to which this Assignment is taken as additional and collateral security.

12. The Assignor does hereby release and discharge any tenant of it from any liability whatsoever to it by reason of the payment of any amounts paid hereunder to the Credit Union.

13. The Assignor represents and covenants to the Credit Union that:

(a) the Assignor has not executed any prior assignment of any of its rights under the Leases and has not granted any security interest in the Leases to any other party;

(b) the Assignor has not done anything which might prevent the Credit Union from or limit the Credit Union in operating under any of the provisions hereof;

(c) the Assignor has not accepted rent under the Leases other than for the first month thereof, plus a security deposit not to exceed a sum equal to one month's rent as a security deposit, except as otherwise provided herein;

(d) so far as the Assignor knows, there is no present default by any lessee under the Leases;

(e) the Leases are in full force and effect;

(f) it has not entered into and will not enter into any agreement with any tenant of the Premises or any part or parts thereof whereby the right of set-off shall or may arise between the Assignor and any tenant; and

(g) it will not dispose of the Premises or any part thereof or any interest therein unless and until the acquiror has expressly covenanted and agreed with the Credit Union to be bound by this Assignment

14. The Assignor shall from time to time and at all times hereafter, at the request of the Credit Union, execute and deliver at the expense of the Assignor, such further assurances as the Credit Union may require to give effect to the foregoing, including the assignment to the Credit Union the Leases, Rents and all renewals and extensions thereof as the Credit Union.

15. No waiver by the Credit Union of any breach of any of the covenants and conditions in the Mortgage or this Assignment shall take effect or be binding upon the Credit Union unless the Credit Union has expressly agreed thereto in writing and any such waiver shall extend only to the particular breach so waived and shall not limit or affect the Credit Union's right with respect to any other or future breach.

16. The Assignor agrees to pay the costs, charges and expenses of and incidental to the taking, preparation and filing of this Assignment or any notice thereof which may be required and of every renewal related thereto.

17. The Assignor shall, when requested by the Credit Union, during the whole term of the Leases, insure and keep insured against loss of Rents by reason of abatement of rent, caused by repairs necessary by reason of fire or any other cause by reason of which abatement of rent may or shall result, and will pay all necessary premiums in respect thereof promptly as they fall due; and in default of payment thereof the Credit Union may pay the same and any amount so paid by the Credit Union shall be a debt due to the Credit Union payable on demand and in default shall be added to and become part of the principal monies payable under the said Mortgage; and the Assignor shall forthwith assign, transfer and set over to the Credit Union the policy or policies of insurance immediately the same are obtained, and the receipts thereto appertaining, and if the Assignor shall neglect to keep insured against loss of Rents, as aforesaid, or to deliver such policies or receipt, or to produce to the Credit Union at least three

(3) days before the termination of any such insurance, evidence of renewal thereof, the Credit Union shall be entitled to, but shall not be obliged to insure against loss of Rents as aforesaid. The Assignor shall forthwith on the happening of any loss of Rents by reason of abatement, as aforesaid, furnish at his expense all necessary proofs and do all necessary acts to enable the Credit Union to obtain payment of the insurance monies. Any insurance monies received by the Credit Union, less all proper costs of collection thereof, may at the option of the Credit Union, either be applied on account of the monies owing under the said Mortgage debt or be paid to the Assignor.

18. Demand on the Assignor's insurer or insurers may be made by service of a copy of this Assignment personally or by registered mail and the insurers so served are hereby authorized and directed to give full effect to this Assignment and to pay all insurance accruing due subsequent to demand to the Credit Union, whose receipt thereof shall constitute full discharge of such insurer's responsibility for such payment.

19. This Assignment, and all the terms, covenants and conditions contained herein, shall bind and enure to the benefit of the successors and assigns of the Credit Union and shall bind the Assignor and its successors and assigns.

20. Words in the singular include the plural and vice-versa and words in one gender include all genders, and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and an "Assignor" 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 Assignor on behalf of and in respect of such partnership.

21. Default under the terms of the Mortgage shall constitute default hereunder. In the event of any inconsistency between the terms of this general assignment of rents and leases and security agreement and the terms of the Mortgage, the latter shall prevail as to the rights and obligations of the parties.

22. The Assignor hereby charges the lands in favour of the Credit Union to secure the payment of any monies due or to become due to the Credit Union as a result of this Assignment and hereby acknowledges and agrees that this Assignment constitutes an interest in and charge against the lands and that the Credit Union may register a Caveat to protect same.

23. This Assignment 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 Assignor 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.

24. This Assignment 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 Assignment by facsimile, PDF or other electronic means shall be as effective as physical delivery of an original counterpart signed manually.

[Remainder of page intentionally left blank]

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

(Name of Corporation)

Per: _____
Name:
Title:

Per: _____
Name:
Title: