

THIS AGREEMENT made this _____ day of _____.

BY:

(the "Borrower")

IN FAVOUR OF:

LAKELAND CREDIT UNION LTD.
(the "Lender")

ASSIGNMENT OF FUNDS ON DEPOSIT AND ACCOUNT SET OFF AGREEMENT

WHEREAS by credit agreement made the _____ day of _____ (as amended, restated or replaced from time to time, the "**Credit Agreement**") entered into by the Lender and the Borrower, the Lender did offer to the Borrower loans (collectively the "**Loan**"), upon the terms and conditions more particularly set out therein;

AND WHEREAS the Borrower has established or will establish in accordance with the Credit Agreement a deposit account or deposit accounts with the Lender (collectively and including all monies deposited therein, together with all accrued interest thereon, from time to time the "**Account**");

AND WHEREAS as a condition of the Lender advancing the full amount of the Loan, the Borrower has agreed to give an irrevocable assignment of the Account, preauthorization to withdraw from the Account and rights of set off against the Account to and in favour of the Lender;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the Lender agreeing to make the Loan to the Borrower and covenants herein contained and other good and valuable consideration, the Lender and the Borrower covenant and agree as follows:

1. The Borrower hereby irrevocably assigns, transfers and sets over unto the Lender the Account, and all monies, claims, rights and demands whatsoever which the Borrower may now, or at any time hereafter, have or be entitled to under or by virtue of or in respect of or incidental to the Account, upon the terms and conditions herein set forth. The Account has been opened in the name of the Borrower and is to be dealt with in accordance with this Agreement.
2. The Borrower hereby undertakes to deposit into the Account from its own resources forthwith and from time to time as require such amount or amounts as required pursuant to the Credit Agreement or this Agreement.
3. The Borrower acknowledges and agrees that the Account is hereby assigned to and shall be held by the Lender as additional and continuing security for payment of the Loan and for the fulfillment of all the Borrower's obligations in respect thereof. The security given hereby is in addition to and not in substitution for any other security held by the Lender and will not operate as a merger or suspend or affect any right, remedy, or power the Lender may have in respect of the Credit Agreement or any other security provided by the Borrower with respect to the Credit Agreement.
4. The Borrower represents and warrants that the Borrower has the power, right and authority to grant the within assignment of the Account, preauthorization to withdraw from the Account, and rights of set off against the Account in favour of the Lender, free of any claims, and that the Account has not previously been assigned, charged, hypothecated or otherwise disposed of; and that

5. This Agreement and the Assignment of the Account made hereunder are irrevocable and shall continue until that date which is the earlier of the date on which:

- (a) The principal amount of the Loan, and all other payments required to be made by the Borrower under the Credit Agreement or the security documents granted thereunder have been paid in full; or
- (b) The Lender and the Borrower have, in writing, directed the Lender to deal with the Account in a manner other than as herein provided;

which date is hereinafter referred to as the "Account Expiry Date".

6. The Borrower acknowledges that the Borrower hereby irrevocably authorizes the Lender to make withdrawals from the Account from time to time (which may consist of the entire balance in the Account) on behalf of the Borrower in order to apply on any payment due pursuant to the Credit Agreement or any security documents granted thereunder, all such advances to be made in accordance with the terms of the Credit Agreement.

7. The Borrower acknowledges that in the event that the Borrower is in breach of any covenant or agreement contained in the Credit Agreement (or under any security granted in respect thereof), and the Lender has, in accordance with the terms of the Credit Agreement (or under any security documents granted in respect thereof), declared all sums secured thereunder to be immediately due and payable, then and in any of such events the Lender shall have the right to apply the entire balance of the Account towards payment of the Loan.

8. The irrevocable assignment of the Account, preauthorization to withdraw from the Account and rights of set off against the Account in favour of the Lender provided for in this Agreement is made with respect to, and specifically relates to, the principal balance of the Account together with all interest hereinafter paid thereon by the Lender. The Borrower hereby acknowledges and directs that all payments of interest on the Account made by the Lender from and after the date hereof shall be returned to the Account and shall be governed by the provisions of this Agreement.

9. Notwithstanding anything hereinbefore contained, the parties acknowledge and agree that:

- (a) As the Account is assigned to the Lender as a security for repayment of the Loan, all interest paid thereon by the Lender shall be taxable income to the Borrower;
- (b) All amounts withdrawn from the Account by the Lender as authorized herein and applied towards payment of the Loan, shall to the extent but restricted to the provisions of paragraph 8 hereof be deemed to be, and considered as, payments under the Credit Agreement by the Borrower.

10. The Borrower covenants and agrees that it shall, at any time or times after the date hereof, execute such further assurances, authorizations, assignments or other documents as may be required by the Lender, to give effect to this Agreement and to permit the Lender to deal with the Account as provided herein.

11. No claim of any kind by the Borrower against the Lender shall be available as any set off against the Lender's rights hereunder with respect to the Account.

12. The Borrower hereby acknowledges and agrees that the Lender may deal with the Credit Agreement (and any and all other documents and securities in respect thereof), howsoever as it shall deem fit, without releasing the Borrower from this Agreement and its obligations contained herein; and the Lender shall not be bound to exercise its remedies pursuant to the Credit Agreement (or pursuant to any or all documents or securities delivered thereunder) before requiring payment of monies or performance of covenants, under this Agreement.

13. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. The consent of the Borrower shall not be required for any assignment by the Lender of its rights and obligations hereunder. The rights and obligations of the Borrower hereunder shall not be assigned by the Borrower without the prior written consent of the Lender.

14. This Agreement may be executed in several counterparts, and may be delivered by facsimile or by electronic mail in Portable Document Format (PDF), each of which, when so executed, shall be deemed to be an original, and such counterparts together shall constitute one and same instrument and, notwithstanding the date of execution, shall be deemed to bear date as of the date written in the beginning of this Agreement.

THIS AGREEMENT has been executed at _____, Alberta as of the date set out above.

Per: _____
I/we have the authority to bind the Corporation

Per: _____