**GENERAL SECURITY AGREEMENT**

THIS AGREEMENT is made this ⚫ day of ⚫ , ⚫.

**BETWEEN:**

EQUITABLE BANK

2200-25 Ontario Street  
Toronto, Ontario M5A 0Y9

(hereinafter called the ‘Secured Party’)

OF THE FIRST PART,

- and -

⚫ - name and address required

(hereinafter called the ‘Debtor’)

OF THE SECOND PART.

# **CONSIDERATION**

## For valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the Debtor enters into this security agreement (the ‘**Agreement’**) with the Secured Party.

## Obligations Secured

The Security Interest (as hereinafter defined) is granted to the Secured Party by the Debtor as continuing security for the payment of all past, present and future indebtedness and for the payment and performance of all other present and future obligations of the Debtor to the Secured Party, whether direct or indirect, contingent or absolute (including obligations under this Agreement) (collectively the ‘**Obligations**’).

# **CREATION OF SECURITY INTEREST**

## The Debtor grants, mortgages, charges, transfers, assigns, creates to and in favour of the Secured Party as and by way of a fixed and specific charge and as and by way of a floating charge, a security interest (the ‘**Security Interest**’) in the present and future undertaking, property and assets of the Debtor and in all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, intangibles and securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called ‘**Collateral’**), including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

### **Inventory** - all goods now or hereafter comprising part of the inventory of the Debtor including but not limited to goods now or hereafter held for sale or lease or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;

### **Equipment** - all goods now or hereafter used or intended to be used in any business of the Debtor (and which are not inventory) including but not limited to fixtures, plant, tools, furniture, equipment, machinery, appliances, heating and cooling, plumbing, electrical, mechanical, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto, vehicles and other tangible personal property;

### **Accounts** - all accounts, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor, and all claims of any kind which the Debtor now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies and accounts receivable, and all contracts, security interests and other rights and benefits in respect thereof;

### **Chattel Paper** - all chattel paper now or hereafter owned by the Debtor, all present and future agreements made between the Debtor as secured party and others which evidence back a monetary obligation and a security interest in or lease of specific goods;

### **Documents of Title** - all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor;

### **Documents** - with respect to the personal property described in subparagraphs (iii), (iv) and (v), all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;

### **Securities** - all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitutes evidence of an obligation of the issuer; and including an uncertificated security within the meaning of the *Business Corporations Act* of⚫ and all substitutions therefor, and dividends and income derived therefrom;

### **Proceeds** - all personal property in any form derived directly or indirectly, from any dealings with collateral or subject to the Security Interest or the proceeds therefrom, and including any payment representing indemnity or compensation for loss or damage thereto or the proceeds therefrom;

### **Intangibles** - all goodwill, contract rights, patents, trade marks, licences copyrights and other industrial and/or other intellectual property and all other intangibles and other choses in action of the Debtor of every kind, whether owned or otherwise provided to the Debtor for its use at the present time or hereafter to become owned or otherwise provided to the Debtor for its use;

### with respect to the personal property described in subparagraphs (i) to (ix) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein;

### with respect to the personal property described in subparagraphs (i) to (x) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged;

### **Money** - all present and future monies of the Debtor (other than trust monies lawfully belonging to others) whether authorized or adopted by the Parliament of Canada or as part of its currency or any foreign government as part of its currency; and

### all property described in any schedule now or hereafter annexed hereto.

## The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but the Debtor agrees to stand in possession of such last day in trust for any person acquiring such interest of the Debtor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, licence or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party and shall assign such agreement, right, licence or permit to the Secured Party forthwith upon obtaining the consent of the other party thereto.

## The terms ‘goods’, ‘chattel paper’, ‘documents of title’, ‘instruments’, ‘intangibles’, ‘securities’, ‘proceeds’, ‘inventory’, ‘monies’ and ‘accessions’ whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* of ⚫, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the ‘**PPSA**’. Provided always that the term ‘goods’ when used herein shall not include ‘consumer goods’ of Debtor as that term is defined in the PPSA, and the term ‘inventory’ when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Agreement. Any reference herein to ‘**Collateral**’ shall, unless the context otherwise requires, be deemed a reference to ‘Collateral or any part thereof’. In this Agreement, ‘Collateral’ shall include the proceeds thereof.

**Notwithstanding the generality of the foregoing, the Security Interest created by this Agreement affects only all present and future personal property of the Debtor as hereinbefore defined as ‘Collateral’ located on or about, or in transit to or from, or associated with the Debtor's business and assets situate on, that property as more particularly described in Schedule ‘A’ attached hereto. The Debtor agrees to forthwith execute and deliver at its own expense, from time to time, such amendments to this Agreement or such additional security agreements as may be required by the Secured Party, to ensure that the Security Interest shall attach, and shall remain attached, to such personal property.**

# **DEALINGS WITH COLLATERAL**

Until the occurrence of an Event of Default (as hereinafter defined) the Debtor may sell its inventory and collect its accounts in the ordinary course of business; provided that all accounts so collected shall be held by the Debtor as agent and in trust for the Secured Party and paid to the Secured Party immediately upon its request. The Debtor agrees to deposit all proceeds from the disposition of inventory into its ordinary operating general business bank account. The Secured Party shall have the right at any time and from time to time to confirm the existence and state of Collateral in any manner Secured Party may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Secured Party may reasonably request in connection therewith and for such purpose to grant to Secured Party or its agents access during normal business hours to all places where Collateral may be located and to all premises occupied by Debtor.

# **RECEIPT OF INCOME FROM AND INTEREST ON COLLATERAL**

## Until default, Debtor shall have the right to receive any monies constituting income from or interest on Collateral and if Secured Party receives any such monies prior to default, Secured Party shall either credit the same to the account of Debtor or pay the same promptly to Debtor.

## After default Debtor will not request or receive any monies constituting income from, or interest on, Collateral and if Debtor receives any such monies without any request by it, Debtor will receive the same in trust for, and promptly pay the same to, Secured Party.

# **INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS REGARDING COLLATERAL**

## With respect to collateral, which is Securities, whether or not default has occurred, Debtor authorizes Secured Party:

### to receive any increase in or profits on Collateral (other than money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of paragraph 4 hereof and dealt with accordingly; and

### to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.

## If Debtor receives any such increases or profits (other than money) or payments or distributions, Debtor will receive the same in trust for and deliver the same promptly to Secured Party to be held by Secured Party as herein provided.

# **SECURITIES FORMING PART OF COLLATERAL**

Upon default, if Collateral at any time includes securities, Debtor authorizes Secured Party to transfer the same or any part thereof into its own name so that Secured Party may appear on record as the sole owner thereof; provided that, until default, Secured Party shall deliver promptly to Debtor all notices or other communications received by it as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such securities. After default, Debtor waives all rights to receive any notices or communications received by Secured Party as such registered owner and agrees that no proxy issued by Secured Party to Debtor or its order as aforesaid shall thereafter be effective.

# **COLLECTION OF DEBTS FORMING PART OF COLLATERAL**

Before or after default under this Agreement, Secured Party may notify all or any account debtors (as hereinafter defined) of the Security Interest and may also direct such account debtors to make all payments on Collateral to Secured Party. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from account debtors after default under this Agreement, whether before or after notification of the Security Interest to account debtors, shall be received and held by Debtor in trust for Secured Party and shall be turned over to Secured Party upon request.

# **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

Debtor represents, warrants and acknowledges that Secured Party is relying thereupon and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

## The Collateral is or will be when Collateral is acquired genuine and beneficially owned by Debtor free of all security interests, mortgages, liens, claims, charges, taxes, assessments or other encumbrances, pledges (hereinafter collectively called ‘encumbrances’), except for those Security Interests set out in Schedule ‘B’ hereof;

## Each account, chattel paper and instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the ‘account debtor’), and the amount represented by Debtor to Secured Party from time to time as owing by each account debtor or by all account debtors will be the correct amount actually and unconditionally owing by such debtor or account debtors, except for normal cash discounts where applicable;

## The locations specified in Schedule ‘A’ as to business operations and records of Debtor are accurate and complete and, with respect to goods (including inventory) constituting Collateral, the locations specified in Schedule ‘A’ are accurate and complete save for goods in transit to such locations and all fixtures or goods about to become fixtures which form part of the Collateral will be situate at one of such locations;

## The Debtor has, or will have when Collateral is acquired, the capacity, authority and the right to create mortgages and charges of, and grant a security interest in the Collateral in favour of the Secured Party and generally perform its obligation under this Agreement;

## This Agreement has been duly and properly authorized by all necessary action and constitutes a legal, valid and binding obligation of the Debtor; and

## The Collateral does not include any goods which are used or acquired by the Debtor for use primarily for personal, family or household purposes.

# **COVENANTS OF DEBTOR**

So long as this Agreement remains in effect Debtor covenants and agrees:

## **Payment** - To pay or satisfy all Obligations when due;

## **Encumbrances** - To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral or any part thereof free from all encumbrances, except for the Security Interest; and except as otherwise provided herein, not to sell, exchange, transfer, assign, lease, or otherwise dispose of Collateral or any interest therein without the prior written consent of Secured Party;

## **Notice to Secured Party** - To notify Secured Party promptly of:

### any significant change in the information contained herein or in the schedules hereto relating to Debtor, Debtor's business or Collateral;

### the details of any significant acquisition of Collateral; the details of any claims or litigation of a material nature affecting Debtor or Col­lateral;

### any material loss of or damage to Collateral;

### any default by any account debtor in payment or other performance of obligations hereunder; and

### the return to or repossession by Debtor of Collateral.

## **Care of Collateral** - To keep the Collateral in good order, condition and repair (reasonable wear and tear excepted) and not to use Collateral in violation of the provisions of this Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by‑law, rule, regulation or ordinance;

## **Further Assurances** - To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Secured Party of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

## **Taxes and Charges** - To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable, except for such taxes, rates, levies, assessments and other charges which are being contested in good faith by proper legal proceedings and with respect to which adequate reserves have been established and are being maintained;

## **Insurance** - To carry insurance from financially responsible insurance companies and to maintain such insurance against fire, theft, water damage, public liability, property damage, business interruption losses and all other related risks, with loss payable to Secured Party, to cover the full insurable value of the Collateral as Secured Party may reasonably require or, in the absence of such requirement, to the extent insured against by comparable corporations engaged in comparable businesses and owning or operating similar properties, and to deliver to Secured Party copies of all policies, renewals and replacements within fifteen (15) days of their issue and delivery to Debtor, and to cause Secured Party to be named as loss payee on such policies;

## **Accession** - To prevent Collateral, except for inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Agreement;

## **Business Activities** - To carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and the earnings, incomes, rents, issues and profits thereof and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral, at Secured Party's request, so as to indicate the Security Interest;

## **Deliveries** - To deliver to Secured Party from time to time promptly upon request:

### Any documents of title, instruments, securities and chattel paper constituting, representing or relating to Collateral;

### all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;

### all financial statements prepared by or for Debtor regarding Debtor's business, including aged lists of inventory and accounts;

### all policies and certificates of insurance relating to Collateral; and

### such information concerning Collateral, the Debtor and Debtor's business and affairs as Secured Party may reasonably request.

## **Conformity** - To duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held.

## **Maintain Existence** - The Debtor shall maintain its existence and shall not change its name or amalgamate or sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party except that until an event of default as described in paragraph 10.0 occurs, the Debtor may sell or lease inventory in the ordinary course of its business.

## **Payment of Expenses** - To pay all expenses, including solicitors' and receivers' fees and disbursements incurred by the Secured Party or its agents (including any receiver, as hereinafter defined) in connection with the preparation, perfection, preservation and enforcement of this Agreement; including but not limited to all expenses incurred by the Secured Party or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest, all of which expenses shall be payable forthwith upon demand and shall form part of the Obligations.

Upon failure by the Debtor to perform any of the covenants described in this paragraph, the Secured Party is authorized and has the option to take possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner deemed proper by the Secured Party, without waiving any rights to enforce this Agreement. The reasonable expenses (including the cost of any insurance and payment of taxes or the charges and reasonable legal costs on a solicitor and client basis) incurred by the Secured Party in respect of the custody, preservation, use or operation of the Collateral shall be deemed advanced to the Debtor by the Secured Party, shall bear interest at the rate (the ‘**Interest Rate**’) set forth in a Charge/Mortgage of Land of even date herewith and issued by Debtor in favour of the Secured Party and shall be secured by this Agreement.

# **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as ‘default’ or an ‘Event of Default’:

## The Debtor fails to satisfy or perform any of the Obligations when due;

## The non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between Debtor and Secured Party and such failure has not been waived or cured within any applicable period of grace;

## The bankruptcy or insolvency of Debtor or any guarantor of the indebtedness; the filing against Debtor or any guarantor of the indebtedness of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by Debtor or any guarantor of the indebtedness; the appointment of a receiver or trustee for Debtor or any guarantor of the indebtedness or for any assets of Debtor or any guarantor of the indebtedness; or the institution by or against Debtor or any guarantor of the indebtedness of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* or otherwise;

## The institution by or against the Debtor or any guarantor of the indebtedness of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor or any guarantor of the indebtedness;

## If any encumbrance affecting the Collateral becomes enforceable against the Collateral;

## If Debtor or any guarantor of the indebtedness ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

## If any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or any guarantor of the indebtedness or if a distress or analogous process is levied upon the assets of Debtor or any guarantor of the indebtedness or any part thereof;

## If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Secured Party to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or becomes incorrect in any respect at any time or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to Secured Party at or prior to the time of such execution; and

## If Secured Party, in good faith, believes and has commercially reasonable grounds to believe that the prospect of payment of any indebtedness or performance of the Obligations is or is about to be placed in jeopardy.

# **ACCELERATION**

Secured Party, in its sole discretion, may declare all or any part of the indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default.

# **REMEDIES**

## Upon default, if the Secured Party declares that the indebtedness shall become immediately due and payable in full, the Debtor and the Secured Party shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and this Agreement. Secured Party may appoint or re‑appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Secured Party or not, to be a receiver or receivers (hereinafter called a ‘receiver’, which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any receiver so appointed and appoint another in his stead. Any such receiver shall, so far as concerns responsibility for his acts, be deemed the agent of Debtor and not Secured Party, and Secured Party shall not be in any way responsible for any misconduct, negligence, or nonfeasance on the part of any such receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any such receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable him to carry on Debtor's business or otherwise as such receiver shall in his discretion determine. Except as may be otherwise directed by Secured Party, all monies received from time to time by such receiver in carrying out his appointment shall be received in trust for and paid over to Secured Party. Every such receiver may, in the discretion of Secured Party, be vested with all or any of the rights and powers of Secured Party.

## Upon default, Secured Party may, either directly or through its agents or nominees, exercise all the powers and rights given to a receiver by virtue of the foregoing subparagraph (1).

## Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Secured Party may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, at public auction, by public tender or by private sale, for such consideration and upon such terms and conditions as to Secured Party may seem reasonable.

## Secured Party shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute proceedings for such purposes. Furthermore, Secured Party shall have no obligation to take any steps to preserve rights against prior parties to any instrument or chattel paper, whether Collateral or proceeds, and whether or not in Secured Party's possession and shall not be liable or accountable for failure to do so.

## Debtor acknowledges that Secured Party or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Secured Party or any such receiver to assemble and deliver possession of Collateral at such place or places as directed.

## Debtor agrees to pay all costs, charges and expenses reasonably incurred by Secured Party or any receiver appointed by it, whether directly or for services rendered (including legal costs on a solicitor and client basis and auditors' costs and receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by Secured Party or any receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

## Unless the Collateral in question is perishable or unless Secured Party believes on reasonable grounds that the Collateral in question will decline speedily in value, Secured Party will give Debtor such notice of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the *Personal Property Security Act*.

# **STANDARDS OF SALE**

Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

## Collateral may be disposed of in whole or in part;

## Collateral may be disposed of by public sale upon written notice to the Debtor following one advertisement in a newspaper having general circulation in the location of the Collateral to be sold at least seven (7) days prior to such sale;

## Collateral may be disposed of by private sale after receipt by the Secured Party of two (2) written offers;

## The purchaser or lessee of such Collateral may be a customer of the Secured Party; and

## The disposition may be cash or credit or part cash or credit; and the Secured Party may establish a reserve in respect of all or any portion of the Collateral.

# **DISPOSITION OF MONIES**

Any proceeds of any disposition of any of the Collateral may be applied by Secured Party to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including legal costs on a solicitor and client basis and any other reasonable expenses), and any balance of such proceeds may be applied by Secured Party towards the payment of the indebtedness in such order of application as Secured Party may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12.0 hereof shall bear interest at the Interest Rate and shall be included as the indebtedness under this Agreement. If the disposition of the Collateral fails to satisfy the indebtedness and the expenses incurred by Secured Party, Debtor shall be liable to pay for any deficiency on demand.

# **MISCELLANEOUS**

## Debtor hereby authorizes Secured Party to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Secured Party may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints Secured Party (or the president from time to time of Secured Party) the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

## Upon Debtor's failure to perform any of its duties hereunder, Secured Party may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Secured Party, forthwith upon written demand therefor, an amount equal to the expense incurred by Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at the Interest Rate.

## Secured Party may grant extensions of time and other indulgences, take and give security, accept compositions, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as Secured Party may see fit without prejudice to the liability of Debtor or Secured Party's right to hold and realize the Security Interest. Furthermore, Secured Party may demand, collect and sue on Collateral in either Debtor's or Secured Party's name, at Secured Party's option, and may endorse Debtor's name on any and all cheques, commercial paper and any other instruments pertaining to or constituting Collateral.

## No delay or omission by Secured Party in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Secured Party may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

## Debtor waives protest of any instrument constituting Collateral at any time held by Secured Party on which Debtor is in any way liable and, subject to subparagraph 15 (8) hereof, notice of any other action taken by Secured Party.

## This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Secured Party.

## Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

## This Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of ⚫ as the same may from time to time be in effect, including the *Personal Property Security Act*.

## Subject to the requirements of subparagraph 15(7), any notice to Debtor in connection with this Agreement shall be well and sufficiently given if sent by prepaid registered mail to or delivered to Debtor at the address set out on page one hereof or to such other address as Debtor may from time to time designate in writing to Secured Party. Any notice to Secured Party in connection with this Agreement shall be well and sufficiently given if sent by prepaid registered mail or delivered to Secured Party at the address set out on page one or to such other address as Secured Party may from time to time designate in writing to Debtor. Any such notice shall be deemed to have been given if delivered, when delivered, and if mailed, on the fourth business day following that on which it was mailed. In the event of a known interruption of postal services, any notice required or contemplated herein shall be deemed to have been delivered to Debtor only if delivered by hand to Debtor at the address specified herein or pursuant hereto and to Secured Party only if delivered by hand to Secured Party at the address specified herein or pursuant hereto.

## This Agreement and the Security Interest is in addition to and not in substitution for any other security now or hereafter held by Secured Party and is intended to be a continuing Agreement and shall remain in full force and effect until the indebtedness has been paid in full.

## In this Agreement the term ‘successors’ shall include (and without limiting its meaning) any corporation resulting from the amalgamation of one corporation with another corporation.

## The headings used in this Agreement are for convenience only and are not to be considered a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement.

## When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

## In the event any provisions of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

## The parties acknowledge that value has been given and the Security Interest created hereby is intended to attach when this Agreement is signed by Debtor and Debtor agrees that it is not the intention of Secured Party or Debtor to postpone the attachment of the Security Interest and accordingly, attachment, as defined in the PPSA, will occur simultaneously upon the execution of this Agreement.

## Time shall be of the essence of this Agreement.

## This Agreement may be executed in any number of counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

## If this Agreement has been executed by more than one Debtor, the obligations of each Debtor shall be joint and several.

## This Agreement, including any schedules attached hereto, constitutes the entire agreement between the Debtor and the Secured Party relating to the subject matter hereof, and no amendment shall be effective unless made in writing. There are no representations, warranties or collateral agreements in effect between the Debtor and Secured Party relating to the subject matter hereof; and possession of an executed copy of this Agreement by the Secured Party constitutes conclusive evidence that it was executed and delivered by the Debtor free of all conditions.

## This Agreement and the Obligations may be assigned in whole or in part by the Secured Party to any person, firm or corporation without notice or consent of the Debtor. This Agreement may not be assigned by the Debtor without the prior written consent of the Secured Party.

## Notwithstanding any provision to the contrary contained in this agreement, in no event shall the aggregate ‘interest’ (as defined in Section 347 of the *Criminal Code*, R.S.C. 1985, c. 46 as the same may be amended, replaced or re-enacted from time to time) payable under this agreement exceed the maximum amount of interest on the ‘credit advanced’ (as defined in that section) under this agreement lawfully permitted under that section and, if any payment, collection or demand pursuant to this agreement in respect of ‘interest’ (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand shall be deemed to have been made by mutual mistake of the Secured Party and the Debtor and the amount of such payment or collection shall be refunded to the Debtor. For purposes of this agreement, the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term that the Loan is outstanding on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Secured Party will be conclusive for the purposes of such determination.

## Nothing contained in this Agreement, including the execution of same and/or the filing of a financing statement(s) shall obligate the Secured Party to make any loan to or accommodation to the Debtor or to extend the time for payment or satisfaction of any Obligations.

# **ACKNOWLEDGEMENTS OF DEBTOR**

Debtor hereby acknowledges receipt of an executed copy of this Agreement and that the failure of Secured Party to receive full payment or satisfaction of the indebtedness through its rights and remedies herein provided shall not in any way release the Debtor who covenants to pay or satisfy any deficiency.

**IN WITNESS WHEREOF** this General Security Agreement has been signed, sealed and delivered on the date set out above.

|  |  |  |
| --- | --- | --- |
| SIGNED, SEALED & DELIVERED In the presence of: |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: ⚫ |
| Witness: ⚫ |  |

**OR**

**⚫**

Per: ⚫

Per: ⚫

I/We have the authority to bind the corporation.

**SCHEDULE A**

|  |  |  |
| --- | --- | --- |
| Location of Business | Location Of Records  Relating To Collateral | Location of Collateral |
| ⚫ and municipally known as ⚫ | ⚫ and municipally known as ⚫ and/or the home address of the Debtor. | ⚫ and municipally known as ⚫ |

# SCHEDULE B

# *Personal Property Security Act* Summary

*(list any prior registered interests deemed acceptable by the Secured Party here, otherwise inset ‘NIL’)*