

**AGREEMENT FOR SECURITY ON SHARES AND DEPOSITS**

TO: FirstOntario Credit Union Limited

(hereinafter called the Credit Union)

I/We, ............................................................ (hereinafter called the Member) for valuable Consideration hereby grant a lien, charge and pledge to the Credit Union on the following accounts and deposits, including interest and dividends thereon, (hereinafter called the Collateral), as the same now stand and including also any further amounts that may in the future be credited to the same:

 A. Share Account No.................................having currently on deposit $..................................................................................................

 B.  Savings/ Chequing Account No...................................having currently on deposit $....................................................................

 C. Term Deposit Certificate(s) issued by the Credit Union as follows:

Number Registered in the name(s) of Amount Due Date

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The Member and each of them if more than one, agrees with the Credit Union as follows:

**1.** The lien, charge and pledge hereby granted is limited in amount to the sum of $......................... and is given as a general and continuing collateral security for the payment of the present and future indebtedness and liability of .........................................……………………………………........ (hereinafter called the Borrower) to the Credit Union, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof.

**2.** In the event that the Borrower is at any time in default of any payment or liability then owing by it to the Credit Union, the Collateral or any part thereof from time to time may, as and when the Credit Union thinks fit, be appropriated to and applied against such parts of said indebtedness and liability as to the Credit Union seems best. No such appropriation and application of the Collateral shall prejudice the Credit Union’s claims upon the Borrower for any deficiency.

**3.** The Credit Union may increase, decrease, discontinue or otherwise vary the Borrowers credit facility, grant extensions of time and other indulgences, make changes as to guarantee, take and give up securities, abstain from taking, perfecting or registering securities, accept compositions , grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Credit Union may see fit, without prejudice to the Credit Union’s right to hold and/or deal with the Collateral or any part thereof as herein provided.

**4.** Any loss of or in respect of or any enforceability of any securities received or held by the Credit Union from the Member or any other person, whether occasioned through the fault of FirstOntario or for any other reason, shall not or otherwise limit or lessen the Credit Union’s right to hold and/or deal with the Collateral or any part thereof as herein provided.

**5.** Until the indebtedness and liability of the Borrower has been repaid, together with interest, the Credit Union may refuse to honour any cheque, withdrawal request, application for redemption or encashment of a Term Deposit Certificate, and/or any other request by the Member, or any of them if more than one, to withdraw any or all of the Collateral whether deposited in a Share Account, Savings Account, Chequing Account or Term Deposit Certificate, except to the extent that such withdrawal does not reduce the value of the Collateral to an amount less than the dollar figure referred to in paragraph one hereof as the limitation of the liability of the Member.

**6.** Should the Credit Union in its discretion from time to time permit the Member, or any of them if more than one, to withdraw by cheque or otherwise all or any part of the Collateral, then any amount or amounts so withdrawn shall be replaced by further deposits to be made by the Member to the Credit Union of the said account or invested in Term Deposit Certificates as and when requested by the Credit Union. Such deposits or investments shall, to the extent required, replace any amount or amounts so withdrawn and shall be subject to the provisions of this agreement so that the amount of the said sum as hereinbefore provided shall be maintained by the Member.

**7.** This Agreement is in addition to and not in substitution for any other security held by and remedy available to the Credit Union and shall not operate as a merger

 of any obligations of the Member to the Credit Union secured hereby or suspend or otherwise affect the rights, remedies and powers of the Credit Union in respect of the obligations of the Member secured hereby.

**8.** This Agreement shall be binding on the Member and the heirs, executors, administrators, successors and assigns of the Member and shall enure to the benefit of the Credit Union and its successors and assigns.

**9.** This Agreement for Security on Shares and Deposits is in addition and without prejudice to any securities of any kind now or hereafter held by the Credit Union.

**10.** There are no representations, collateral agreements or conditions with respect to this instrument or affecting the Member’s liability hereunder other than as contained herein.

**11.** The Member acknowledges receipt of an executed Copy of this Agreement.

Signed, Sealed and Delivered this...................day of........................................................,20..........at................................................................................,Ontario

To be completed by ................................................................................................. ............................................................................................................... 

individuals, sole Witness Signature of Collateral Owner

proprietors, or partners

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Witness Signature of Collateral Owner

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Corporation and/or Trade Name

To be completed by incorporated businesses

Per.................................................................................................................................................................

 Authorized Signing Official Title

Per..................................................................................................................................................................

 Authorized Signing Official Title

NOTE: This document must be signed by all the owners of any sum pledged as collateral and by any other person having any right or title therein or thereto.