

SHARE PLEDGE AGREEMENT (no recourse)

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF SHAREHOLDER]
[address]
(the "Shareholder")

- and -

[NAME OF CORPORATION]
[address]
(the "Company")

- and -

[NAME OF LENDER]
[address]
(the "Lender")

WHEREAS the Shareholder is the owner of ### Common Shares in the capital stock of the Company, being 100% of the issued and outstanding shares, stock and securities of the Company;

AND WHEREAS the Shareholder has agreed to pledge ### of such Shares (the "Pledged Shares") as security for the repayment of the liabilities and obligations owing by [insert name of Borrowers] to the Lender under a [Loan Agreement / Mortgage Agreement/ Promissory Note] dated [insert date of loan document] for \$#####.## maturing [insert maturity date of loan document] (the "Borrowers" and "Indebtedness" respectively);

NOW THEREFORE, in consideration of the covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1 ***Pledge of Shares.*** The Shareholder hereby mortgages, pledges, charges and grants to the Lender a security interest, as and by way of a fixed and specific mortgage, pledge, charge and security interest to and in favour of the Lender, in the Pledged Shares as a general and continuing collateral security for the repayment of the Indebtedness, but without recourse against any other income or assets of the Shareholder of any kind whatsoever.
- 2 ***Delivery of Share Certificates.*** The Shareholder hereby undertakes and agrees to immediately deliver the original share certificates representing the Pledged Shares, and any replacement or substitute share certificates therefore, endorsed on the reverse by the Shareholder in blank and undated, together with the Directors' Resolution of the Company authorizing the entry into of this Share Pledge Agreement and delivery of such share certificates as set out in Schedule "A", to the Lender pending payment in full or other settlement of the Indebtedness, at which time the said certificates will be returned to the Shareholder.
- 3 ***Covenants, Representations and Warranties of Shareholder and Company.*** The Company and the Shareholder hereby covenant, represent and warrant to the Lender that:
 - (a) the Shareholder is or will be at the time of delivery the sole beneficial owner of the Pledged Shares;