



Assignment, Hypothecation, Acknowledgement and Direction

INVESTMENT LOAN ACCOUNT #: _____

Please complete, sign & email to loanpostfunding@b2bbank.com.

NOTE: Please include loan # in the subject line.

TO: B2B Bank

AND TO:

Unless otherwise stated, all capitalized terms herein have the same meaning as in the B2B Bank Investment Loan Application (the "Loan Application") completed by the undersigned.

WHEREAS:

- a) the undersigned is the owner of the Contract/Policy Number _____ (the "Current Policy") issued by the Life Company; and/or
- b) the undersigned has submitted an application (the "Policy Application") identified by Application No. _____ to the Life Company for the purchase of a life insurance policy or for the purchase of a non registered variable annuity contract (as the case may be, the "Purchased Policy"); and
- c) the undersigned has agreed to execute this Assignment, Hypothecation, Acknowledgement and Direction as continuing collateral security to B2B Bank and/or confirm and acknowledge the hypothec granted to B2B Bank as security, for the repayment of all present and future indebtedness or liability of the undersigned to B2B Bank pursuant to the Current Policy, the Loan Application and/or the Purchased Policy, upon it being issued, (collectively the "Obligations") as the case may be.

NOW THEREFORE, for the mutual premises contained herein and for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the undersigned):

- 1. the undersigned hereby irrevocably assigns and hypothecates to B2B Bank, and hereby confirms and acknowledges that it has hypothecated in favour of B2B Bank: (i) the Current Policy, (ii) the undersigned's rights under the Policy Application and/or (iii) the Purchased Policy, upon it being issued, as the case may be, in each case together with all right, title and interest therein, as continuing security for the payment of the Obligations. The Current Policy and the Purchased Policy are collectively referred to as the "Policies".
- 2. The undersigned acknowledges that:
 - (a) B2B Bank is irrevocably entitled to ask for, sue for, recover and receive all monies due or payable or which may hereafter become due or payable under the Policies and give valid receipts, releases and discharges therefor. In case any dispute shall arise as to the amount due or payable under the terms of the Policies, B2B Bank shall be at liberty in its discretion to compromise, settle and/or adjust any such amount as B2B Bank shall see fit, provided that B2B Bank acts reasonably in the exercise of such discretion;
 - (b) the undersigned will do all such acts and execute all such documents that are from time to time reasonably required by B2B Bank to be done or executed or to keep the Policies in force and/or to more validly assign, hypothecate and transfer the Policies to B2B Bank according to the true intent and meaning of this document;
 - (c) if an Event of Default occurs or B2B Bank demands for payment of the Indebtedness, B2B Bank may, to the extent it deems advisable or appropriate, without advance notice or any other formality and without exhausting any of its other rights, recourses or remedies, do any one or more of the following, all of which rights, recourses and remedies will be enforceable successively, concurrently, or both: (a) sell and absolutely dispose of the Policies and the full benefit and advantage thereof at such price and upon such terms as B2B Bank shall see fit; (b) surrender the Policies and receive Cash Surrender Value thereof as B2B Bank may be able to obtain; (c) exercise any option or options given under the terms of the Policies; (d) surrender the Policies for a paid up policy in the name of B2B Bank; (e) surrender the Policies and accept in lieu thereof any other Policy which B2B Bank may see fit to accept, such substituted Policy to be in favour of B2B Bank or such other person as B2B Bank shall elect; or (f) realize upon the Policies or the right, title and interest of the undersigned therein, in such other manner as may seem to B2B Bank advisable; all without liability to B2B Bank for having done so, including, without limitation, liability for the negligence of any agent, mandatary or solicitor employed by B2B Bank.

The above rights, recourses and remedies shall be in addition to any right, recourse or remedy provided by law or equity. B2B Bank shall be entitled to apply against the Obligations any and all proceeds received by it through the exercise of its rights, recourses and remedies. If such application of proceeds fails to satisfy the Obligations outstanding, the undersigned will be liable to pay any deficiency to B2B Bank forthwith on demand. B2B Bank may apply any proceeds realized toward the repayment of the Obligations and any reasonable ancillary costs of collection and enforcement as B2B Bank in its sole discretion may see fit;

- (d) the undersigned hereby irrevocably constitutes and appoints any officer or agent or mandatary of B2B Bank as the undersigned's true and lawful attorney in the undersigned's name and on behalf of the undersigned from time to time, to endorse and assign, hypothecate and transfer to B2B Bank the Policies and to sign, execute and deliver any document necessary to enable B2B Bank to obtain any monies or other value to be realized from the Policies or payable thereunder;

- (e) the undersigned irrevocably authorizes the persons holding the below positions with B2B Bank, including any authorized agents or mandataries of such persons, as the undersigned's true and lawful attorney to fill in the Purchased Policy Number in this Assignment, Hypothecation, Acknowledgement and Direction and any other B2B Bank documents:

Trust _____ (title of position) _____

The undersigned agrees that failure to fill in any policy numbers in this Assignment, Hypothecation, Acknowledgement and Direction, or any other documents relating to this Assignment, Hypothecation, Acknowledgement and Direction, shall not affect B2B Bank's rights under this Assignment, Hypothecation, Acknowledgement and Direction or any of B2B Bank's Documents; and

- (f) this Assignment, Hypothecation, Acknowledgement and Direction is in addition to and not in substitution for any other security now or hereafter held by B2B Bank and this Assignment, Hypothecation, Acknowledgement and Direction is a continuing agreement and security that will remain in full force and effect until terminated by B2B Bank in the manner set out herein.

3. THE UNDERSIGNED IRREVOCABLY DIRECTS THE LIFE COMPANY TO:

- (a) pay all monies payable under the Policies including, without limitation, upon (i) surrender of the Policies, (ii) maturity of the Policies, or (iii) death of the insured under the Policies, to, or to the direction of, B2B Bank; and take and act upon any instructions from B2B Bank with regard to any and all matters relating to the Policies as if the instructions had been given by the undersigned, without requiring B2B Bank to prove that it is entitled to take any such action. The Life Company shall not, nor shall any other interested person, be bound to enquire into the state of the account between B2B Bank and the undersigned or to see to the application or use of any monies paid by the Life Company to B2B Bank in respect of the Policies. Without limiting any of the foregoing, B2B Bank shall have the effective control of the Policies and shall have the sole authority to collect all claims under the Policies and B2B Bank is irrevocably authorized to do so;
- (b) not make any of the following changes to the Policies without the prior written consent of B2B Bank:
 - (i) redemption, surrender or liquidation of the Policies or withdrawal or transfer of monies out of the Policies;
 - (ii) conversion of the Policies;
 - (iii) registration of the Policies under the ITA or the income tax legislation of any province as a retirement savings plan, retirement income fund, deferred profit-sharing plan or any other plan or fund accepted for registration under the ITA or the income tax legislation of any province;
 - (iv) termination of the Policies; and
 - (v) transfer of ownership of the Policies, except for the collateral assignment or hypothecation to B2B Bank effected by this Assignment, Hypothecation, Acknowledgement and Direction (or under any movable hypothec in favour of B2B Bank);
- (c) to register B2B Bank in the books and records of the Life Company (and its agents and mandataries) as collateral assignee and hypothecary creditor of the Policies; and
- (d) provide to B2B Bank a daily statement of the current value of the Policy including, without limitation, the value of all investments and cash held within the Policy.

4. The undersigned hereby irrevocably agrees not to assign or hypothecate the Policies in favour of any person, other than B2B Bank and undertakes that, if it names or designates any beneficiary of the Policy, such beneficiary shall be required in all cases to be named or designated expressly as a revocable beneficiary (except that it may not designate as a revocable beneficiary its married or civil union spouse, its descendants, its ascendants or beneficiaries of the family class).

5. This irrevocable Assignment, Hypothecation, Acknowledgement and Direction shall remain in full force and effect until such time as an executed satisfaction piece has been delivered by B2B Bank to the Life Company.

THE UNDERSIGNED REPRESENTS AND WARRANTS TO B2B BANK THAT:

The Policies are good, valid and subsisting life insurance policies or non registered variable annuity contracts; they are fully paid up and in force; they have not been forfeited, assigned (other than to B2B Bank), hypothecated (other than to B2B Bank), terminated or otherwise disposed of or rendered void or voidable; the undersigned is the owner of the Policies; the undersigned has not named or designated any beneficiary of the Policy, other than beneficiaries which were named or designated expressly as revocable beneficiaries and which are not its married or civil union spouse, descendants, ascendants or beneficiaries of the family class; and the undersigned has good right and title and full power to assign and hypothecate the Policies to B2B Bank as herein set forth free and clear of any claims whatsoever.

SIGNED, SEALED AND DELIVERED in the presence of:

Witness

Name of Borrower

Signature of Borrower

Name of Co-borrower (if applicable)

Signature of Co-borrower (if applicable)

Date of Execution: _____