REPURCHASE AGREEMENT

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This Repurchase Agreement (the “Agreement”) is effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Seller"), a company organised and enduring by the rulings of the [State or Province] of [STATE/PROVINCE], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Lender"), a company organised and enduring by the rulings of the [State or Province] of [STATE/PROVINCE], with its head office located at:

 [COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Borrower"), a company organised and existing under the laws of the [State/Province] of [STATE/PROVINCE], with its head office located at:

 [COMPLETE ADDRESS]

**RECITALS:**

A. Seller wishes to sell the equipment, (the “Equipment”), described in Section 2 Equipment on Appendix A, to [COMPANY NAME] (the “Borrower”) as detailed in Section 1 Borrower on Appendix A.

B. [COMPANY NAME] (“the Lender”) has agreed to lend [AMOUNT] to the Borrower for the purpose of assisting the Borrower in purchasing the Equipment from the Seller and has been granted a movable hypothec without delivery on the Equipment by the Borrower pursuant to a contract of loan and hypothec (the “Hypothec”) entered into between the Borrower and the Lender on [DATE], which Hypothec was registered on the Register of Personal and Movable Real Rights on [DATE] under the number [NUMBER].

C. Seller and Lender have agreed that in the event that, due to a default or failure by the Borrower to fulfil its obligations under the Hypothec, should the Lender elect to exercise its rights of action against the Borrower, Seller will use its best efforts to remarket the Equipment.

D. Seller and Borrower have agreed that in the event that the Lender elects to exercise its hypothecary options against the Borrower, Seller will purchase the Equipment for the price and on the conditions set forth herein.

IN CONSIDERATION of the options and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**1. REMARKETING**If the Borrower is at any time in default of its obligations under the Hypothec and the Lender intends to exercise its hypothecary rights of action against the Borrower, then the Lender will give written notice thereof to the Seller (the “Notice”) prior to exercising said rights and the Seller will, during a period of [NUMBER] days (the “Remarketing Period”), use its best efforts to remarket the Equipment and to maximise the proceeds therefrom. All dispositions of the Equipment will be at a price at least equal to the Adjusted Value of Equipment and on an “as is, where is” basis (without any representations or warranties from the Lender of any kind whatsoever except that the Equipment is not encumbered as a result of the Lender’s actions).

Seller agrees to remarket the Equipment in a manner which will not favour the disposition of equipment owned by the Seller over the Equipment. Any proceeds of the sale of Equipment received by Seller will be received and held by Seller in trust for the Lender and separate and apart from the Seller’s own funds and will be remitted forthwith to the Lender. In the event that such proceeds are not remitted to the Lender within [NUMBER] days of Seller’s receipt thereof, Seller will pay to the Lender interest on such proceeds at a rate of [%] per annum, accruing from the date of receipt until paid to the Lender.

If the net proceeds from remarketing any Equipment exceed the damages and other amounts due to the Lender under the Hypothec on the Equipment, the Lender will pay a fee to Seller for its services hereunder equal to the amount of such excess. Such fee will be paid upon receipt by the Lender of such remarketing proceeds and, with Lender Name’s prior consent, may be deducted by Seller from such remarketing proceeds before they are remitted to the Lender. The foregoing is subject to the Lender being able to subsequently take the Equipment in payment by the voluntary or forced surrender of the Equipment pursuant to the exercise of its hypothecary rights under the Hypothec and deliver same to the new purchaser.

**2. REPURCHASE**If the Borrower is at any time in default of its obligations under the Hypothec, the Notice has been given; the Remarketing Period has expired without result and:

2.1 The Lender exercises its hypothecary right under the Hypothec to take the Equipment in payment of Borrower’s obligations under the Hypothec and Borrower voluntarily surrenders the Equipment to the Lender, then the Seller will immediately upon receipt of a written request from the Lender to such effect, purchase the Equipment from the Lender on an “as is, where is” basis (without any representation or warranty from the Lender of any kind whatsoever except that the Equipment is not encumbered as a result of the Lender’s actions) and will pay to the Lender, as the purchase price for such Equipment , an amount equal to the Adjusted Value of Equipment.

2.2 The Lender exercises its hypothecary right under the Hypothec to sell the Equipment itself or a subsequent hypothecary creditor or the Borrower requires the Lender to abandon the taking in payment and sell the Equipment itself, then the Seller will: (i) immediately upon receipt of a written request from the Lender to such effect, purchase the Equipment from the Lender on an “as is, where is” basis (without any representation or warranty from the Lender of any kind whatsoever except that the Equipment is not encumbered as a result of the Lender’s actions) and will pay to the Lender, as the purchase price for such Equipment , an amount equal to the Adjusted Value of Equipment, in the event that the Lender elects to proceed by sale by agreement; (ii) immediately upon receipt of a written request from the Lender to such effect, submit an irrevocable and binding tender to the Lender for the purchase of the Equipment on an “as is, where is” basis (without any representation or warranty from the Lender of any kind whatsoever except that the Equipment is not encumbered as a result of the Lender’s actions) at a purchase price equal to the Adjusted Value of Equipment and will purchase and pay for the Equipment in accordance with the tender if said tender is accepted, in the event that the Lender elects to proceed by sale by a call for tenders; or (iii) immediately upon receipt of a written request from the Lender to such effect, submit an irrevocable and binding bid to the Lender for the purchase of the Equipment on an “as is, where is” basis (without any representation or warranty from the Lender of any kind whatsoever except that the Equipment is not encumbered as a result of the Lender’s actions) at a purchase price equal to the Adjusted Value of Equipment and will purchase and pay for the Equipment in accordance with the bid if such bid is accepted, in the event that the Lender elects to proceed by sale by public auction.

* 1. The Lender exercises its hypothecary right under the Hypothec to have the Equipment sold by judicial authority or a subsequent hypothecary creditor or the Borrower requires the Lender to abandon the taking in payment and have the Equipment sold by judicial authority, then the Seller will: (i) immediately upon receipt of a written request from the Lender to such effect, purchase the Equipment from the person designated by the court to proceed with the sale by judicial authority (the “Designated Person”) on an “as is, where is” basis and will pay to the Designated Person, as the purchase price for such Equipment, an amount equal to the Adjusted Value of Equipment, in the event that the court elects to proceed by sale by agreement; (ii) immediately upon receipt of a written request from the Lender to such effect, submit an irrevocable and binding tender to the Designated Person for the purchase of the Equipment on an “as is, where is” basis at a purchase price equal to the Adjusted Value of Equipment and will purchase and pay for the Equipment in accordance with the tender if said tender is accepted, in the event that the court elects to proceed by sale by a call for tenders; or (iii) immediately upon receipt of a written request from the Lender to such effect, submit an irrevocable and binding bid to the Designated Person for the purchase of the Equipment on an “as is, where is” basis at a purchase price equal to the Adjusted Value of Equipment and will purchase and pay for the Equipment in accordance with the bid if such bid is accepted, in the event that the court elects to proceed by sale by public auction.

**3. ADJUSTED VALUE OF EQUIPMENT**For the purpose of this Agreement, “Adjusted Value of Equipment” will be as follows:

3.1 during the first twelve-month period of this Agreement, the Adjusted Value of Equipment will be equal to [%] of the original cost of the Equipment listed as Section 2 Equipment on Appendix A, plus all applicable taxes.

3.2 during the second twelve-month period of this Agreement, the Adjusted Value of Equipment will be equal to [%] of the original cost of the Equipment listed as Section 2 Equipment on Appendix A, plus all applicable taxes.

3.3 during the third twelve-month period of this Agreement, the Adjusted Value of Equipment will be equal to [%] of the original cost of the Equipment listed as Section 2 Equipment on Appendix A, plus all applicable taxes.

3.4 during the fourth twelve-month period of this Agreement, the Adjusted Value of Equipment will be equal to [%] of the original cost of the Equipment listed as Section 2 Equipment on Appendix A, plus all applicable taxes.

3.5 during the fifth twelve-month period of this Agreement, the Adjusted Value of Equipment will be equal to [%] of the original cost of the Equipment listed as Section 2 Equipment on Appendix A, plus all applicable taxes; and

3.6 thereafter, the Adjusted Value of Equipment will be nil.

**4. INDEMNITY**Seller will indemnify and save the Lender harmless from and against all loss, cost, damage, liability and expense which the Lender may suffer, incur or become liable for as a result of or any default by Seller under this Agreement.

**5. UNCONDITIONAL REPURCHASE OBLIGATION**The Lender’s rights and remedies and Seller’s obligations hereunder will not be lessened by the Lender exercising or failing to exercise any personal or hypothecary right of action, or by the Lender exercising or exhausting or failing to exercise or exhaust its personal or hypothecary rights and remedies, against Borrower or any other person upon any default occurring under the Hypothec. The liability of Seller hereunder will not be affected by (A) any settlement, indulgence, extension of credit or amendment or waiver of terms of the Hypothec or any related agreement or guarantee, (B) security being taken or released by the Lender, (C) any negligence on the part of the Lender in asserting its rights under the Hypothec or under any related agreement or guarantee, (D) reason of any loss, depreciation of or damage to the Equipment, (E) any omission in making any security registration or filing *in re*spect of the Hypothec or any renewal thereof or (F) the loss or termination for any cause whatsoever of any right or remedy of the Lender against Borrower or any other person under the Hypothec or under any agreement or guarantee related thereto.

**6. ASSIGNMENT**This Agreement will not be assignable by Seller. [COMPANY NAME] may, without the consent of Seller, assign the benefit of this Agreement to any assignee of [COMPANY NAME]’s interest in the Hypothec and/or the Equipment; however, [COMPANY NAME] agrees to give prior notice to the Seller of any assignment of [COMPANY NAME]’s interest in the Hypothec and/or the Equipment. This Agreement will inure to the benefit of and will be binding upon the parties hereto and their respective successors and permitted assigns.

**7. NOTICES**Any notice or other communication required or permitted to be given hereunder will be delivered by hand, registered mail or facsimile transmission to the address noted on the first page of this Agreement to the attention of the person executing this Agreement on behalf of such party, or to such other address and/or person as such party may communicate in writing to the other, and will be deemed to be received on the business day following delivery by hand or facsimile transmission or on the fifth day following the date on which it was mailed.

**8. GOVERNING LAW**This Agreement will be governed by and construed in accordance with the laws of [STATE/PROVINCE] in which the Lender’s office is situated, and the parties hereto agree to the non-exclusive jurisdiction of the courts of such [state/province].

**9. INTERPRETATION**Whenever the context of this Agreement so requires, the singular number will include the plural and *vice versa*, and words importing gender will include all genders. Time will be of the essence of this Agreement and each of its provisions. Headings are inserted for convenience of reference only and will not affect interpretation.

**10. ENTIRE AGREEMENT**This Agreement sets forth the entire agreement of the parties hereto on its subject matter except as may be otherwise agreed by the parties in writing. The provisions of this Agreement will not modify, waive or diminish, and will be in addition to, any rights and obligations of the parties under any other agreement with respect to any Equipment, Lessee, Lease or otherwise.

**11. NO AGENCY**In giving effect to this Agreement, Seller is not and will not be deemed to be an agent of the Lender for any purpose, and the relationship of the parties will be that of independent contractors. Seller will not have the right to enter into contracts, pledge credit or incur expenses or liabilities to third parties on behalf of the Lender.

**12. Further Assurances:** The parties hereto agree to execute all further documents and do all further acts as may be necessary or required to carry out the intent of this Agreement.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

# SELLER BORROWER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

# LENDER

Authorised Signature

## Print Name and Title

## APPENDIX A

## DESCRIPTION OF EQUIPMENT

1. To the Repurchase Agreement dated as of [DATE] between [YOUR COMPANY NAME] and [COMPANY NAME]

Borrower:

[COMPANY NAME]

[FULL ADDRESS]

[STATE/PROVINCE]

1. Description of Equipment Original Cost/Machine