

**GENERAL SECURITY AGREEMENT**

THIS AGREEMENT (the "**Agreement**") is made as of the 2nd day of November 2017

BETWEEN:

**CIELO WASTE SOLUTIONS CORP.,**

(the "**Grantor**")

- and -

***NAME REDACTED***

(**"Secured Party"**)

**RECITALS:**

- A. the Secured Party has agreed to make loans available to the Grantor, a corporation existing under the laws of the Province of British Columbia and carrying on business in the Province of Alberta, on the terms and conditions contained in that certain loan agreement dated as of the date hereof among the Grantor, as borrower, 1888711 Alberta Inc., as guarantor, the other guarantors from time to time party thereto and the Secured Party, as lender (as amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Loan Agreement**");
- B. it is a requirement of the Loan Agreement that the Grantor execute and deliver to the Secured Party this Agreement; and
- C. as security for the Secured Obligations, the Grantor has agreed to grant to the Secured Party a security interest in the Collateral.

NOW, THEREFORE, for and in consideration of the above premises and the mutual covenants and agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), the Grantor and the Secured Party hereby agree as follows:

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Wherever used in this Agreement (including in the recitals and schedule hereto), all capitalized terms used and not defined have the meanings assigned to them in the Loan Agreement and the following terms have the meanings set forth below:

"**Account Debtor**" means any Person who is or becomes obligated to the Grantor under, with respect to, or on account of, an account.

"**Agreement**" means this agreement (including the recitals and schedule).

"**Chief Executive Office**" means the chief executive office of the Grantor, being the office of the Grantor where its most senior executive officers are located, where such executive officers generally transact business, and from which the chief administrative and policy-making functions of the Grantor emanate.

"**Collateral**" means all of the Grantor's present and after-acquired personal property and real property and, without limiting the generality of the foregoing, Collateral shall include all right, title and interest that the Grantor now has or may hereafter have or acquire, by way of amalgamation or otherwise, in any and all such personal property and real property.

"**Contracts**" means any contracts, agreements, indentures, licences, permits, commitments, entitlements, engagements or other arrangements, including any investment with or interest in any Person which does not constitute investment property, whether written or unwritten, to which the Grantor is now or subsequently becomes a party or has a benefit or right, or in which the Grantor now has or subsequently acquires an interest.

"**Equipment**" means all goods in which the Grantor now or subsequently has an interest other than Inventory or consumer goods, including all motor vehicles, trailers, tools, apparatus, fixtures, plant, machinery and furniture.

"**Inventory**" means all inventory, including raw materials, work in progress, finished goods and by-products, spare parts, operating supplies and packing, shipping and packaging materials, of or relating to the business of the Grantor and includes Inventory supplied by the Secured Party and Inventory supplied by any other Person.

"**LPA**" means the *Law of Property Act* (Alberta), RSA 2000, c L-7.

"**PPSA**" means the *Personal Property Security Act* (Alberta), RSA 2000, c P-7.

"**Security Interest**" means the security interest granted under Section 2.1.

## 1.2 Defined Statutory Terms

Except as may be otherwise expressly stated, any term defined in the PPSA that appears, but is not otherwise defined, in this Agreement is used herein with the meaning given to it in the PPSA.

## 1.3 Certain Rules of Interpretation

In this Agreement:

- (a) **Headings and Cross-References** – Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement. References to "**Articles**" or "**Sections**" means the specified Articles or Sections of this Agreement.
- (b) **Including** – Where the word "**including**" or "**includes**" is used in this Agreement, it means "**including (or includes) without limitation**".
- (c) **Number and Gender** – The use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision to such Person(s) or circumstance(s) as the context otherwise permits.

- (d) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or its application to other parties or circumstances.
- (e) **References** – A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, revises, restates, supplements or supersedes any such statute or any such regulation or, in each case, any provision thereof. A reference to an agreement or other document includes all schedules, amendments, supplements, modifications, extensions, renewals, replacements, novations or restatements from time to time.
- (f) **Time** – Time is of the essence with respect to this Agreement and the time for performance of the obligations of the Grantor under this Agreement may be strictly enforced by the Secured Party.

## **ARTICLE 2 SECURITY INTEREST**

### **2.1 Security Interest**

As continuing security for the payment and the performance of the Secured Obligations, the Grantor grants to the Secured Party a mortgage, charge and security interest in all of the Collateral (the "**Security Interest**").

### **2.2 Nature of the Security Interest**

The Security Interest is intended to operate as: (a) a fixed and specific charge and security interest in all of the Collateral presently existing; and (b) a fixed and specific charge and security interest in all future Collateral.

### **2.3 Attachment**

The Grantor acknowledges that value has been given, that the Grantor has rights in the Collateral, and that the Grantor and the Secured Party have not agreed to postpone the time for attachment of the Security Interest created by this Agreement to any of the Collateral. In respect of Collateral which is acquired after the date of execution hereof, the time for attachment will be the time the Grantor acquires such Collateral.

### **2.4 Exception for Last Day of Leases**

The last day of any term reserved by any real property lease or sublease, written or unwritten, or any agreement to lease or sublease real property, now held or subsequently acquired by the Grantor, is excepted out of the Security Interest. The Grantor agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Secured Party for the purpose of this Agreement.

### **2.5 Consent**

Nothing in this Agreement shall constitute an assignment or attempted assignment of any Contract which by its provisions or by Applicable Law is not assignable, which would result in the termination of or a

breach under such Contract, or which requires the consent of a third party to its assignment unless such consent has been obtained. With respect to any Contract which the Secured Party reasonably determines to be material, the Grantor shall use its commercially reasonable efforts to obtain the consent of any necessary third party to its assignment under this Agreement and to its further assignment by the Secured Party to any third party as a result of the exercise by the Secured Party of remedies hereunder. Upon such consent being obtained or waived, this Agreement shall apply to the applicable Contract without regard to this Section and without the necessity of any further assurance to effect such assignment. Unless and until the consent to any assignment is obtained or waived as provided above, the Grantor shall, to the extent it may do so at Applicable Law or pursuant to the provisions of the Contract or interest in question, hold all benefit to be derived from such Contract in trust for the Secured Party, as additional security for the payment and performance of the Secured Obligations and shall deliver up all such benefit to the Secured Party, promptly upon demand by the Secured Party.

## **2.6 Negotiable Collateral**

The Grantor shall deliver to and deposit with the Secured Party all security certificates evidencing securities, warrants or options held by the Grantor and all promissory notes, instruments, and other documents evidencing indebtedness held or hereafter acquired by the Grantor, in each case endorsed in blank by the Grantor, together with all other necessary documents and effective endorsements to enable the Secured Party or its agent or nominee, as the Secured Party may direct, to be registered as the owner of and to transfer or sell or cause to be transferred or sold such Collateral upon any enforcement of the Secured Party's rights and remedies hereunder or under Applicable Law. To the extent that the Grantor now or hereafter holds any investment property registered in the name of the Grantor or the Grantor's nominee or agent, the Grantor shall, promptly upon the Secured Party's request:

- (i) enter into an irrevocable control agreement with respect to such investment property, satisfactory to the Secured Party, providing that the issuer, or any securities intermediary, as the case may be, will comply with instructions that are originated by the Secured Party without the further consent of the Grantor; or
- (ii) cause the investment property to be registered in the name of the Secured Party or the Secured Party's agent or nominee, as the Secured Party may direct.

## **ARTICLE 3 GRANTOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

### **3.1 Representations and Warranties**

The Grantor represents and warrants to the Secured Party as follows:

- (a) **Amounts Due From Account Debtors** – The amount represented by the Grantor to the Secured Party from time to time as owing by each Account Debtor or by all Account Debtors of the Grantor, to the best of the Grantor's knowledge, is the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors to it, save and except for normal cash discounts where applicable and a reasonable reserve for bad debts.
- (b) **Corporate Names** – The Grantor's full legal name is specified in Schedule "A", and it has no French form of name or trade name except as set forth in Schedule "A".

- (c) **Relevant Jurisdictions** – Schedule "A" identifies the Grantor's jurisdiction of formation and organization, the address of its Chief Executive Office and registered and records office and the addresses of all of its places of business and at which its tangible assets, books and records are located.
- (d) **Equipment** – All serial number goods of the Grantor are listed in Schedule "A" by applicable serial numbers as required under the PPSA.
- (e) **Investment Property** - All security certificates evidencing securities, warrants or options held by the Grantor and all promissory notes, instruments, and other documents evidencing indebtedness held by the Grantor are listed in Schedule "B" hereto.
- (f) **Intellectual Property** – Attached hereto as Schedule "C" is a true and complete schedule setting forth all Intellectual Property of the Grantor.
- (g) **Quality** – The Grantor has used and will continue to use consistent standards of high quality in the manufacture, sale and delivery of products and services sold or delivered under or in connection with all the trademarks comprised within the Intellectual Property, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will use its commercially reasonable efforts to defend any challenges to the validity of the Intellectual Property.
- (h) **Perfection of Security Interest** – Except for the filing of a financing statement with provincial or state personal property registries, and filings with the Canadian Patent Office, Canadian Copyright Office and Canadian Trademark Office, the United States Patent and Trademark Office and the United States Copyright Office, or the corresponding offices in any other country which may be necessary to perfect the Security Interest, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by it of the Security Interest or for the execution, delivery or performance of this Security Agreement by it or for the perfection of or the exercise by the Secured Party of its rights hereunder to the Collateral in Canada or the United States.

All representations and warranties of the Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of the Grantor to or for the benefit of the Secured Party are material, shall survive and shall not merge upon the execution and delivery of this Agreement and shall continue in full force and effect. The Secured Party shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Secured Party at any time.

### 3.2 Covenants

The Grantor covenants and agrees with the Secured Party as follows:

- (a) **Conduct of Business** – The Grantor shall keep all of its assets used or useful in the conduct of its business in good repair, working order and condition, ordinary wear and tear excepted, and from time to time shall make, or cause to be made, all needful and proper repairs, renewals and replacements, betterments and improvements to such assets in the conduct of its business as may be properly advantageous to its business at all times.

- (b) **Notification to Secured Party** – The Grantor shall promptly notify the Secured Party of:
- (i) **Claims and Liens** – any material claim or Lien (other than a Permitted Lien) made or asserted against any of the Collateral;
  - (ii) **Proceedings** – any material suit, action or proceeding affecting any of the Collateral or which could affect the Grantor;
  - (iii) **Loss or Damage** – all material loss or damage to or material loss of possession of all or any part of the Collateral other than by disposition in accordance with the terms of this Agreement;
  - (iv) **Account Debtor Non-Performance** – any material failure of any Account Debtor in the payment or performance of obligations due to the Grantor;
  - (v) **Equipment** – any material changes in the Equipment listed in Schedule "A";
  - (vi) **Investment Property** – any changes in the Investment Property listed in Schedule "B"; and
  - (vii) **Intellectual Property** – any changes in the Intellectual Property listed in Schedule "C", including any acquisition of any rights in or to any registrable or unregistrable Intellectual Property which is not described herein or of the entitlement to the benefit of any application or registration therefor.

and where there have been any changes described in paragraphs 3.2(b)(v), 3.2(b)(vi) or 3.2(b)(vii) above, promptly deliver an updated copy of the applicable Schedule to the Secured Party.

- (c) **Payment of Obligations** – The Grantor shall promptly pay and discharge or cause to be promptly paid and discharged all rents, charges, taxes, rates, levies, assessments, fees and duties payable by it before any of them shall become past due, including any which relate to any of the Collateral.
- (d) **Maintenance of Collateral** – The Grantor shall take all reasonable steps to preserve and protect each item of the Collateral in accordance with prudent industry standards and shall not move any tangible Collateral from the locations set forth on Schedule "A" except in the ordinary course of its business.
- (e) **Delivery of Documents** – the Grantor shall deliver to the Secured Party promptly upon request:
- (i) **Documents** – any chattel paper and documents of title relating to the Collateral;
  - (ii) **Policies of Insurance** – all policies and certificates of insurance relating to the Collateral;
  - (iii) **Contracts and Agreements** – copies of all Contracts and all other agreements, licenses, permits and consents relating to the Collateral and the Grantor's business; and

- (iv) **Other Information** – information concerning the Collateral (including the location thereof), the Grantor and the Grantor's business and affairs.
- (f) **Risk and Insurance** – The Grantor shall bear the sole risk of any loss, damage, destruction or confiscation of or to the Collateral during the Grantor's possession of the Collateral or otherwise. If the Grantor fails to so insure, the Secured Party may insure the Collateral and the premiums for such insurance shall be added to the balance of the Secured Obligations secured under this Agreement.
- (g) **No Affecting the Security** – The Grantor shall not do, permit or suffer to be done anything to adversely affect the ranking, validity or perfection of the Security Interest.
- (h) **Defend Collateral** – The Grantor shall, at its own expense, take any and all commercially reasonable actions necessary to defend title to the Collateral against all Persons and to defend the Security Interest of the Secured Party in the Collateral and the priority thereof against any Lien not expressly permitted to exist and/or to rank prior to the Security Interest, as applicable.

#### **ARTICLE 4 RIGHT TO DEAL**

##### **4.1 Rights Before Default**

Until the occurrence of an Event of Default which is continuing, and subject to the terms of this Agreement, the Grantor is entitled to deal with the Collateral in the ordinary course of business, provided that no such action shall be taken which would impair the effectiveness of the Security Interest or the value of the Collateral or which would be inconsistent with or violate the provisions of this Agreement, or any other written agreement between the Secured Party and the Grantor. Upon any sale of Collateral in accordance with any Loan Document, the Security Interest shall, without further act, be released from such Collateral and the Secured Party shall, at the request and expense of the Grantor, provide confirmation of such release to the Grantor or such third parties as the Grantor may reasonably request.

#### **ARTICLE 5 DEFAULT AND REMEDIES**

##### **5.1 Default**

The Grantor shall be in default under this Agreement upon the occurrence of any Event of Default.

##### **5.2 Secured Party's Rights and Remedies**

Upon the occurrence of an Event of Default which is continuing, all of the Secured Obligations shall, at the Secured Party's option and without notice to the Grantor, become immediately due and payable and the Secured Party may, in its discretion, proceed to enforce payment and performance of the Secured Obligations and to exercise any or all of the rights and remedies contained in this Agreement, or otherwise afforded by Applicable Law, in equity or otherwise. The Secured Party shall have the right to enforce one or more rights and remedies successively or concurrently in accordance with Applicable Law and the Secured Party expressly retains all rights and remedies not inconsistent with the provisions of this Agreement including all the rights it may have under the PPSA and the LPA. Without limitation, the Secured Party may, upon the occurrence of any Event of Default which is continuing and to the extent permitted by Applicable Law:

- (a) **Appointment of Receiver** – Appoint by instrument in writing a receiver (which term shall include a receiver and manager or agent) of the Grantor and of all or any part of the Collateral and remove or replace such receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver. Any such receiver appointed by the Secured Party, with respect to responsibility for its acts, shall, to the extent permitted by Applicable Law, be deemed the agent of the Grantor and not of the Secured Party. Reference to the "**Secured Party**" in this Article includes, where the context permits, any receiver so appointed and the officers, employees or agents of such receiver;
- (b) **Enter and Repossess** – Immediately and without notice enter the Grantor's premises and repossess, disable or remove the Collateral;
- (c) **Retain the Collateral** – Retain and administer the Collateral in the Secured Party's sole and unfettered discretion;
- (d) **Dispose of the Collateral** – Dispose of any Collateral by public auction, private tender or private contract, with or without notice, advertising or any other formality and on such terms and conditions as the Secured Party may establish;
- (e) **Foreclosure** – Foreclose upon the Collateral or take the Collateral in satisfaction of the Secured Obligations secured and take all steps as may be required in connection therewith, including the crystallization of any floating charge on real property and completing any required registrations in all applicable land titles or registry offices;
- (f) **Bankruptcy Claims** – File proofs of claims or other documents as may be necessary or desirable to have the Secured Party's claim lodged in any bankruptcy, winding-up, liquidation, arrangement, dissolution or other proceedings (voluntary or otherwise) relating to the Grantor;
- (g) **Enforcing Third Party Obligations** – In the Grantor's name and at the Grantor's expense, perform any and all of the Grantor's obligations or covenants relating to the Collateral, enforce performance by any other parties of their obligations in relation to the Collateral, and settle any disputes with other parties upon terms that the Secured Party deems appropriate, in its discretion;
- (h) **Collection of Accounts and Proceeds** – On the Secured Party's own account or through a receiver, receiver-manager or agent and whether alone or in conjunction with the exercise of all or any other remedies contemplated by this Agreement, notify and direct Account Debtors and any Person obligated to the Grantor under a promissory note or bill of exchange to make all payments whatsoever to the Secured Party and the Secured Party shall have the right, at any time, to hold all amounts received from any Account Debtors and any Person obligated to the Grantor under a promissory note or bill of exchange and any proceeds as part of the Collateral. Upon the occurrence, and during the continuance of, an Event of Default, any payments or proceeds received by the Grantor shall be held by the Grantor in trust for the Secured Party in the same form in which received, shall not be commingled with any assets of the Grantor and shall, at the request of the Secured Party be turned over to the Secured Party not later than the next business day following the day of their receipt;



- (i) **Carry on Business** – Carry on or concur in the carrying on of all or any part of the business of the Grantor and may, in any event, to the exclusion of all others, including the Grantor, enter upon, occupy and use all premises of or occupied or used by the Grantor and use any of the personal property (which shall include fixtures) of the Grantor for such time and such purposes as the Secured Party sees fit. The Secured Party shall not be liable to the Grantor for any neglect in so doing or in respect of any related rent, costs, charges, depreciation or damages;
- (j) **Payment of Encumbrances** – Pay any Liens or other claims that may exist or be threatened against the Collateral, and any amount so paid, together with all costs, charges and expenses incurred, shall be added to the Secured Obligations;
- (k) **Payment of Deficiency** – If the proceeds of realization are insufficient to pay all Secured Obligations, the Grantor shall forthwith pay or cause to be paid to the Secured Party any deficiency and the Secured Party may sue the Grantor to collect the amount of such deficiency; and
- (l) **Dealing with Collateral** – Subject to Applicable Law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Secured Party advisable and without notice to the Grantor. The Secured Party may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral and may add all such sums to the Secured Obligations.

### **5.3 Assemble or Deliver the Collateral**

To assist the Secured Party in the implementation of such rights and remedies, the Grantor will, at its own risk and expense and immediately upon the Secured Party's request, assemble and prepare for removal such items of the Collateral as are selected by the Secured Party as shall, in the Secured Party's sole judgment, have a value sufficient to cover all or any portion of the Secured Obligations and shall deliver all such Collateral to a location designated by the Secured Party, acting reasonably.

### **5.4 Allocation of Proceeds**

The Secured Party shall apply the proceeds of any collection or sale of Collateral, including any Collateral consisting of cash, in accordance with section 13(b) of the Loan Agreement.

### **5.5 Waivers and Extensions**

The Secured Party may waive any default or any breach by the Grantor of any of the provisions contained in this Agreement. No waiver shall extend to a subsequent breach or default, whether or not such breach or default is the same as or similar to the breach or default waived, and no act or omission of the Secured Party shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default of the Grantor or the rights of the Secured Party resulting therefrom. Any such waiver must be in writing and signed by the Secured Party to be effective.

The Secured Party may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Collateral to third parties and otherwise deal with the Grantor's guarantors or sureties and others and with the Collateral and other securities as the Secured Party may see fit, without prejudice to the liability of the Grantor to the Secured Party or the Secured Party's rights, remedies and powers under this Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Secured Party to the Grantor shall operate as a waiver, alteration or amendment of the rights of the Secured Party or otherwise preclude the Secured Party from enforcing such rights.

#### **5.6 Statutory Waivers by Grantor**

To the fullest extent permitted by Applicable Law, the Grantor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of the Secured Party or upon the methods of realization of security, including any seize-or-sue or anti-deficiency statute or any similar provisions of any other statute.

#### **5.7 Effect of Possession or Receiver**

As soon as the Secured Party takes possession of any Collateral or appoints a receiver, all powers, functions, rights and privileges of the Grantor and the directors and officers of the Grantor with respect to the Collateral shall cease, unless specifically continued by the written consent of the Secured Party or the receiver.

#### **5.8 Set-off or Compensation**

In addition to, and not in limitation of, any rights granted now or after the date of this Agreement at Applicable Law, the Secured Party may (to the extent permitted by Applicable Law), at any time and from time to time upon the occurrence and during the continuance of an Event of Default, without notice to the Grantor (any right to such notice being expressly waived by the Grantor), set-off and compensate and apply any and all money, securities accounts, futures accounts and deposits, whether general or special, term or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Secured Party, or appropriate any other properties or assets at any time held by the Secured Party, to or for the credit of or the account of the Grantor, against and on account of the Secured Obligations, even if any of them are contingent or unmatured.

#### **5.9 Power of Attorney**

The Grantor irrevocably constitutes and appoints the Secured Party as the true and lawful attorney of the Grantor with power of substitution in the name of the Grantor to do any and all acts and things, complete any endorsements or registrations and execute and deliver all agreements, documents and instruments as the Secured Party, in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this Agreement or to exercise its rights and remedies, provided that such power of attorney shall not be exercised until an Event of Default has occurred and is continuing. The Grantor ratifies and agrees to ratify all acts of any attorney taken or done in accordance with this Section. This power of attorney being coupled with an interest shall not be revoked or terminated by any act and shall remain in full force and effect until this Agreement has been terminated.

#### **5.10 Limitation of Liability**

The Secured Party shall not be liable or accountable (other than for its own gross negligence or wilful misconduct):

- (a) by reason of any entry into or taking possession of all or any of the Collateral, to account as a mortgagee in possession or for anything except actual receipts, or for any loss on realization or any act or omission for which a secured party in possession might be liable; or
- (b) for any failure to (i) exercise or exhaust any of its rights and remedies, (ii) take possession of, seize, collect, realize, sell, lease or otherwise dispose of or obtain payment for the Collateral, or (iii) protect the Collateral from depreciating in value or becoming worthless, and shall not, in each case, be bound to institute proceedings for such purposes or for the purpose of preserving any rights, remedies or powers of the Secured Party, the Grantor or any other Person in respect of same.

The Secured Party shall not by virtue of this Agreement be deemed to be a mortgagee in possession of the Collateral. The Grantor releases and discharges the Secured Party and the receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Grantor or any Person claiming through or under the Grantor by reason or as a result of anything done or not done by the Secured Party or any successor or assign claiming through or under the Secured Party or the receiver under the provisions of this Agreement, unless such claim be the result of gross negligence or wilful misconduct.

## **ARTICLE 6 GENERAL**

### **6.1 [Reserved.]**

### **6.2 Demand Obligations**

The fact that this Agreement provides for Events of Default and rights of acceleration shall not derogate from the nature of any Secured Obligation which is payable on demand.

### **6.3 Notices**

Any notice, consent or approval required or permitted to be given in connection with this Agreement must be in writing and shall be given in the manner described in section 24 of the Loan Agreement.

### **6.4 Continuing Security**

The Security Interest is not in substitution for any other security for the Secured Obligations or for any other agreement between the parties creating a security interest in all or part of the Collateral, whether made before or after this Agreement, and such security and such agreement shall be deemed to be continuing and not affected by this Agreement unless the Secured Party and the Grantor expressly provide to the contrary in writing.

### **6.5 Amendment**

No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the parties hereto.

## **6.6 Assignment and Enurement**

None of the obligations of the Grantor hereunder may be assigned, delegated, conveyed or otherwise transferred without the Secured Party's prior written consent. Upon written notice to the Grantor, the Secured Party may assign and transfer its interest in the Loan Documents to any Person. All of the Secured Party's rights under this Agreement shall enure to the benefit of its successors and permitted assigns and all of the Grantor's obligations under this Agreement shall bind the Grantor and its successors and permitted assigns.

## **6.7 Further Assurances**

The Grantor shall at all times do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and shall provide such further documents or instruments required by the Secured Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Security Interest and the priority accorded to it by Applicable Law or under this Agreement. The Grantor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to all Intellectual Property and other Collateral.

## **6.8 Filings**

The Secured Party is authorized to make such registrations, filings or recordings or such re-registrations, re-filings or re-recordings against the Grantor as it may deem necessary or appropriate to perfect, maintain or protect the Security Interest created under this Agreement.

## **6.9 Governing Law and Attornment**

This Agreement is a contract made under, and shall be governed by and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta without prejudice to or limitation of any other rights or remedies available under the laws of any other jurisdiction where property or assets of the Grantor may be found. Each of the parties irrevocably submits to the non-exclusive jurisdiction of any court in the Province of Alberta for the purposes of any legal or equitable suit, action or proceeding in connection with this Agreement.

## **6.10 Execution and Delivery**

This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument, and counterparts may be effectively delivered by facsimile (fax) transmission, email (including pdf) or other electronic means.

## **6.11 Receipt of Copy of Agreement**

The Grantor acknowledges receipt of a copy of this Agreement.

**6.12 Waiver of Financing Statement, Etc.**

The Grantor hereby waives the right to receive from the Secured Party a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

**6.13 Discharge**


The Grantor and the Collateral shall not be released or discharged from the Security Interest or from this Agreement except by a release or discharge in writing signed by the Secured Party, which shall be delivered, at the expense of the Grantor, forthwith following the full repayment of all amounts owed in connection with the Secured Obligations. After receipt by the Grantor of such written release or discharge, this Agreement shall terminate and the Secured Party shall, at the expense of the Grantor, make and do all such acts and things and execute and deliver all such other instruments, agreements and documents as the Grantor shall reasonably request to discharge all registrations or notices filed or registered in respect of the Security Interest.

*[Signature page follows]*

IN WITNESS WHEREOF the parties have duly executed this Agreement.

**CIELO WASTE SOLUTIONS CORP.**

***NAME REDACTED***

Per:   
Name: Don Allan  
Title: President & CEO

Per: ***SIGNATURE REDACTED***  
Name:  
Title:

**SCHEDULE "A"**

**GRANTOR INFORMATION**

Grantor's Legal Name: CIELO WASTE SOLUTIONS CORP.  
Other Forms of Name or Trade Name: N/A  
Jurisdiction of Formation or Organization: BRITISH COLUMBIA  
Address of Chief Executive Office: 115 – 5114 58 STREET,  
RED DEER, AB T4N 2L8  
Address of Registered Office: 101 – 1500 HOWE ST.  
VANCOUVER, BC V6Z 2N1  
Addresses of all places of Business and locations  
of Tangible Assets: 115 – 5114 58 STREET,  
RED DEER, AB T4N 2L8  
82022-466 AVE E  
ALDERSYDE  
LEGAL PLAN 09812255; BLK 0: LOT 26  
SITE ID: 0003022863660  
Location of Books and Records: 101 – 1500 HOWE ST.  
VANCOUVER, BC V6Z 2N1  
List of all Serial Number Goods:

<b>Model Year</b>	<b>Type of Vehicle or Other Serial Number Goods</b>	<b>Make and Model</b>	<b>Manufacturer's Serial Number</b>
1989	Motor Vehicle	Case W20C Wheel Loader	9152241

**SCHEDULE "B"**

**INVESTMENT PROPERTY**

**1. Security Certificates**

<b>Name of Issuer</b>	<b>Jurisdiction</b>	<b>Registered/ Head Office</b>	<b>Pledgor's Percentage of Outstanding Interests</b>	<b>Certificated? (yes or no)</b>	<b>Certificate Number</b>
N/A					

**2. All promissory notes, instruments, and other documents evidencing indebtedness held by the Grantor**

N/A



**SCHEDULE "C"**

**INTELLECTUAL PROPERTY**

**1. Patents/Industrial Designs**

<b>Nature of Interest (e.g., owner, licenses)</b>	<b>Registered Patent No.</b>	<b>Issue Date</b>	<b>Country of Issue</b>
N/A			

**2. Patent Applications/Industrial Design Applications**

<b>Nature of Interest (e.g., owner, licensee)</b>	<b>Serial No.</b>	<b>Filing Date</b>	<b>Country of Issue</b>
N/A			

**3. Registered Trademarks**

<b>Nature of Interest (e.g., owner, licensee)</b>	<b>Registered Trademark</b>	<b>Registration No.</b>	<b>Class Covered</b>	<b>Int'l Services Covered</b>	<b>Goods or Date Registered</b>	<b>Country of Registration</b>
N/A						

#### 4. Trademark Applications

<b>Nature of Interest (e.g., owner, licensee)</b>	<b>Trademark Application relates to following Trademark</b>	<b>Serial No.</b>	<b>Int'l Class Covered</b>	<b>Goods or Services Covered</b>	<b>Country of Application</b>
N/A					

#### 5. Copyrights

<b>Nature of Interest (e.g., owner, licensee)</b>	<b>Copyright</b>	<b>Copyright No.</b>	<b>Property Covered</b>	<b>Date of Copyright</b>	<b>Docket No.</b>	<b>Country of Registration</b>
N/A						