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# SALES AGREEMENT AND CREDIT APPLICATION

DATE: \_\_\_\_\_

New Customer? Yes \_\_\_ No \_\_\_

Is a Purchase Order Required? Yes \_\_\_ No \_\_\_

Pay PST? Yes \_\_\_ No \_\_\_ If no, PST exemption # \_\_\_\_\_ or attach PST exemption certificate. (N/A in Alberta)

Member of a Buying Group? Yes \_\_\_ No \_\_\_ Buying Group Name: \_\_\_\_\_ Store/Member No.: \_\_\_\_\_

Approximately Monthly Purchases Expected: \$ \_\_\_\_\_

Legal Name: \_\_\_\_\_ (the "Applicant") Date Established: \_\_\_\_\_

Business/Operating Name/dba: \_\_\_\_\_

Street Address (Deliveries): \_\_\_\_\_

Mailing Address (If different): \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Office Phone: (\_\_\_\_) \_\_\_\_\_ Shop: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_

E-mail address: \_\_\_\_\_ Cell No. (\_\_\_\_) \_\_\_\_\_

\_\_\_ Proprietorship (List individual or the couple) \_\_\_ Corporation/Ltd. (List All Officers)

\_\_\_ Partnership: List all Partners \_\_\_ Limited Partnership Liability: (List Members of Managing Partner)

Return Completed Forms To:  
**Hardwoods Specialty Products LP**  
5870 - 48 Street SE, Calgary, AB T2C 4L4  
PH: 1-866-360-2329 or FX: 403-236-9680  
Email: HardwoodsCreditDept-CDN@hardwoods-inc.com  
Vancouver - Kelowna - Victoria - Calgary - Edmonton - Saskatoon - Winnipeg - Toronto

Title	Name	Home Address	Home Phone

Manager: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_

Accounts Payable/Controller: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_

Type of Business: \_\_\_\_\_

Previous Business Name or Connections (if any): \_\_\_\_\_

Associated Companies: \_\_\_\_\_ City: \_\_\_\_\_

Building: Own \_\_\_ Lease: \_\_\_ Landlord or Mortgage Co: Own \_\_\_ Lease: \_\_\_\_\_

Bank: \_\_\_\_\_ Branch: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_

Financial Statements Available? \_\_\_ Yes \_\_\_ No

**Major Trade References – Please list Current Lumber, Plywood and Material Suppliers.**

1. \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

2. \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

3. \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

\_\_\_\_\_  
Witness Signature (PRINTED BUSINESS LEGAL NAME)("the Applicant")

\_\_\_\_\_  
Name & Phone No. Of Witness SIGNATURE OF AUTHORIZED AGENT)

\_\_\_\_\_  
(PRINTED NAME OF SIGNATORY)



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For each and every sale, and in consideration of any extension of credit, and as part of each invoice for goods sold to the Applicant, it is agreed by the Applicant as follows:

1. This agreement is made by the Applicant with Hardwoods Specialty Products LP (referred to hereafter as "Hardwoods").
2. Applicant agrees to pay all amounts owing to Hardwoods on the due date for such payment specified in the invoices or in the statements rendered by Hardwoods, or if not so specified, then within 30 days of the date of purchase. If Hardwoods does not receive payment within this time period, the Applicant will incur credit charges on any past due sums at the rate of 2% per month (which equals an annual rate of 24%). Credit charges will be calculated and payable monthly at 2% per month (which equals an annual rate of 24%) on the outstanding principal balance each month. Credit charges are payable both before and after demand, default or judgment and until the entire account has been fully paid and satisfied.
3. In addition, Applicant agrees to repay any debt owed to Hardwoods and any time immediately upon the written demand of Hardwoods.
4. Any sums due to Hardwoods are payable at the address of Hardwoods appearing the front page of this application where this agreement is accepted by Hardwoods. Acceptance of payments at some other place shall not constitute a waiver of this clause. Hardwoods at its sole option may elect any other legally appropriate venue. Payments will be applied first to any purchases on which interest is payable and then to billed charges on which interest is not payable. Hardwoods may then apply payments to any unbilled purchases or charges.
5. If Hardwoods had to take collection or enforcement proceedings against the Applicant, the Applicant will pay to Hardwoods all costs, including collection agency fees, enforcement costs, expenses and legal fees on a full solicitor and own client basis, for any action taken to collect the amounts due and to protect or realize on the security which the Applicant has given.
6. All sales are final and any return of goods sold must be authorized in writing by Hardwoods. Hardwoods is not obligated to accept return of any goods for credit except in the case of defective goods. All sales shall be deemed as authorized and correct with respect to quality, merchantability, quantity and price unless the Applicant sends written notice to the contrary to Hardwoods within 25 days of receipt of goods or receipt of an invoice therefore. This is agreed to be a commercially reasonable time.
7. Applicant understands and agrees that Hardwoods makes no warranty or condition of fitness, express or implied, of the goods sold for any particular use or purpose. Applicant understands and agrees that Hardwoods does not offer any warranties or conditions, express or implied, in regards to the quality of its goods or merchantability other than stated herein. The Applicant specifically waives any right they may have to claim relief pursuant to the implied warranties or conditions under the Sale of Goods Act or any other applicable legislation.
8. The Applicant acknowledges and agrees that Hardwoods may transfer or assign any of its rights and interests under this Agreement without prior notice or consent from the Applicant. The Applicant waives all rights to receive any notice of any such assignment. The Applicant agrees that it will not assign its rights and interest under this Agreement to any party.
9. This agreement will be binding on the Applicant's successors and personal and legal representatives and ensure to the benefit of Hardwoods' successors and assigns.
10. In no event shall the Applicant claim any set-off (including legal or equitable set-off) against any debt owed by the Applicant to Hardwoods or any other amounts owed by the Applicant to Hardwoods.
11. The Applicant states that it is entering into this agreement for a purpose other than for personal, family, household or farming purposes.
12. Any part of this agreement which is held to be invalid, illegal or unenforceable shall be deemed not to form part of this agreement.
13. Any amendments to this agreement must be in writing and be signed by an authorized representative of Hardwoods.
14. This agreement is for the benefit of Hardwoods Specialty Products LP, or any of its affiliates, subsidiaries, successors or assigns. These parties are irrevocably authorized to contact any credit reporting agency, the above names' bank(s) and credit references for the purpose of obtaining information concerning Applicant and its financial affairs. Disclosure of such information is hereby authorized.
15. The Applicant acknowledges that with respect to all wood products sold, great care must be taken to ensure that the moisture content of the wood, as well as the relative humidity of the wood's place of origin, place of storage, place of utilization, and place of ultimate use must be specifically considered by the Applicant at every stage to ensure that the final product will be fit for its intended use. The Applicant acknowledges that Hardwoods has made no representations of any kind with respect to the suitability of its products for any specific uses, and that all questions of product suitability are determined by the skill and judgment of the Applicant, Hardwoods. Furthermore, the Applicant acknowledges that due to various factors, some products simply cannot be utilized in certain ways, no matter what precautions are taken.

**THESE PARAGRAPHS CONTAIN IMPORTANT CONTRACTUAL TERMS FOR SALES FROM HARDWOODS. READ CAREFULLY BEFORE SIGNING. THE PERSON OR PERSONS SIGNING BELOW ACKNOWLEDGE AND UNDERSTAND THE TERMS AND CONDITIONS ABOVE AND SHARE THAT HE OR SHE HAS AUTHORITY TO ENTER INTO THIS AGREEMENT ON BEHALF OF THE APPLICANT.**

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
(PRINTED BUSINESS LEGAL NAME)(the "Applicant")

\_\_\_\_\_  
Name & Phone No. of Witness

\_\_\_\_\_  
(SIGNATURE OF AUTHORIZED AGENT)

\_\_\_\_\_  
(PRINTED NAME OF SIGNATORY)

## General Security Agreement

For valuable consideration \_\_\_\_\_

operating as \_\_\_\_\_ ("Debtor") whose address

is: \_\_\_\_\_

agrees with Hardwoods Specialty Products LP ("Secured Party"), whose address

is \_\_\_\_\_

as follows:

- 1) **GRANT OF SECURITY.** The Debtor mortgages, charges and assigns to the Secured Party, and grants to Secured Party, and Secured Party takes, a Security Interest in all presently owned and hereafter acquired Personal Property of the Debtor of any nature and kind wherever located and all related proceeds and products, renewals, Accessions and substitutions; including, without limiting the generality of the foregoing, all presently owned or held and hereafter acquired right, title and interest of Debtor in and to all Goods (including all accessories, attachments, additions and Accessions), Chattel Paper, Receivables, Documents of Title (whether negotiable or not), instruments, intangibles, Licences, Money, Security, Inventory and Equipment, including but not limited to any Equipment described in Part 1 of Schedule A (collectively, the "Collateral").
- 2) **PLACES OF BUSINESS.** Subject to Section 4 the Collateral will at all times be kept at the Places of Business set out above or as may be described in Part 2 of Schedule A and will not be removed without the Secured Party's prior written consent.
- 3) **COLLATERAL FREE OF CHARGES.** Debtor represents and warrants that the Collateral is and shall remain free of any charge or trust except in favour of Secured Party (unless stated herein) or incurred with Secured Party's written consent.
- 4) **USE OF COLLATERAL.** Debtor will not without Secured Party's prior written consent, sell, lease or otherwise dispose of any of the Collateral except in the normal and ordinary course of business.
- 5) **DEFAULT.** The occurrence of any of the following events or conditions will be a "Default":
  - a) The Debtor does not pay any of the Liabilities when due or does not observe or perform any of its obligations under this Agreement or any other agreement existing at any time between the Debtor and the Secured Party.
  - b) Any representation, warranty or statement made by or on behalf of Debtor to Secured Party is untrue in any material respect at the time when or as of which it was made.
  - c) The Debtor ceases or threatens to cease to carry on in the normal course the Debtor's business or any material part thereof.
  - d) There is in the Secured Party's reasonable opinion a change in the effective control of the Debtor.
  - e) The Debtor becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy and Insolvency Act (Canada) or any similar legislation; a petition in bankruptcy is filed against the Debtor; any steps are taken by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts or any receiver, trustee or similar official is appointed in respect of the Debtor or any of its property, or
  - f) The Secured Party in good faith and upon commercially reasonable grounds believes that the prospect of payment or performance is about to be impaired or that the Collateral is or is about to be placed in jeopardy.

- 6) **RIGHTS UPON DEFAULT.** Upon any Default the Secured Party shall have all rights and obligations specified in Part 5 of the Personal Property Security Act, S.A. 1988, c. P-4.05 and any amendments thereto from time to time, including any act substituted therefore, ("PPSA"); without limiting the generality of the foregoing, Secured Party may:
- a) Secured Party may by instrument in writing or application to any Court of competent jurisdiction appoint a Receiver or Receiver and Manager of all or any part of the Collateral and may from time to time remove or replace any such Receiver. The Secured Party may from time to time fix the Receiver's remuneration and Debtor will pay Secured Party the amount of such remuneration. Secured Party will not be liable to Debtor or any other person, firm or corporation in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions;
  - b) Secured Party or any Receiver appointed hereunder may take possession of all or any part of the Collateral and retain it for as long as they consider appropriate, receive any rents and profits from the Collateral, carry on all or any part of the Debtor's business or refrain from doing so, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other disposition, and sell or lease or otherwise dispose of the Collateral on such terms and conditions as the Secured Party considers appropriate, in its own name or in the name of the Debtor;
  - c) All Proceeds of Collateral received by Secured Party or any Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Secured Party's right under this Agreement), charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by Secured Party or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for disposition; the balance of such proceeds will be applied to the Liabilities and thereafter be accounted for as required by law.
- 7) **OTHER LEGAL RIGHTS.** Before and after Default Secured Party will have in addition to the rights specifically provided in this Agreement, all rights as between Creditor and Debtor recognized at law and in equity. No right will be exclusive of or dependent upon or merge in any other right and one or more of such rights may be exercised independently or in combination from time to time.
- 8) **CHARGES AND EXPENSES.** The Debtor agrees to pay on demand all costs and expenses (including Legal costs) incurred by the Secured Party in connection with obtaining or discharging this Agreement, establishing or confirming the priority of the Charges created by this Agreement, compliance with any demand under the PPSA to amend or discharge any registration relating to this Agreement and in exercising any remedy under this Agreement.
- 9) **FURTHER ASSURANCES.** The Debtor will from time to time immediately upon request of the Secured Party take such action and execute such documents, as the Secured Party may consider necessary to give effect to this Agreement. If permitted by law, the Debtor waives the right to sign or receive a copy of any Financing Statement or Financing Change Statement or any registry that confirms any registration of a Financing Statement or Financing Change Statement relating to this agreement.
- 10) **PURCHASE-MONEY SECURITY INTEREST.** If the Secured Party gives value for the purpose of enabling Debtor to acquire rights in or to any of the Collateral, the Debtor will in fact apply such value to acquire those rights and the Debtor grants to the Secured Party, and the Secured Party takes a Purchase-Money Security Interest in such Collateral to the extent that the value is applied to acquire such rights, including products and proceeds thereof and Debtor authorizes Secured Party to give such notices as are specified in the PPSA to perfect the same. A certificate or affidavit of any of the Secured Party's authorized representatives is admissible in evidence to establish the amount of any such value.
- 11) **ADDITIONAL SECURITY.** The charges created by this Agreement are in addition and without prejudice to any other Charge now or later held by the Secured Party.
- 12) **JOINT AND SEVERAL LIABILITY.** If more than one person, firm or corporation signs this agreement as the Debtor, their obligation will be joint and several.

- 13) **GOVERNING LAW.** This Agreement is governed by the laws of the Province of Alberta.
- 14) **COPY OF AGREEMENT.** The Debtor acknowledges receipt of a copy of this agreement.
- 15) **NOTICE.** The Secured Party may send to the Debtor, by prepaid regular mail addressed to the Debtor at the Debtor's address last known to the Secured Party, copies of any document required by the PPSA to be delivered by the Secured Party to the Debtor.
- 16) **ENUREMENT; ASSIGNMENT.** This Agreement will enure to the benefit of and be binding upon (i) the Secured Party, its heirs, executors, administrators, successors and assigns, and (ii) the Debtor and the Debtor's heirs, executors, administrators, successors and permitted assigns. The Debtor will not assign this Agreement without the Secured Party's prior written consent.
- 17) **DEFINITIONS.** In this agreement
  - a) "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "intangible", "Inventory", "Proceeds", "Purchase-Money Security Interest", and "Security Interest" have the respective meanings given to them in the PPSA.
  - b) "Liabilities" means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Secured Party, wherever and however incurred and any unpaid balance thereof.
  - c) "Personal Property" means personal property and includes among other things inventory, equipment, receivables, books and records, chattel paper, goods, documents of title, instruments, intangibles (including intellectual property), money and securities, and includes all Accessions to such property.
  - d) "Place of Business" means a location where the Debtor carries on business or where any of the Collateral is located (including any location described in Schedule A).
  - e) "Receivables" means all debts, claims and choses in action (including among other things accounts and Chattel Paper) now or in the future due or owing to or owned by the Debtor.
- 18) **EXPIRY.** Any Financing Statement registered pursuant to or in connection with this Agreement shall expire in five years, provided, however, if within the time permitted by law for an extension or continuation thereof there is a Liability from the Debtor to the Secured Party, the Secured Party without further consent from the Debtor may register such an extension or continuation for a further term of five years; to the extent permitted by law further extensions of like term may likewise be registered under the same terms.

The Debtor has signed this Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Per: \_\_\_\_\_  
Authorized Signatory  
[Date of Birth Required for Proprietor]\_\_\_\_\_

\_\_\_\_\_  
Authorized Signatory  
[Date of Birth Required for Proprietor]\_\_\_\_\_



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## SCHEDULE A

### PART 1 - EQUIPMENT

All equipment, machinery, tools and attachments, furniture and furnishings, fixtures, and accessions thereto now owned or hereafter acquired.

### PART 2 - PLACES OF BUSINESS



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# PERSONAL GUARANTEE

To: Hardwoods Specialty Products LP (referred to hereafter as "Hardwoods")

Re: \_\_\_\_\_ (The "Customer")

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, I hereby covenant and agree with Hardwoods as follows:

**I hereby unconditionally guarantee payment to Hardwoods of all present and future debts and liabilities now or at any time due or owing to Hardwoods by the Customer (collectively, the "Obligations").**

My liability under this Guarantee shall be absolute and unconditional, and shall not be released or otherwise affected by anything done, suffered, or permitted by Hardwoods in connection with the Customer, the Obligations, or any security held by Hardwoods. Without releasing or otherwise affecting my Obligation under this Guarantee, and without my consent, or notice to me, Hardwoods may extend further credit or refuse further credit to the Customer, or deal with, or waive its rights against, the Customer and other guarantors and securities as Hardwoods may see fit. Hardwoods shall not be bound to exhaust its recourse against the Customer or others or under any security, or take any other action or legal proceeding before being entitled to payment from me under this Guarantee.

This Guarantee shall be revolving and continuous and may be revoked only by written notice to Hardwoods delivered by Registered Mail. I will continue to be obligated under this Guarantee for all Obligations of the Customer arising prior to the third business day following actual receipt by Hardwoods of such notice.

Upon demand I will pay to Hardwoods all expenses (including Court Costs and legal expenses on a solicitor and own client basis) incurred by Hardwoods in the enforcement of its rights under this Guarantee.

This Guarantee is in addition to and without prejudice to any security of any kind (including, without limitation, any other guarantees and any security granted by the Customer) now or hereafter held by Hardwoods and any other rights or remedies that Hardwoods might have.

This Guarantee shall extend and ensure to the benefit of Hardwoods, its successors in interest and assigns and shall be binding upon me and my personal representatives, heirs, successors in interest and assigns.

This is an integrated agreement and no representations, conditions, limitations, or warranties have been made except as specifically set forth herein. No evidence by way of parol shall be admitted to vary the terms of this agreement unless a court of competent jurisdiction deems a term or terms of this agreement to be ambiguous as a matter of law, in which event evidence may be received to resolve that ambiguity.

IN WITNESS WHEREOF I have signed, sealed, and delivered this Guarantee on \_\_\_\_\_ (Date)

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Guarantor

(Seal)

\_\_\_\_\_  
Print Name of Witness

\_\_\_\_\_  
Print Name of Guarantor

\_\_\_\_\_  
Address of Witness

\_\_\_\_\_  
Residential Address of Guarantor

\_\_\_\_\_

\_\_\_\_\_  
Home Phone ( )