



Commerce Court North, 25 King Street W., Suite 3100, Toronto, Ontario, M5H 1A1, Canada

To: **Floyd Girouard** From: **Todd Bowman**

Fax: Pages: **5**

Phone: Date: **1/17/2009**

Re: **Loan Documents** CC:

Urgent For Review Please Comment Please Reply Please Recycle

● Comments:

Please contact my office directly at 1(800) 652-3302 ext.942 if you have any questions or once you have sent your information via fax: (647)723-7492 or via email: tbowman@cadexnational.com



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Loan Terms and Agreement

This Agreement made this day of December 11, 2008, between the Lender Cadex National (hereinafter called the "Lender") party of the first part and the Borrower K (Hereinafter called the "Borrower") party of the second part whereas the Borrower has requested a Personal Loan from the Lender in the amount of \$30,000.00 and the Lender has agreed to make a loan to the Borrower. Now, therefore, in consideration of the monthly payment by the Lender to the Borrower of the sum of \$380.00, for Personal purposes, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

LOAN

1. The Borrower undertakes to repay to the Lender the principal sum of \$30,000.00 in lawful money of Canada, representing a loan with interest at the rate prescribed in Clause 5, being the amount of the loan made by the Lender to the Borrower. This sum shall remain in the possession of the Lender until a guarantee respecting the loan has been obtained from the Borrower, and shall be paid out in the form of a single advancement made to the Borrower. The amount and date of the advance shall be left to the discretion of the Lender until such time as the Lender is satisfied that all terms and conditions of this loan have been complied with. Neither the execution nor registration of this Loan Agreement, nor the advance of the said sum shall bind the Lender to advance the said sum thereof, nor shall any part thereof from time to time, be in the sole discretion of the Lender. If the Borrower is in breach of any of the terms of this Loan Agreement before the loan has been fully advanced, the Lender may, in its absolute discretion, without notice and without prejudice to any other rights and remedies it may have in the circumstances, close out the loan and treat the loan as being null and void, if on that date, no advances have been made pursuant to this agreement.
2. The Borrower covenants and agrees with the Lender that the Borrower will not convey, transfer, or otherwise dispose of its interest in this project, to an assignee or transferee not previously approved, in writing, by the Lender and the Borrower.

TERM

3. This loan is made for an initial term of 3 year(s) from the interest adjustment date, being December 11, 2008.

SECURITY DEPOSIT

4. If the Borrower is deemed unqualified for an unsecured loan program, a security deposit is required in protection of the loan. The deposit is calculated at 10% of the total loan amount, and is put in trust with the Lender before the installment of the loan. The deposit is held for a term of 3 months from the installment date. The deposit is refunded to the Borrower upon their third payment on the basis they maintain good payment history, upon which the security deposit is returned to the Borrower in full.

REPAYMENT

5. The amount of principal money advanced on this Personal loan is the sum paid to the Borrower as aforesaid and the rate of interest chargeable thereon is 9.0 per centum (%) per annum compounded annually not in advance, as well after as before maturity of this Personal loan until paid. Throughout the initial term of this loan, the principal money advanced, with interest at the rate aforesaid, is payable as follows:
 - a. Interest at the aforesaid rate on the amounts from time advanced, computed from the respective date of such advancement shall become due and payable within one month from the date of the advancement, on the date that the Lender determines and at monthly intervals thereafter, and the balance, if any, of the interest on advancement shall become due and payable on the monthly payment date, (hereinafter referred to as the "interest adjustment date"); provided that, the Lender may require the interest on the principal advancement from time to time, computed from the date of such advance, to become due and payable in monthly installments on the aforesaid date for adjustment of interest. And thereafter, the aforesaid sum together with interest thereon



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at the aforesaid rate computed from the interest adjustment date shall become due and payable as follows:

- i. By monthly installments of \$ 380.00, each (which includes principal and interest) on the same day of every month starting one month after the advancement of the loan. The amount of the above installments has been established on the basis of an amortization period of 3 years (not to exceed forty (40) years in aggregate).

METHOD OF PAYMENT

6. Payments by the Borrower shall be made by mailed cheques, through electronic transactions or other method of payment which is agreed by both parties at the time of the loan installment. All information for the agreed method must be provided from both the Borrower and Lender for repayments to be made, and all information is required before loan installment is to be released to the Borrower. Mailed payments shall be sent to the following address:

**Accounts Receivable
Cadex National
Commerce Court North
25 King Street West, Suite 3100
Toronto, Ontario, M5H 1A1**

The Borrower will be given 30 days notice if the Lenders mailing address changes.

Borrower may make other methods of payment other than indicated above. Electronic transactions shall be arranged at the time of receipt of Loan Amount where all necessary information is provided from the Borrower to the Lender. The information is required before the Loan Amount is to be released to the Borrower.

RENEWALS

7. At the option of the Lender, the term of the loan may be renewed or extended from time to time for such additional periods not exceeding in the aggregate forty (40) years from the Interest Adjustment Date and at the interest rate for the new term not exceeding the rate charged for similar loans at that time. Where a Borrower and an existing Lender agree to renew an existing loan for another term or to refinance an existing loan, the loan guarantee will continue to apply after the loan has been renewed or refinanced, indicating the new interest rate and the length of the new term of the loan, and that neither the outstanding principal balance nor the total amortization period is being increased.

PREPAYMENTS

8. The Borrower will be assessed a 3% prepayment penalty of the outstanding loan balance if There will be no Prepayment Penalties after the first 12 months or after the first 90 days of this loan term. The Borrower will be able to make additional payments towards the principal of this loan without any additional cost or penalty. However, if there have been late payments of any missed payments during the loan term any additional or extra payments will go towards outstanding interest and the remainder will be put towards the principal.

REIMBURSEMENT OF EXPENSES

9. Any sums paid by the Lender for insurance, missed payment, or legal fees, to which the Lender pays pursuant to the terms of this Agreement (otherwise than in the form of an advance) or to protect its security, shall be payable or repayable forthwith by the Borrower, without any notice, and shall bear interest at the rate from the date of the payment of such sums by the Lender.



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NOTICE OF DEFAULT

10. The expiry of the time provided for the performance of an obligation shall put the Borrower into default, without the Lender being required to give any notice.

DEFAULT

11. The Borrower shall be deemed to be in default in each of the following circumstances, without prejudice to any other grounds of default stipulated herein or provided for by law:
- i) If the Borrower is in breach of any one of its obligations hereunder and, in particular, without limiting the generality of the foregoing, if it is in breach of paying, on their respective due dates, the installment of principal and interest payable hereunder.
 - ii) If the statements of the Borrower in this Agreement or in any documents provided to the Lender for purposes of this loan are false in whole or in part. In the event a Borrower fails to make loan payments as stipulated in the Loan Agreement, the Lender shall inform the Borrower of the default situation within ninety (90) days of the Borrower being in default in making payments under the loan agreement, and every thirty (30) days thereafter while the default continues up to one hundred and twenty (120) days from the initial notification of loan default.

CREDIT REPORTING

12. The Borrower's performance under this Agreement will be provided to credit reporting agencies. The Borrower agrees and hereby authorizes the Lender to obtain the Borrower's credit reports while any portion of the loan remains owed to the Lender. The Borrower specifically acknowledges and agrees the Lender may disclose any default by the Borrower under this Agreement, and with relevant information, to credit reporting agencies.

CUMULATIVE REMEDIES

13. All rights and remedies of the Lender arising out of this agreement and the guarantee respecting the loan are cumulative, with the result that the exercise of one of them by the Lender does not deprive it of the ability to exercise any of the others.

INTERPRETATION

14. Where the context so requires, any word in the singular also includes the plural, and vice versa; any word in the masculine form also includes the feminine.
15. If this Loan Agreement is not accepted by the Borrower within thirty (30) days of the date hereof, then the obligation of the Lender may, at the sole discretion of the Lender, cease and terminate.



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In witness whereof, this Loan Agreement has been executed in 2 copies by the Lender by its duly authorized signing officer(s) and has been executed by the Borrower by its duly authorized representatives.

Drafted in Toronto, Ontario on the December 3, 2008.

Date: December 3, 2008

Account Number: 000246336

Principle Loan Amount:	\$30,000.00
Annual Interest Rate:	9.0% Fixed
Loan Term:	10 Years
Security Deposit:	Yes
Security Deposit Amount:	\$3000.00
Calculated Monthly Payment:	\$380.00

Borrower's Name

Spouse's Name (if applicable)

Date of Birth

S.I.N.

In witness whereof and acknowledging acceptance and agreement of the foregoing, Borrower and Lender affix their signatures hereto.

X	Todd Bowman	November 26, 2008
_____		_____
	Cadex National Representative	Date

X		
_____		_____
	Borrower's Signature	Date

X		
_____		_____
	Co-Signer Signature	Date