

LOAN AGREEMENT

THIS AGREEMENT (the “Agreement”) is dated [LOAN_GRANTED_DATE]

BETWEEN:

ADDY TECHNOLOGY CORP., a British Columbia company having an office at Suite # 352 – 3381 Cambie Street Vancouver, BC, V5Z 4R3,

(the “**Lender**”)

AND:

value, a British Columbia company having an office at Suite # 352 – 3381 Cambie Street Vancouver, BC, V5Z 4R3

(the “**Borrower**”)

WHEREAS:

- A. The Borrower requested that the Lender advance the Loan (as defined below) to the Borrower solely for the purpose of purchasing units in a limited partnership that owns an interest in that certain real estate having a civic address at value (the “**Purpose**”); and
- B. The Lender is prepared to advance the Loan (as defined below) to the Borrower for the Purpose upon the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance the Loan to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

1. LOAN

- 1.1 **Loan.** The Lender agrees to advance to the Borrower the principal sum of \$[LOAN_AMOUNT] (the “**Loan**”).
- 1.2 **Advance.** Subject to the other provisions of this Agreement, the Lender shall make the advance of the Loan (the “**Advance**”) to the Borrower immediately after the execution of this Agreement by disbursing the proceeds of the Advance to the Borrower by way of making a wire transfer or other form of electronic deposit to an account designated by the Borrower.
- 1.3 **Purpose.** The proceeds of the Loan shall be used solely by the Borrower for the Purpose.
- 1.4 **Interest.** Interest will accrue on the outstanding principal balance of the Loan commencing on the date the Advance is disbursed pursuant to this Agreement at a rate of TD Prime + [INTERCOMPANY_INTEREST_RATE]% per annum.
- 1.5 **Repayment / Prepayment.** Subject to other terms and conditions of this Agreement:

- (a) the outstanding principal balance of the Loan and interest accrued thereon from time to time shall be repaid in [LOAN_MATURITY_DAYS] days by the Borrower on [LOAN_MATURITY_DATE] and
 - (b) the outstanding principal balance of the Loan and any accrued and unpaid interest thereon from time to time may be repaid, in whole or in part, by the Borrower at any time and from time to time, to the Lender, without bonus or penalty.
- 1.6 **Evidence of Debt.** The Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to the Lender resulting from the Advance made by the Lender, including the amounts of principal and interest payable and paid to the Lender from time to time hereunder. The entries made in the accounts maintained pursuant to this subsection shall be, in the absence of manifest error, *prima facie* evidence of the existence and amounts of the obligations recorded therein; provided that the failure of the Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loan in accordance with the terms of this Agreement.
- 1.7 **Place and Manner of Payments.** Except as otherwise specifically provided herein, all payments hereunder shall be made to the Lender in immediately available funds, without offset, deduction, counterclaim or withholding of any kind, at its office address set out on the first page of this Agreement, not later than 2:00 P.M. (Vancouver time) on the date when due. Payments received after such time shall be deemed to have been received on the immediately succeeding Business Day. Whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the immediately succeeding Business Day, except where the immediately succeeding Business Day falls in the immediately succeeding calendar month, then the due date shall be the immediately preceding Business Day.
- 1.8 **No Deductions or Withholdings.** All sums payable by the Borrower under this Agreement shall be paid in full free and clear of any tax or other deductions or withholdings of any nature. If the Borrower or any other Person is required by any law or regulation to make any deduction or withholding (on account of tax or otherwise) from any payment for the account of the Lender, the Borrower shall, together with such payment, pay such additional amount as will ensure that the Lender receives (free and clear of any tax or other deductions or withholdings) the full amount which it would have received if no such deduction or withholding had been required. To the extent taxes are payable by the Lender and a rebate is available to the Lender, the Lender will use reasonable efforts to collect the rebate and promptly remit such rebate collected to the Borrower.
- 1.9 **Security.** The Loan advanced and all interest accrued thereon shall be secured by a security agreement dated as of the Closing Date in the form agreed upon between the Lender and the Borrower (the “**Security Agreement**”), with such amendments, modifications or supplements as the parties may agree to from time to time, whereby the Borrower will grant to the Lender a security interest in all of the Borrower’s present and after-acquired personal property.

2. REPRESENTATIONS AND WARRANTIES

The Borrower hereby makes the following representations and warranties:

- (a) the Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated;

- (b) the Borrower has full power, authority and legal right to own its property and assets and to carry on its business and to enter into and engage in the transactions contemplated by this Agreement;
- (c) the borrowing of the Loan as contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement have been duly authorized by all necessary corporate proceedings of the Borrower;
- (d) no Event of Default and no event which, with the giving of notice or lapse of time would become an Event of Default, has occurred or is continuing; and
- (e) this Agreement has been duly executed and delivered by the Borrower and constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

3. COVENANTS

The Borrower covenants and agrees with the Lender that, so long as the Loan or any part thereof shall be outstanding, the Borrower will do the following:

- (a) pay the principal sum and accrued interest required to be paid to the Lender pursuant to this Agreement in the manner set forth herein;
- (b) provide the Lender with immediate notice of any Event of Default; and
- (c) use the proceeds of the Loan solely for the Purpose.

4. CLOSING DELIVERABLES

4.1 On the date of the execution of this Agreement (the “**Closing Date**”) and against advance of the Advance in accordance with Section 1.2, the Borrower shall have provided the following documents and confirmed to the Lender:

- (a) this Agreement executed and delivered by the Borrower; and
- (b) the Security Agreement executed and delivered by the Borrower.

5. EVENTS OF DEFAULT

5.1 Each of the following events, unless otherwise waived in writing by the Lender, will constitute an event of default (each an “**Event of Default**”); provided, however, the following (a), (d) and (e) shall constitute an Event of Default only if the Borrower has not rectified such default within ten (10) Business Days of written notification from the Lender,;

- (a) the Borrower fails to pay any amount when due under this Agreement;
- (b) the Borrower becomes insolvent or makes a general assignment for the benefit of its creditors, or if any order is made or an effective resolution is passed for the winding-up, or the Borrower is declared bankrupt or if a custodian or receiver be appointed for the Borrower under the applicable bankruptcy or insolvency legislation, or if a compromise

or arrangement is proposed by the Borrower to its creditors or any class of its creditors, or a receiver or other officer with like powers is appointed for the Borrower (collectively “**Insolvency**”);

- (c) the Borrower ceases or threatens to cease to carry on its business or any substantial part thereof or changes or threatens to change the nature or scope of its business or the Borrower disposes of or threatens to dispose of or any governmental or other authority expropriates or threatens to expropriate all or any substantial part of its business or assets;
- (d) any representation or warranty made by or on behalf of the Borrower in or in connection with this Agreement or any amendment or modification thereof or waiver thereunder shall prove to have been incorrect in any material respect when made; and
- (e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other agreement to which it is a party.

5.2 If an Event of Default has occurred and is continuing, the Lender shall have the right but is not obliged to:

- (a) declare the Loan and accrued interest due and payable hereunder to be, whereupon they shall become, immediately due and payable without further demand, notice or other legal formality of any kind;
- (b) take all such action, as the Lender deems necessary to enforce all or any of its rights under this Agreement; and/or
- (c) exercise any rights or remedies available to the Lender under this Agreement or at law or equity.

5.3 **Governing Law.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE PROVINCE OF BRITISH COLUMBIA (WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES).

6. GENERAL

6.1 **Definitions.** The following terms have the following meanings in this Agreement:

- (a) “**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in Vancouver, British Columbia are authorized or required by law to close.
- (b) “**Event of Default**” has the meaning ascribed to it in Section 5.1;
- (c) “**Insolvency**” has the meaning ascribed to it in Section 5.1; and
- (d) “**Person**” includes any natural person, corporation, company, limited liability company, trust, joint venture, association, incorporated organization, partnership, governmental authority or other entity.

- 6.2 **Amendment.** Any amendment or waiver of any provision of this Agreement and any waiver of any default under this Agreement shall only be effective if made in writing and signed by or on behalf of the party against whom the amendment or waiver is asserted.
- 6.3 **Waiver.** Time is of the essence of this Agreement but no failure or delay by the Lender in exercising any right, power or remedy hereunder shall impair such right, power or remedy or operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies herein provided are cumulative and do not exclude any other rights, powers and remedies provided by law.
- 6.4 **Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 6.5 **Assignment.** The Borrower shall not assign or transfer all or any part of its rights or obligations under this Agreement without the Lender's prior written consent. The Lender may assign or transfer all or any part of its rights or obligations under this Agreement without any consent by the Borrower.
- 6.6 **Entire Agreement.** This Agreement shall constitute the entire obligation of the Borrower and the Lender and supersede any previous expressions of intent or understandings in respect of the transaction contemplated by this Agreement.
- 6.7 **Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.
- 6.8 **Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other party in accordance with the terms of this paragraph.
- 6.9 **Miscellaneous.** In this Agreement, unless the context requires otherwise, references to provisions of any law or regulation shall be construed as references to those provisions as replaced, amended, modified or re-enacted from time to time; words importing the singular include the plural and *vice versa* and words importing a gender include every gender; references to this Agreement shall be construed as references to such document as the same may be amended, supplemented or novated from time to time; unless otherwise stated, references to Sections and Schedules are to sections of and schedules to this Agreement and references to this Agreement include its Schedules.
- 6.10 **Co-operation.** The Borrower shall execute all such further documents and do all such further things as may reasonably be required by the Lender in order to give full effect to this Agreement.
- 6.11 **Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective successors, executors, administrators, personal representatives and permitted assigns, as applicable.
- 6.12 **Execution.** This Agreement shall become effective as of the date first written above.

- 6.13 **Delivery.** This Agreement and any notice or request given hereunder may be delivered in counterparts and by facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed an original copy of the same document and all counterparts will be construed together as one and the same agreement.

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AS EVIDENCE OF THEIR AGREEMENT the parties hereto have caused this Agreement to be executed and delivered as of [LOAN_GRANTED_DATE].

ADDY TECHNOLOGY CORP.

Per: *Guest 1*
Authorized Signatory

value

Per: *Guest 2*
Authorized Signatory

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