

# LOAN AGREEMENT (Long Form)

## TABLE OF CONTENTS

	PAGE
RECITALS .....	5
<b>0.00 INTERPRETATION .....</b>	<b>6</b>
0.01 Definitions .....	6
0.01.01 Activities .....	6
0.01.02 Agreement .....	6
0.01.03 Breach .....	6
0.01.04 Claim .....	7
0.01.05 Dispute .....	7
0.01.06 Encumber / Encumbrance .....	7
0.01.07 Force Majeure .....	7
0.01.08 Law .....	7
0.01.09 Legal Representatives .....	8
0.01.10 Loan .....	8
0.01.11 Loss .....	8
0.01.12 PARTY .....	8
0.01.13 Person .....	8
0.01.14 Prime Rate .....	8
0.02 Entire Agreement .....	9
0.03 Applicable Law .....	9
0.04 Non-Compliance .....	9
0.04.01 Severability .....	9
0.04.02 Substitute Provision .....	9
0.05 Miscellaneous .....	9
0.05.01 Cumulative Rights .....	9
0.05.02 No Waiver .....	9
0.05.03 Time and Days .....	10
a) Time of the Essence .....	10
b) Computation of Time .....	10
c) Delays .....	10
0.05.04 Financial References .....	11
0.05.05 Cross-References .....	11
0.05.06 Gender and Number .....	11
0.05.07 Headings .....	11
0.05.08 Knowledge .....	11
0.05.09 Approval .....	11
<b>1.00 PURPOSE .....</b>	<b>12</b>
1.01 Legal Transaction .....	12

# LOAN AGREEMENT (Long Form)

1.02	Conditions .....	12
1.03	Purpose .....	12
<b>2.00</b>	<b>CONSIDERATION .....</b>	<b>12</b>
2.01	Amount of Loan .....	12
2.02	Additional Costs .....	12
2.02.01	Registration ( <i>if applicable</i> ).....	12
2.02.02	Late Payment .....	13
<b>3.00</b>	<b>TERMS OF PAYMENT .....</b>	<b>13</b>
3.01	Payment of Loan Funds .....	13
3.02	Receipt .....	13
3.03	Interest .....	13
3.04	Repayment of Loan.....	13
3.05	Prepayment of Loan .....	14
3.06	Loss of Term .....	14
3.07	Waiver of Compensation .....	14
<b>4.00</b>	<b>SECURITY .....</b>	<b>14</b>
4.01	..... ( <i>insert title of V1 or V2</i> ).....	14
<b>5.00</b>	<b>MUTUAL REPRESENTATIONS AND WARRANTIES .....</b>	<b>15</b>
5.01	Status.....	15
5.02	Authority .....	16
5.03	Binding Agreement.....	16
5.04	Canadian Resident .....	16
5.05	Commission .....	16
5.06	Insurance .....	16
5.07	Nominee .....	17
5.08	Independent Legal Advice .....	17
5.09	Disclosure .....	17
<b>6.00</b>	<b>REPRESENTATIONS AND WARRANTIES OF LENDER .....</b>	<b>17</b>
<b>7.00</b>	<b>REPRESENTATIONS AND WARRANTIES OF BORROWER .....</b>	<b>17</b>
7.01	No Encumbrances ( <i>if applicable</i> ) .....	17
7.02	Solvency .....	17
<b>8.00</b>	<b>MUTUAL DUTIES AND OBLIGATIONS .....</b>	<b>18</b>
8.01	Continuation of Representations and Warranties .....	18
8.02	Indemnification.....	18
8.02.01	Scope .....	18
8.02.02	Procedure .....	18
8.02.03	Third-Party Claim.....	19
8.02.04	Duration of Representations and Warranties.....	19

# LOAN AGREEMENT (Long Form)

8.02.05	Deductible .....	19
8.02.06	Limitation .....	20
8.03	Disclosure of Agreement .....	20
8.03.01	Undertaking .....	20
8.03.02	Public Announcement .....	20
8.03.03	Exception .....	20
8.04	Further Assurances .....	21
<b>9.00</b>	<b>DUTIES AND OBLIGATIONS OF LENDER.....</b>	<b>21</b>
<b>10.00</b>	<b>DUTIES AND OBLIGATIONS OF BORROWER .....</b>	<b>21</b>
10.01	Use .....	21
10.02	Applicable Law .....	21
10.03	Legal Proceeding .....	21
<b>11.00</b>	<b>SPECIAL PROVISIONS.....</b>	<b>21</b>
11.01	Assignment .....	21
11.01.01	Prohibition .....	21
11.01.02	Reasonable Cause .....	22
11.01.03	Effect of Breach .....	22
11.01.04	Exception .....	22
11.02	Force Majeure .....	22
11.02.01	Limitation on Liability .....	22
11.02.02	Duty .....	22
11.02.03	Right of Other PARTY .....	23
11.03	Relationship Between the PARTIES .....	23
11.04	Remedies .....	23
11.04.01	Choice .....	23
11.04.02	No Limitations .....	23
<b>12.00</b>	<b>GENERAL PROVISIONS .....</b>	<b>24</b>
12.01	Notice .....	24
12.02	Dispute Resolution .....	24
12.02.01	Good Faith Negotiations .....	24
a)	Written Notice .....	24
b)	Meeting .....	24
c)	Legal Proceedings .....	24
d)	Protective Measures .....	24
12.02.02	Mediation .....	24
a)	Process .....	24
b)	Settlement .....	25
c)	Arbitration .....	25
12.03	Choice of Forum .....	25
12.04	Counterparts .....	25
12.05	Amendment .....	25

**LOAN AGREEMENT  
(Long Form)**

12.06	No Waiver of Rights .....	25
12.07	Electronic Transmission and Signature .....	26
12.08	Language.....	26
<b>13.00</b>	<b>TERMINATION .....</b>	<b>26</b>
13.01	Expiry of Term .....	26
13.02	Automatic or by Mutual Consent .....	26
13.03	Event of Default.....	26
13.03.01	Without Notice .....	27
13.03.02	With Prior Notice .....	27
<b>14.00</b>	<b>EFFECTIVE DATE.....</b>	<b>28</b>
<b>15.00</b>	<b>DURATION.....</b>	<b>28</b>
<b>16.00</b>	<b>SCOPE .....</b>	<b>28</b>

**SCHEDULES**

	<b>PAGE</b>
<b>SCHEDULE 3.02 – RECEIPT .....</b>	<b>30</b>
<b>SCHEDULE 4.01 – MOVABLE HYPOTHEC WITHOUT DELIVERY .....</b>	<b>31</b>
<b>SCHEDULE 4.01 – LETTER OF CREDIT.....</b>	<b>31</b>

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# LOAN AGREEMENT (Long Form)

LOAN AGREEMENT entered into in the City of ....., Province of ....., Canada.

**BETWEEN:** V1 ..... (*name of individual*), ..... (*occupation*), domiciled and residing at ..... (*civic number and street name*), in the City of ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), operating as a sole proprietorship under the name ..... (*business name*);

**OR**

V2 ..... (*corporate name*), a legal person duly incorporated under the ..... Act (*name of statute under which the corporation was incorporated*), with its principal place of business at ..... (*civic number and street name*), in the City of ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), and duly registered under the designating number ..... in accordance with the ..... Act (*name of the applicable statute governing the legal registration of the corporation*), represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof;

**OR**

V3 ..... (*common business name*), a partnership duly formed under the Civil Code of Quebec, with its head or registered office at ..... (*civic number and street name*), in the City of ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), duly represented by ..... (*name*), its ..... (*title*), who duly authorized for the purposes hereof;

**HEREINAFTER THE “LENDER”;**

**AND:** ..... (*identify the borrower*);  
(select the appropriate version from those listed above)

**HEREINAFTER THE “BORROWER”;**

**HEREINAFTER COLLECTIVELY THE “PARTIES”;**

**RECITALS**

LENDER	BORROWER

# LOAN AGREEMENT (Long Form)

THE PARTIES DECLARE AS FOLLOWS:

- A) The LENDER is engaged in the business of ..... (*identify business activity*);
- B) The BORROWER is engaged in the business of ..... (*identify business activity*);
- C) The BORROWER wishes to obtain a loan, and the LENDER has agreed to act as a lender for such purpose, in accordance with the terms hereof;
- D) The PARTIES wish to record the terms of their agreement regarding such purpose in a private instrument;
- E) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

**0.00**

## **INTERPRETATION**

### **0.01 Definitions**

Unless otherwise indicated herein or inconsistent with the context, capitalized words and expressions appearing in this agreement [and in any ancillary or subordinate documentation] will be interpreted as follows:

#### **0.01.01 Activities**

means, regarding the LENDER, ..... (*describe its principal business activities*) and, regarding the BORROWER, ..... (*describe its principal business activities*);

#### **0.01.02 Agreement**

means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendments thereto that the PARTIES may make from time to time in accordance with Section 12.05 herein;

#### **0.01.03 Breach**

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LENDER	BORROWER

# LOAN AGREEMENT (Long Form)

means, with regard to any representation or warranty or obligation under the Agreement:

- a) any misrepresentation, inaccuracy, error, or failure to disclose;
- b) any non-compliant performance or failure to perform an obligation; or
- c) any non-compliance, infringement, default or failure to satisfy any provision;

**0.01.04 Claim**

means any request, complaint, grievance, legal action, lawsuit, cause of action, order, sentence, judgment, notice, demand letter, legal proceeding, arbitration, audit, hearing, investigation or assessment;

**0.01.05 Dispute**

means any problem, difficulty, disagreement or litigation between the PARTIES arising from the interpretation, application, execution or cancellation of the Agreement or related to their legal or business relationship;

**0.01.06 Encumber / Encumbrance**

Encumber means to create or grant an Encumbrance, and Encumbrance means, whether created by agreement or by operation of law, a legal cause of preference, a dismemberment of ownership rights, an ownership interest, a restriction on the right to sell or convey any security interest of any kind, including any right capable of becoming any of the foregoing;

**0.01.07 Force Majeure**

means any event beyond the control of a PARTY that could not have been reasonably foreseen and against which it could not have protected itself such as any natural disaster, epidemic, fire, accident, act of war (whether declared or not), insurrection, riot, act of terrorism, strike, spontaneous work stoppage or slowdown, lockout, change in market conditions, power or telecommunications outage (including internet and cell phone services), intervention by civil or military authorities, or compliance with any Law, government decree or order issued by any public authority [**OR** ..... *(identify any other event that is relevant in the context of the Agreement)*];

**0.01.08 Law**

means, relating to any federal, provincial municipal or foreign jurisdiction, any law, regulation, order, decree, guideline, administrative policy or other legislative or executive instrument issued by a public or quasi-public authority, any general rule of law as well as any legal or administrative decision by a competent court relating to the validity,

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LENDER	BORROWER

# LOAN AGREEMENT (Long Form)

interpretation and application thereof, and includes, when required, an international treaty or inter-provincial or inter-governmental agreement, it being understood that any reference in the Agreement to a specific Law, includes any regulations adopted thereunder, any amendments thereto as well as any law or regulation that supplements or replaces such law or regulation, as the case may be;

## **0.01.09 Legal Representatives**

means, in respect of each PARTY or, if applicable, its duly authorized assignee:

- a) when a natural person, the executors of his estate or administrators of his property, his legal heirs, legatees, successors or mandataries, as the case may be;
- b) when a legal person, its directors, officers, shareholders, employees or representatives, as the case may be; and
- c) when a partnership, joint venture, collaboration or any other group of Persons, its authorized partners, general partners, mandataries or members, as the case may be;

## **0.01.10 Loan**

refers to the loan of money that is the subject of this Agreement;

## **0.01.11 Loss**

means, in connection with the Agreement, any direct damage, fine, fee, penalty, loss of revenue that is a direct damage or expense, including without limitation, any interest, reasonable investigative costs, legal costs, reasonable professional fees and expenses of any lawyer, accountant or other expert as well as any expenses related to any judicial or quasi-judicial procedure including arbitration, but does not include any punitive, indirect or incidental damages;

## **0.01.12 PARTY**

means a signing party to the Agreement and includes its Legal Representatives;

## **0.01.13 Person**

means a natural person, partnership, business corporation, cooperative, association, labour union, trust or any other organization, whether or not incorporated, or any public authority of any foreign, federal, provincial, territorial or municipal jurisdiction that is not a PARTY, and includes its legal representatives;

## **0.01.14 Prime Rate**

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LENDER	BORROWER