

# ASSIGNMENT OF RECEIVABLES AGREEMENT

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# ASSIGNMENT OF RECEIVABLES AGREEMENT

ASSIGNMENT OF RECEIVABLES AGREEMENT entered into in the City of .....,  
Province of ..... (*insert name of province*), Canada.

**BETWEEN:** V1 ..... (*name of individual*), ..... (*occupation*), domiciled and  
residing at ..... (*insert civic number and street name*), in the City of  
..... (*insert name of city*), Province of ..... (*insert name of  
province*), ..... (*postal code*);

**OR**

V2 ..... (*corporate or business name*), a legal person duly incorporated  
pursuant to the ..... Act (*name of statute under which the corporation was  
incorporated*), having its principal place of business at ..... (*insert civic  
number and street name*), in the City of ..... (*insert name of city*), Province of  
..... (*insert name of province*), ..... (*postal code*);

**OR**

V3 ..... (*corporate or business name*), a legal person duly incorporated  
pursuant to the ..... Act (*name of statute under which the corporation was  
incorporated*), having its head or registered office at ..... (*insert civic number  
and street name*), in the City of ..... (*insert name of city*), Province of  
..... (*insert name of province*), ..... (*postal code*), represented by  
..... (*name of representative*), its ..... (*title of representative*),  
duly authorized for the purposes hereof;

**OR**

V4 ..... (*corporate or business name*), a legal person, duly incorporated  
pursuant to the ..... Act (*name of statute under which the corporation was  
incorporated*), having its head or registered office at ..... (*insert civic number  
and street name*), in the City of ..... (*insert name of city*), Province of  
..... (*insert name of province*), ..... (*postal code*), and duly  
registered under number ..... ( ..... ) in accordance with ..... (*insert  
name of statute pursuant to which the entity is registered*), represented by .....  
(*name of representative*), its ..... (*title of representative*), duly authorized for  
the purposes hereof as he/she so declares [or as indicated in the resolution of the [sole  
director or board of directors]];

**HEREINAFTER REFERRED TO AS “ASSIGNOR”;**

**AND:** ..... (*identification of ASSIGNEE*);

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ASSIGNOR	ASSIGNEE

# ASSIGNMENT OF RECEIVABLES AGREEMENT

HEREINAFTER REFERRED TO AS “ASSIGNEE”;

HEREINAFTER COLLECTIVELY REFERRED TO AS THE “PARTIES”.

## RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- (A) ASSIGNOR wishes to finance the development of its business;
- (B) For this purpose, ASSIGNOR wishes to proceed with the sale of one or more of the receivables that it holds;
- (C) ASSIGNEE wishes to acquire such receivables;
- (D) The PARTIES wish to set out in writing the terms of their agreement regarding such purpose;
- (E) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

## 0.00 INTERPRETATION

### 0.01 Terminology

Unless otherwise indicated, capitalized words and expressions appearing in the Agreement shall be interpreted or construed as follows:

#### 0.01.01 Agreement

means this agreement including its recitals and schedules, any related or ancillary agreement or document identified therein, as well as any amendment made thereto from time to time by the PARTIES in compliance with Section 12.05; the terms “herein”, “hereof”, “hereto”, “herewith”, “hereunder”, “hereby” and other similar terms, when used in the Agreement,

ASSIGNOR	ASSIGNEE

# ASSIGNMENT OF RECEIVABLES AGREEMENT

shall generally refer to the agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

## 0.01.02 Breach

means any misrepresentation, inaccuracy, error, omission, non-compliance, infringement, failure, claim or other circumstance relating to a representation, warranty, covenant, obligation or other provision of the Agreement leading to:

- (a) any infringement of the Agreement; or
- (b) any claim by any Person or other occurrence or circumstance which (i) is inconsistent with a covenant, obligation or other provision of the Agreement and (ii) causes damage to such Person;

## 0.01.03 Change in Control

means, in relation to any PARTY to the Agreement whose legal status is that of a business corporation, any one of the following events:

the direct or indirect acquisition by any Person or entity of securities of such a corporation representing more than FIFTY PERCENT (50%) of the corporation's voting rights;

- (a) an agreement for the sale or disposition of all or substantially all of such a corporation's assets;
- (b) a reorganization of such corporation leading to an assignment of a PARTY's rights in the Agreement to a related Person;
- (c) a merger of such a corporation; or
- (d) the approval by the shareholders of such a corporation of a plan for its complete liquidation;

## 0.01.04 Confidential Information

means any commercial, technical, scientific, financial, legal, personal or other information disclosed by a PARTY relating to the disclosing PARTY's business activities, strategies or opportunities, Intellectual Property, suppliers, customers, financial condition or employees which, at the time of disclosure, is designated as confidential, is disclosed in confidence, or would be understood by the receiving PARTY, exercising reasonable business judgment, to be confidential, but excludes:

information known to the receiving PARTY before the date on which it is received;

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ASSIGNOR	ASSIGNEE

# ASSIGNMENT OF RECEIVABLES AGREEMENT

- (a) information known by the public or available to the public before the date on which it is received;
- (b) information which becomes known by or available to the public after the date on which it is received and which does not result from a breach of confidentiality on the part of the receiving PARTY;
- (c) information received at any time by a Person not bound to one of the PARTIES by an undertaking of confidentiality with regard to such information;
- (d) information independently produced by the receiving PARTY;
- (e) personal information provided by an individual when such information is being used for the purpose for which it has been previously disclosed or any other purpose permitted by Law;

## 0.01.05 Encumber or Encumbrance

encumber means to create or grant an encumbrance and encumbrance means a legal cause of preference, a dismemberment of ownership rights, an ownership modality, a restriction on the right to sell or a security interest;

## 0.01.06 Event of Default

refers to any of the following events:

if a PARTY fails to make any of the payments (of principal or interest) according to the timetable set and if it fails to cure such default within ..... ( ..... ) days following receipt of notice to such effect;

- (a) if any of the security mentioned in the Agreement is reduced in value, forfeited or expires before the obligation it guarantees is performed;
- (b) if a PARTY, in its interim or annual financial statements, does not show a working capital having a ratio of at least 1:1;
- (c) if the operations of a PARTY are interrupted for any reason whatsoever during ..... ( ..... ) consecutive days or more;
- (d) if a PARTY assigns its property for the benefit of its creditors or involuntarily liquidates its property;

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ASSIGNOR	ASSIGNEE