

LOAN AGREEMENT

For 201302 Campaign 5 Yrs. Closed Variable RML

THIS AGREEMENT made and entered into as of the _____

Between: _____ (the “Borrower”) and
KEB HANA BANK CANADA (the “Lender”)

1. Outline of Loan (FCAC Information Box)

Principal Amount	\$
Annual Interest Rate	% Variable rate per year. This interest is compounded and charged monthly.
Determination of Interest	Your interest rate is expressed as today’s KEB Hana Bank Canada’s CAN Prime rate* plus an adjustment factor. Your interest rate is the CAN Prime rate % As of _____, the CAN Prime rate is % Your interest rate will vary automatically if and when the KEB Hana Bank Canada’s CAN Prime rate varies. * The CAN Prime rate means the variable annual interest rate that KEB Hana Bank Canada publishes from time to time as a point of reference.
Annual Percentage Rate	% The interest rate for a whole year (annualized), including applicable fees such as service charges, loan processing fees or administrative fees when applicable.
Term	5 years The term of the loan is Closed for the whole five years, which means that you cannot pay down more than your prepayment privilege without paying a penalty.
Date of Advance	, 20 This is the date your funds will be advanced. Interest will be calculated and charged from this date on.
Payments	\$ on the of every month Your payment is payable monthly and includes payment toward the principal amount and the accumulated interest.
Amortization Period	years Based on the current terms and conditions, your mortgage will take ____years to pay in full.
Prepayment Privilege	Without paying a penalty, you may pay one or more additional amounts, up to a total of 10% of the original mortgage amount at any time in each calendar year .
Prepayment Charges	You will be charged a penalty if you pay more of your mortgage than the prepayment privilege allows. If you want to pay out all or part of your mortgage before the end of your term, you will also pay a penalty. Your penalty will be; - three months interest at the current rate If you want to pay out all of your mortgage before the end of your term, you will also be liable for the full-repayment of the cost paid by the bank to cover appraisal fee or legal costs regarding this loan.
Default Insurance	N/A
Other Fees	Discharge fee: \$200.00 (\$75.00 in B.C.) for mortgage charge To be Charged on the day the transaction occurs: Market Value Review Fee / Internal Appraisal Fee : \$100.00 Property Tax Check Fee : \$50.00 Title Search Fee : \$100.00 Certificate / Additional Statement : \$10.00 Returned or refused payment due to insufficient funds: \$5.00

The bank’s loan officer, (_____) explained the agreement in details and I, the Borrower/Guarantor, fully understand the terms and conditions of the loan. 은행 대출담당직원이 대출계약에 대해 자세히 설명을 하였으며, 본인 (차주/보증인)은 본 대출 거래 조항 및 조건을 충분히 이해하였음. Initial

A. Other loan terms

(a) Loan Type: Closed Variable Residential Mortgage

(b) Loan Purpose:

(c) Sub Term: For the loans with over one year period of term, the term is divided into Sub-Terms and Sub-Term can be extended up-to the Term mentioned above. The Bank may demand to pay off the loan by a written notice 30 days before Sub-Term maturity, in which case, demanded loans shall become due on the Sub-Term maturity.

(d) Security: Secured by 1st Mortgage/ Charge on Residential Property (to be) owned by _____ located at _____

(e) Guarantor(s): _____

B. The followings are the terms and conditions of this Agreement:

The Lender shall not be obliged to advance the loan or any part thereof until the Lender is satisfied in its sole discretion that the conditions precedent set out herein and that all other terms and conditions have been satisfied, or that the Lender has determined to waive same in writing. Conditions precedent to funding shall include:

- (a) that the Lender is satisfied with the form, content, and registration of all documentation and information provided by the Borrower(s) and Guarantor(s);
- (b) that the Lender is satisfied that the representations and warranties of the Borrower(s) remain true, accurate and complete on the date of the loan advance;
- (c) that the Lender is satisfied with the contents of any appraisal report prepared for the Lender to support minimum value or loan to value ratios; and
- (d) that the legal and security documents required by the Lender and its solicitor shall have been executed by the Borrower(s) and the Guarantor(s) and any other necessary parties to the Lender's solicitor at least five (5) business days prior to the loan advance date accompanied by a written request for an advance of funds.

2. TERMS OF REPAYMENT:**2.1 Payment**

- (a) The Borrower agrees to repay the Principal Amount of the loan, in the manner set out above in 'Payments', together with interest calculated not in advance and compounded annually or semi-annually, and payable in respect of the amount outstanding from day to day both before and after default and judgment, until full payment is made.
- (b) All payments under this Agreement shall be made punctually by cheque or draft payable to the Lender or by deposit to a designated account at the Lender.
- (c) The Principal Amount and all Interest and Costs payable under this Agreement shall be payable at the offices of the Lender or at such other place as the Lender may designate from time to time.
- (d) All payments received under this Agreement shall be applied in order of;
 - First in accordance with the provisions of any security agreement given in respect of the Loan, if any;
 - Second, to the payment of any costs, fees and charges payable the Lender under this Agreement, or under any security agreement relating to this Agreement;
 - Third, in successive order, to the payment of all compound interest and interest on the Loan;
 - Fourth, to the payment of the principal amount of the Loan
- (e) The Borrower hereby authorize the Lender to debit necessary amount of principal, interest, fees and charges from any borrower's accounts up to the available deposit balance or line of credit with the Lender when due.

2.2 Prepayment

Provided that the Borrower is not in default, the Borrower may prepay the indebtedness owing to the Lender in accordance with the terms and conditions contained in 1. Outline of Loan on the first page of this Loan Agreement. The lender may charge early payment fee as a compensation for lost expected profit.

2.3 Interest

- A. The Borrower shall make regular installment payments of interest, commencing on the date of one month after the day of disbursement and continuing on the same day of each month until the entire balance of outstanding be repaid.
 - (a) In case of **VARIABLE RATE** loan;
 - (i) The amount of the regular monthly payments is calculated on the assumption of a notional amortization years mentioned in 1. Outline of Loan '*Amortization Period*', on an interest of notional base interest rate plus spread as mentioned in 1. Outline of Loan '*Determination of Interest*', calculated and compounded in the manner specified in this agreement. The Lender may vary the regular installment payments, from time to time, to reflect any variation in the Prime Rate without sending written notice to that effect to the Borrower.
 - (ii) When there is a variation in the base rate of interest, payable under this Agreement will be adjusted between principal and interest. The amount paid by way of the regular monthly installment payments exceeds the amount required to be paid as interest under this Agreement, then the excess shall be credited to the reduction of the Principal Amount and if the amount paid is less than the amount required be paid the principal shall be paid less accordingly.
 - (iii) No principle of deemed investment applies, nor shall any interest be credited to the borrower.
 - (b) In case of **FIXED RATE** loan;

The amount of the regular monthly payments is calculated on the assumption of a notional amortization years mentioned in 1. Outline of Loan '*Amortization Period*', on an interest rate mentioned in 1. Outline of Loan '*Annual Interest Rate*', calculated and compounded in the manner specified in this agreement.

B. If the Borrower fails to make payment when due of any sum hereunder (whether at its stated maturity, by

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acceleration or otherwise), the Borrower shall pay overdue interest on the unpaid amount of unsecured portion of overdue loan, to the extent permitted by law, from and including such due date until the payment of said sum in full (after as well as before judgment) at the rate of Three percent (3%) per annum above the Interest Rate, payable on demand.

- C. Interest shall accrue on the basis of the actual number of days elapsed during an Interest Period from and including the first day of an Interest Period. Interest is calculated by multiplying the outstanding principal amount by the prevailing Interest Rate (Fixed or Variable) in effect at the time. The result is then divided by 365 days in case of Canadian Dollar loan and 360 days in case of United States Dollar loan to determine the daily interest payable by the Borrower for as long as the prevailing or variable adjustable rate remains in effect.
- D. Unpaid interest will be added to the Indebtedness and bear compound interest at the rate specified by the terms of the Loan Agreement but limited up to the maximum rate permitted by applicable laws.
- E. If Lender's funding costs arise, the Borrower will pay interest on such adjusted costs, and interest on overdue interest, from the time the costs arise until the costs are paid. Applicable interest rate will be decided by Lender's discretion or the highest interest rate of the Borrower's outstanding loans. Promptly after determination of the interest rate applicable with respect to each interest period, the Lender shall notify the Borrower of the applicable interest rate and the amount of interest due on the last day of the relevant interest period.
- F. Any payment that is made after 4:00 p.m. on any date, shall be deemed, for the purpose of calculation of interest, to have been made and received on the next bank business day.

3. COST OF THE LENDER

The Borrower accept Lender's fee schedules, it varies from time to time, at the time of transaction and shall pay to the Lender forthwith upon demand all costs, charges, processing fees, appraisal fees, environmental assessment fees, any costs incurred in the operation or enforcement of the loan and security documentation and expenses (including legal fees and disbursement on a solicitor-and-client basis) of or incurred by the Lender in connection with; the preparation or execution of this Agreement or the perfection of any security interest given by the Borrower in respect of the loan; the delivery of any notice or document required under the terms of this Agreement or by law; and any cost incurred by it in respect of the recovery of funds or enforcement of payment of any of the monies owing borrowed under this Agreement, including all costs, charges, and expenses in connection with taking possession, protecting preserving, collecting and realizing upon any part of the assets together with interest thereon at the rate provided in this Agreement from the date of incurring such costs, charges, and expenses to the date of payment. Such costs shall be paid on execution of the security, or, where applicable, may be deducted at the discretion of the Lender from the proceeds of the loan advance.

4. COVENANTS REGARDING DEPOSIT, ETC.

As security for the payment of all amounts required to be paid under this Agreement and the performance of their respective obligations, the Borrower covenants all shares and deposits in the Lender standing to the Borrower's credit, and upon default the Lender authorized to apply any shares or deposits to the payment of amount owing.

5. WARRANTIES OF THE BORROWER

The Borrower expressly warrants as follows:

- A. The Borrower is not a party to any agreement of which the Borrower is prohibited or restricted from entering into any of the obligations assumed, liabilities imposed restrictions accepted by the Borrower under this Agreement
- B. No encumbrance exists on or over any of its assets or revenues, except for disclosed in writing to the Lender.
- C. The Borrower's loan application is complete and accurate in detailed respects.
- D. No event of default has occurred since the date on which the Borrower applied for the loan, or appears reasonably likely to occur as of the date of this Agreement.
- E. Where the Borrower is a corporation, partnership, sole proprietor or unincorporated association engaged in business of any kind, to the best of the Borrower's information and belief and after making diligent inquiries,
 - (i) the information concerning the business affairs and financial and other conditions of the Borrower that is contained in all documents, memoranda, records, statements made, sent or given by the Borrower to the lender during the course of the negotiation of this Agreement, its application for a credit facility of any kind with the Lender, or in connection with the renewal of this Agreement, and in its current regulatory filings, is true and accurate in all material respects; and
 - (ii) the Borrower is not aware of any material facts or circumstances which have not been disclosed.
- F. The Borrower shall use the funds advanced to the Borrower under this Agreement for lawful purposes and only in accordance with the terms and restrictions set out in any agreement relating thereto between the Borrower and the Lender, provided that the fact that an advance is used for a purpose other than as permitted under this paragraph shall not affect the obligation of the Borrower to repay that advance, but shall constitute a default under this Agreement.
- G. There are no outstanding judgments, writs of execution, work orders, injunctions, or administrative or regulatory directives against the Borrower or any of the Borrower's assets that might reasonably be seen to have a materially adverse impact upon the Borrower's prospects or condition or those assets.

6. COVENANTS OF THE BORROWER

The Borrower covenants and agrees with the Lender that as long as the loan is outstanding, it shall:

- (a) use the loan only for the purposes specified in 1.A. Other loan terms '*Loan Purpose*';
- (b) pay all amounts owing (including interest, costs and fees & charges) under this Agreement and any loan or other credit facility agreement between the Borrower and the Lender;
- (c) refrain from and prevent waste from being committed or against the Borrower's assets (reasonable wear and tear excepted), and maintain the Assets in good order and repair. Promptly and punctually pay property taxes and all other applicable taxes of any kind whatsoever, and provide proof of payment to the Lender within thirty days of

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the due date;

- (d) maintain all its assets and property in accordance with all applicable environmental laws, and advise the Lender promptly of any notices or orders received concerning any of the Borrower(s)' property. The term environmental laws means all applicable, current and future federal, provincial, territorial, municipal or local statutes, regulations, by-laws, rules, ordinances, guidelines, codes of practice, and policies relating to or pertaining to the environment, conservation, occupational health or safety, the storage, handling and transportation of dangerous goods and the storage, handling and sale of gasoline and petroleum products. The Borrower(s) shall indemnify, defend and hold harmless the Lender, its employees, agents, officers and directors, consultants and legal counsel from and against any present or future claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses arising out of or in any way related to, directly or indirectly, any release, deposit, discharge or disposal of pollutants or hazardous substances or environmental liability of any kind whatsoever. If the Lender, in its sole discretion, deems it necessary, environmental tests or audits shall be conducted at the Borrower(s) expense. In addition to any other provision herein, it shall be a condition precedent to funding that the Borrower(s) will conduct or have conducted an environmental risk assessment (ERA) and that the Lender is satisfied therewith in its sole discretion. If the Lender considers it appropriate based upon the results of the ERA or otherwise, the Lender may require such environmental site inspection report, Phase I, or Phase II to be conducted, at the expense of the Borrower(s), as the Lender deems appropriate or necessary. In such case, the Lender will order the assessment report and the Borrower(s) shall pay all associated costs. All assessments and reports must be satisfactory to the Lender. At the request of the Lender, the Borrower(s) shall execute and deliver an Environmental Certificate in the form attached certifying the Borrower(s) is in compliance with all applicable environmental laws.
- (e) Insure and keep fully insured all secured properties for an amount no less than full insurable value of the property and business and the contents necessary for its operation, and shall provide to the Lender adequate evidence of the insurance. The Borrower will notify the Lender immediately of any loss or damage to the business assets or property. The policies shall clearly indicate loss payable to the Lender firstly;
- (f) pay all taxes, assessments and governmental charges upon it or upon its properties promptly when due and, in any event, prior to the date on which penalties may become attached thereto;
- (g) Maintain accurate books and records, and prepare Financial Statements of the Borrower(s) in accordance with generally accepted accounting principles and provide same to the Lender within 4 months of its fiscal year-end and, if requested, within 30 days of the end of each quarter of its fiscal year;
- (h) Give the Lender prompt notice of any Event of Default (as hereinafter defined); and Give the Lender thirty (30) days prior notice in writing of any intended change in ownership of its shares, if applicable. Notify the Lender of any change in the information contained in any loan application completed by the Borrower with respect to this loan;
- (i) Observe all laws and conform to all valid requirements of governmental authority with respect to all or any part of business and assets, and all covenants, terms and contracts upon or under which any of the Borrower's assets are held and all terms and conditions relating to any franchise or licence held by the Borrower and required in connection to the Borrower's operations;
- (j) The Borrower(s) shall **NOT** without the Lender's prior written consent:
 - (1) use any of the proceeds of the loan in respect of the financing of an improvement that might give rise to the builders', mechanics', construction, or similar lien or to repay any mortgage financing of an improvement.
 - (2) redeem or purchase any shares or otherwise reduce the capital of the Borrower(s) or repay subordinated loans; and permit the total of all dividends, shareholder loan payments and other capital withdrawals in the current fiscal year to exceed the Borrower(s) net profit.
 - (3) create or permit or allow, including its subsidiaries, any mortgage, charge, lien or other security interest any or all of its assets unless simultaneously with the grant of that security interest provision is then made to secure amounts owing under this Agreement equally and ratably with the indebtedness to which that security interest relates.

7. DEFAULT

A. The following are acts or events of default:

- (a) where the Borrower defaults in the payment of any indebtedness or liability or any amount owed to the Lender or other lending institution, whether secured or not;
- (b) the breach by the Borrower(s) of any provision of this loan agreement, the loan, legal or security documentation, or any other agreement with the Lender;
- (c) where any formal or informal proceeding for the dissolution of, liquidation of, or winding up of, the affairs of the Borrower is instituted by or against the Borrower, or where a resolution is passed or any other act undertaken for the winding up of the Borrower;
- (d) where the Borrower or any guarantor of the Borrower is adjudged bankrupt or becomes insolvent or proceeding for the dissolution, liquidation or winding up, or a petition in bankruptcy is filed against the Borrower or guarantor, or where the Borrower or guarantor makes an assignment for the general benefit of creditors, or where proceedings of any type are instituted in any jurisdiction in respect of the alleged insolvency or bankruptcy of the Borrower or guarantor;
- (e) if in the opinion of the Lender, in its sole discretion, there is a material adverse change in the financial condition, name, ownership, structure or operation of the Borrower(s) or of the Guarantor(s); and
- (f) where any certificate, statement, representation, warranty or audit report made in connection with this Agreement or any agreement between the Borrower and the Lender as an inducement to the Lender to enter into a lending transaction, was false or misleading in any material respect at the time of its making, or where any material fact which ought to have been disclosed in the certificate, statement, representation, warranty or audit report was not disclosed, or where the Borrower fails to inform the Lender forthwith of any such material fact.

B. In the event that any one or more of the Events of Default noted above has occurred or is continuing, then any

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right of the Borrower(s) to make further borrowings under this loan agreement shall immediately terminate and the Lender, at its option, by written notice to the Borrower(s), may declare the loan amount to be immediately due and payable together with all accrued interest and any other charges, all without further notice or demand. Upon receipt of such notice, the Borrower(s), shall immediately pay to the Lender all amounts due and payable under this loan agreement, the loan, legal and security documentation. The Lender may enforce its rights to realize upon its security and retain sufficient funds to cover any amounts outstanding.

- C. Any default under the loan contemplated in this Loan Agreement shall be deemed to be a default under all other loans granted to the Borrower(s) or any related parties owned by the Borrower(s) by the Lender at any time. Likewise, any default under any existing or future loan granted to the Borrower(s) or any related parties owned by the Borrower(s), by the Lender shall be deemed to be a default under the loan contemplated herein.
- D. The borrower(s) and guarantors(s), as the case may be, hereby acknowledge and confirm that, at the Lender's option, it may forbear from exercising its remedies and otherwise provide time or indulgence in respect of any unpaid but due amounts, in which case the borrower(s) and guarantor(s) hereby irrevocably confirm that the limitation period shall not be deemed to run against the Lender during the period of such forbearance or indulgence. Notwithstanding the foregoing, the borrower(s) and guarantor(s) hereby agree to at any time and from time to time, upon request by the Lender, to immediately provide a written acknowledgement executed by the borrower(s) and guarantor(s) acknowledging and confirming their indebtedness to the Lender under this loan agreement and any related loan or security documentation. The borrower(s) and guarantor(s) further confirm and agree that any payment of principal, interest or any other amount at any time or from time to time hereunder or under any related loan documentation shall be deemed to be an acknowledgement by the borrower(s) and guarantor(s) of its/their liability and continuing liability for the principal, interest and any other amount due under this loan agreement and any related loan or security documentation.

8. LENDER'S RECORDS

The records and books maintained by the Lender in the usual and ordinary course of its business that touch or concern the state of accounts between the Borrower and the Lender shall be prima facie evidence of the true state of accounts between the parties for all purposes including litigation.

9. RIGHTS AND OBLIGATIONS OF SUCCESSORS

- (a) The rights of the Borrower under this Agreement are personal to the Borrower and neither the benefits nor the obligations of the Borrower under this Agreement may be assigned.
- (b) All rights of the Lender under this Agreement shall inure to the benefit of its successors or assigns and all obligations of the Borrower shall bind the Borrower's heirs, executors and administrators and his successors.

10. AMENDMENTS TO BE IN WRITING

This Agreement shall not be deemed to be or construed as having been amended as a result of any oral communication between the parties or as a result of any practice of the parties, but all amendments to this Agreement shall be in writing and shall be signed by both parties, provided that any such agreement may be executed in counterpart from.

11. INTERPRETATION

- (a) In this Agreement,
- (i) a word importing the masculine, feminine or neuter gender only includes members of the other genders;
 - (ii) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
 - (iii) a reference to any Act, by-law, rule or regulation or to a provision thereof shall be deemed to include a reference to any Act, by-law, rule or regulation or provision enacted in substitution or amendment thereof; and
 - (iv) the headings to each section are inserted for convenience of reference only and do not form part of the Agreement.
- (b) Where in this Agreement more than one person or entity is named and signs as the Borrower, each such person or entity shall be jointly and severally liable to the Lender for all obligations, debts and liabilities incurred under this Agreement.
- (c) If any provision of this letter is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair the enforceability any of the remaining provisions.
- (d) This loan agreement shall be construed in accordance with and governed by the laws of the Province of the Lender's branch location where loan was disbursed and of Canada applicable therein.

12. NOTICE

- (a) Any notice, instruction or document required or permitted to be given or served by this Agreement or by law may be given personally or by e-mail or fax or prepaid courier or regular mail,
- (i) where given by the Lender, at the last address of the Borrower according to the records of the Lender; and
 - (ii) where given by the Borrower, at the branch at which the account is maintained, or if that branch is no longer in operation, at the normal place of business of the Lender, and either party may by notice given in accordance with this subsection change its address for the purposes of this subsection.
- (b) Any notice shall be deemed (in the absence of evidence for prior receipt) to have been received by the intended recipient on the same day if personally served, on the next business day if sent by fax or e-mail, and on the fifth business day next following where sent by mail or courier.
- (c) Disclosure and Notices – Joint borrowers are each entitled to separate disclosure documents including loan issuance notices, loan statements, disclosure at the year end, and disclosure when changes to terms and conditions occur. However, there may be situations where joint borrowers do not wish to receive separate copies of the same

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disclosure statements. If this applies to you, please indicate your consent by checking off the box below that applies to you.

- We or either one of us wish to have separate statements or separate disclosure documents
- Notwithstanding that we have the ability to receive separate disclosure documents, we prefer that a common set of disclosure documents be sent to only one address, being the following

Name & Address: _____

As a result of the consent, only one set of disclosure documents will be sent to the above address.

This consent is revocable in writing at any time by either one of the borrowers in the event that either one of the borrowers wishes to obtain separate statements.

13. ACKNOWLEDGEMENT OF RECEIPT OF COPY OF AGREEMENT

The Borrower(s) acknowledge the receipt of a true copy of this agreement signed by the Borrower(s).

SIGNED, SEALED, AND DELIVERED as of the date first above written.

In the presence of

Witness Name :

Signature : _____
Borrower Name :

Address :

Witness Name :

Signature : _____
Borrower Name :

Address :

Witness Name :

Signature : _____
Guarantor Name :

Address :

KEB HANA BANK CANADA

Per: _____