

AGREEMENT FOR SET OFF OF MUTUAL DEBTS

THIS AGREEMENT made effective _____, _____.

BETWEEN:

«SHAREHOLDER», an individual residing in _____, _____ (hereinafter called the "Shareholder")

- and -

«CORPORATION», an _____ corporation (hereinafter called the "Corporation")

WHEREAS:

- A. The Shareholder owes the Corporation \$ _____, by virtue of the Shareholder having received, to and including _____, one or more demand, non-interest bearing loans from the Corporation aggregating \$ _____ (\$ _____ of such aggregate being hereinafter called the "Shareholder's Debt").
- B. The Corporation owes the Shareholder \$ _____, as a result of the Shareholder having been assigned, on _____, by _____ \$ _____ of the principal amount of the indebtedness owed to it by the Corporation and the Corporation having acknowledged such assignment (hereinafter called the "Corporation's Debt").
- C. The Shareholder's Debt and the Corporation's Debt now are enforceable.
- D. The parties have agreed to discharge by set-off the Corporation's Debt and the Shareholder's Debt.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutuality of the Corporation's Debt and the Shareholder's Debt and the covenants and agreements herein contained **IT IS AGREED:**

- 1. Each of the Shareholder and the Corporation:
 - (a) represents, warrants and acknowledges the truth and accuracy of the facts recited in the Recitals hereto;
 - (b) acknowledges payment, satisfaction and settlement of the claim it had against the other by virtue of the Corporation's Debt or the Shareholder's Debt, as the case may be;

THIS IS A 2-PAGE DOCUMENT.