

SECURED TERM LOAN AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF CORPORATION]

a _____ corporation
(the "Company")

- and -

[NAME OF KEY EMPLOYEE]

[address]
(the "Employee")

WHEREAS pursuant to the [Name of Corporation] Stock Purchase Assistance Plan (the "Plan"), the Company has offered (the "Loan Offer") to loan the sum of *[insert amount of loan offer in words]* DOLLARS (\$_____) to the Employee, and the Employee has accepted the Loan Offer [in full **OR** as to a sum of *[insert the amount accepted in words]* DOLLARS (\$_____)], for the sole purpose of enabling the Employee to purchase Common Stock in the Company pursuant to the terms of the Plan, and the terms and conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the representations, warranties, covenants and acts referred to herein, the Employee and the Company agree as follows:

Section 1 Commitment

Subject to the terms and conditions herein contained, the Company has loaned to the Employee, and the Employee has borrowed from the Company, on the date hereof, the amount of \$_____ (herein called the "Loan").

Section 2 Security

- (a) The Loan shall be secured by a promissory note of the Employee (herein, together with any promissory note given in extension, renewal, replacement or substitution thereof or therefor, called the "**Note**"), substantially in the form set forth in Exhibit A hereto, payable to the order of the Company in the original principal amount of \$_____ in ____ annual installments of principal and accrued interest in the sum of \$_____. The first Installment Payment date shall be one (1) year following the date of the Loan, and thereafter Installment Payments shall be due annually, until the maturity of the Loan (provided that the final installment shall be in an amount sufficient to pay in full all unpaid principal of and accrued interest on the Note). Payments of both principal of and interest on the Note are to be made in lawful money of the United States of America in immediately available funds.
- (b) The Loan shall be further secured by a pledge of all or a portion (as set out in the Loan Offer) of the shares of Common Stock acquired with the proceeds of the Loan. The Employee shall execute and deliver to the Company a Pledge Agreement substantially in the form set forth in Exhibit B hereto.

Section 3 Interest

The unpaid principal amount from time to time outstanding of the Note shall bear interest at the rate of ___% per annum. After maturity of any installment, whether by acceleration or otherwise, accrued interest on such installment shall be payable on demand. Interest shall be computed on the basis of a year consisting of 360 days, divided into 12 months of 30 days each.

Section 4 Making of Payments, Set-Off

- (a) All payments of principal of, or interest on, the Note shall be made in immediately available funds by the Employee to the Company at such bank account as the Company shall have designated by notice to the Employee or, if no such notice is given, at the Company's principal office in _____.
- (b) In addition to and not in limitation of all rights of set-off that the Company may have under applicable law, the Company shall, upon the occurrence of any Event of Default, have the right to appropriate and apply to the payment of the Note any and all commissions, bonuses, or moneys otherwise payable by the Company to the Employee.

Section 5 Representations and Warranties of Employee

The Employee represents and warrants to the Company that:

- (a) the execution and delivery of this Agreement, the borrowing hereunder, the execution and delivery of the Note and the Pledge Agreement and the performance by the Employee of his/her obligations hereunder and thereunder, are fully within the Employee's legal authority, and do not and will not contravene or conflict with any provision of law or of any agreement binding upon the Employee;
- (b) this Agreement, the Note and the Pledge Agreement have been duly executed and delivered and are the legal, valid and binding obligation of the Employee enforceable against the Employee in accordance with their respective terms except as such enforceability may be limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles which may limit the right to obtain the remedy of specific performance of executory covenants;