

Novation agreement: transfer debt to new creditor

This novation is dated: [date] :

[Name of Present Creditor] ('the)

Whose registered office is at [address], []

Registered in [Province] of Canada

And

[Name of New Creditor] ('the)

Whose registered office is at [address], []

Registered in [Province] of Canada

And

[Name of Debtor] ('the)

Whose registered office is at [address], []

Registered in [Province] of Canada

Background

The Debtor owes the Present Creditor the sum of \$ [000] on the terms set out in a contract dated [date] (the "Contract"), a

The Present Creditor wants to re-

The parties have agreed to transfer the rights and obligations of the Present Creditor under the Contract to

The Debtor consents to the substitution of the New Creditor for

It is now agreed as follows:

1. Definitions

“Contracts” means the contracts described in the Schedule.

“Claim” means an existing dispute between the Contractor and his counter-

2. Novation

In consideration of the advantage each of the

/]:

2.1. The New Creditor is substituted for the Present Creditor under the Contract as if the New Creditor

2.2. The New Creditor

2.3. The Debtor agrees to this

3. Changes to the Contract

3.1. Paragraph [number] of the

3.2. Paragraph [number] of [15] %.

3.3. Any reference in the Contract to the website “www.mybusinessmaycrash.com”

“ ” \$ [14 , 500]

3.4. [As additional consideration for this agreement, the Old Creditor will \$ [5 ,

000]

1st 2000 31st 2099 .]

4. Indemnities

4.1. [The New Creditor agrees to indemnify the Debtor from all loss, damage, (,) .]

OR

4.2. [The Present Creditor agrees to indemnify the Debtor from all loss, damage, (,) .]

AND / OR

4.3. The Debtor releases and discharges the Present Creditor from any and all claims, actions, ()

5. Claims

5.1. The Present Creditor now transfers to the New Creditor and the New

, :

5.1.1 The New Creditor indemnifying the Present Creditor in respect of any ,

;

5.1.2 The Present Creditor shall account to the New

[?] .

5.2. Nothing in this Agreement shall operate

6. Further assistance

Each of the parties undertakes to do

7. Counterparts

This agreement may be executed in any number of counterparts

8. Entire understanding

9. Dispute resolution

10. Miscellaneous matters

10.1.

10.2.

10.3.

10.4.

10.5.

10.6.

10.7.

[72]

[24]

10.8.

10.9.

]

[

[]

/

OR

/

[

]

/

For, and on behalf of []

Print name

For, and on behalf of []

Print name

The schedule: disputes between the Present Debtor and the Creditor

[

]

Explanatory notes:

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Paragraph specific notes:

Note: numbering refers to paragraph numbers.

2 It is important that the price (or “consideration”) for the deal can be expressed in some other way than cash. This acknowledgment that each party

3 The deal resulting in the agreement may have other terms which should be included for the sake of completeness. Such

4 It is for you to negotiate who is to indemnify whom. First, ask yourself whether

The most common provision in a novation agreement is for the incomer to be

5 Existing claims can be covered in

End of notes