CA-LDGnov04

Novation agreement: transfer debt to new debtor

This novation is dated: [date] [redacted]:

[Name of Creditor] ('the [redacted])

Of / whose registered office is at [address], [redacted] [[redacted]]

Registered in [Province] of Canada

And

[Name of Present Debtor] ('the [redacted])

Whose registered office is at [address], company registration number [number] [redacted] [[redacted]] [redacted]

And

[Name of New Debtor] ('the [redacted])

Whose registered office is at [address], company registration number [number]. [redacted] [[redacted]] [redacted]

Background

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

The Present Debtor wants to re-[redacted].

The parties have agreed to transfer the rights and obligations of the Present Debtor under the Contract to [redacted].

The Creditor consents to the substitution of the New Debtor for [redacted].

It is now agreed as follows:

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1. Definitions

"Contracts" means the contracts described in the Schedule.

"Claim" means an existing dispute between the Contractor and his counter- [redacted].

2. Novation

In consideration of the advantage each of the parties acknowledges he will receive by this agreement, [redacted] [[redacted] / [redacted]]:

2.1. The New Debtor is substituted for the Present Debtor under the Contract as if the New Debtor [redacted] . [redacted] .

2.2. The New Debtor [redacted] .

2.3. The Creditor agrees to this [redacted] .

3. Changes to the Contract

3.1. Paragraph [number] of the [redacted] .

3.2. Paragraph [number] of [redacted] [[redacted]].

3.3. Any reference in the Contract to the website "www.mybusinessmaycrash.co.[redacted] " [redacted] " [redacted] . [redacted] . [redacted] " [redacted] $ [14 , 500] [redacted] .

3.4. [As additional consideration for this agreement, the Old Debtor will pay to [redacted] $ [5 , 000] [redacted] [1st [redacted] 2000] [redacted] [31st [redacted] 2099].

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4. Indemnities

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

AND/OR

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

OR

4.3. [The Creditor releases and discharges the Present [redacted].]

5. Claims

5.1. The Present Debtor now transfers to the New Debtor and the New [redacted], [redacted]:

5.1.1 The New Debtor indemnifying the Present Debtor in respect of any [redacted], [redacted];

5.1.2 The Present Debtor shall account to the New [redacted] [[redacted]?] [redacted].

5.2. Nothing in this Agreement shall operate [redacted].

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6. Further assistance

Each of the parties undertakes to do [redacted], [redacted], [redacted].

7. Counterparts

This agreement may be executed in any number of counterparts [redacted], [redacted], [redacted].

8. Entire understanding

This agreement contains the entire agreement between the parties and supersedes all previous agreements and understandings between [redacted], [redacted]. [redacted], [redacted], [redacted], [redacted].

9. Dispute resolution

In the event of a dispute arising out of or in connection with [redacted], [redacted].

10. Publicity / Announcements

[redacted].

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11. Miscellaneous matters

11.1. [redacted], [redacted], [redacted].

11.2. [redacted], [redacted].

11.3. [redacted].

11.4. [redacted], [redacted], [redacted].

11.5. [redacted].

11.6. [redacted], [redacted].

11.7. [redacted] [72] [redacted] [24] [redacted].

11.8. [redacted].

11.9. [redacted]

11.10. [redacted].

11.11. [redacted]. [redacted]

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[redacted]

11.12. [redacted]

[redacted]/[redacted]

OR

[redacted]/[redacted]/[redacted]

For, and on behalf of [ ]

Print name

For, and on behalf of [ ]

Print name

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The schedule: disputes between the Present Debtor and the Creditor

[[redacted]]

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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 [redacted].

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

4 It is for you to negotiate who is to indemnify whom. First, ask yourself whether there is some known conflict or issue between any two of the parties. If yes, decide who is [redacted].

The most common provision in a novation agreement is for the incomer to be [redacted].

5 Existing claims can be covered [redacted].

End of notes

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