MERIDIAN ADVANCES INC.

APPLICATION FOR COMMISSION FINANCING

Agent Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Include middle name or initial

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Street

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City Province Postal Code

Date of Birth·: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Soc. Ins. No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Broker: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Office Tel: No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Driver Lic. No.

Home Tel. No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mobile No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Office Fax No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The undersigned, being the above-named agent (“**I**” or the “**Agent**”), hereby applies for access to MERIDIAN ADVANCES INC. (“**Meridian**”). I understand that set out below are the terms and conditions upon which this financing is offered. By my signature below, I agree to be bound by the terms and conditions set out in this Application which shall constitute a binding commission financing agreement between the undersigned and Meridian (the “**Agreement**”).

Date Signed: Agent's Signature:

Witness Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

COMMISSION FINANCING AGREEMENT

TERMS AND CONDITIONS

1. Notice of Assignment and Sale of Commission: Apart from this Agreement, the key operative document in each transaction will be a completed and executed Notice of Assignment and Sale of Commission in the form attached hereto (the “**Notice**”), which is to be executed by the Agent and submitted (with supporting documentation) to the above noted broker (the “**Broker**”), and which shall be acknowledged by the Broker and submitted to Meridian. By the execution and submission of the Notice as aforesaid, the Agent, for good and valuable consideration, irrevocably assigns and sells to Meridian the Agent’s right, title and interest in and to payment for the subject commission set out in the Notice (the “**Commission**”). The resulting transaction in each case shall be considered consummated at the point that any advance of funds on the Agent’s account with Meridian (an “**Advance**”) is made after delivery of the Notice. Advances will typically be made by delivery of a cheque or cheques to the Broker within a maximum of 48 hours of delivery of the Notice.

By submitting a Notice in relation to a specific Commission, the Agent both represents and warrants that there is in fact a good and valid receivable due as identified, and that there has been no act or omission on the part of any person that could legally prevent Meridian from obtaining the full benefit of the assignment and sale in accordance with its terms and intent. The Agent also represents and warrants valid title to the subject Commission, free of any outside charge or encumbrance, and attest to Meridian’s right to sell the same.

It is understood that in most, if not all, cases the Agent’s right to assign and sell, and therefore Meridian’s right, to receive the commission, will be conditional upon the successful closing of the underlying real estate transaction giving rise to the Commission. It is agreed, however, that in no case, without notice to and the written consent of Meridian, will the Agent submit a Notice where any other condition is applicable to the Agent’s right to receive the Commission.

1. Commission Trust; Independent of any trust obligations imposed on the Broker by statute or regulation, it is agreed that in each case, after submission of a Notice, the subject Commission will be held or received by the Broker in trust exclusively for Meridian. The Agent further agrees to notify Meridian upon closing of the underlying real estate transaction and acknowledges that: (i) the Broker will remit payment of the Commission to Meridian in full as soon as possible after closing, and (ii) Meridian will remit to the Agent the Commission net of the amount of the Advance plus associated fees due in relation to the transaction.
2. Qualifying Commissions: The Agent further acknowledges and agrees that Meridian offers the financing contemplated herein on a transaction-by-transaction basis. The fact that Meridian may have financed the Agent’s commission on one occasion shall in no way obligate Meridian to do so on a future occasion, and Meridian reserves the right at all times to withdraw this financing completely in the event that Meridian, in its sole discretion, regards it as necessary *or* desirable to do so. Meridian’s current policy, absent of special considerations or good quality collateral security, is to consider financing a commission only where: (i) it is due in relation to the purchase and sale of owner-occupied residential real estate; (ii) the trade is at arms-length for apparent fair market value; (iii) the purchaser has placed a substantial deposit (not less than 5 percent) in trust to secure completion of the transaction; and (v) neither the Broker nor the Agent is related to any party of to the transaction.
3. Due Diligence: The Agent authorizes Meridian to conduct such due diligence as it deems necessary or desirable to verify the existence and validity of any right to a Commission assigned or sold to it being tendered for sale and/or to satisfy itself in relation to the Agent’s financial circumstances and creditworthiness. This may include contacting a solicitor on record for the purchaser or vendor, and possibly the purchaser or vendor directly, as well as conducting credit checks and other confidential inquiries in respect of the Agent. Meridian agrees that it will act with professionalism and discretion at all times in conducting such due diligence and will not make inquiries going beyond what reasonably necessary to protect its legitimate interests.
4. Limits: Meridian’s current policy is to limit the maximum advance in relation to any one Notice to the lesser of $20,000 and (70%) percent of the Commission due, in addition, barring special considerations or good-quality collateral security, the Agent will be subject to an aggregate advance limit of $60,000 but no greater than the deposits held.
5. Fees: Meridian’s fees for provision of this commission financing will be taken as a deduction from the Commission being assigned and sold in each case. Upon booking, the discount will be calculated as l percent of the amount being advanced for every 10-day period or part thereof that the Commission is expected to be outstanding until payment. The fee for periods of less than 10 days will be pro-rated. Adjustment of the fee amount will be made out of the reserve held on the transaction to cover situations where closing is extended or payment, for any other reason, takes longer than initially contemplated.
6. Recourse: The Agent agrees to provide to Meridian prompt notice of any facts that come to the Agent’s attention which suggest that a particular assigned Commission will not be paid when due. The Agent also agrees that where, for any *bona fide* reason, Meridian believes that an assigned Commission will not be paid when due, Meridian may claim immediate payment from the Agent of an amount sufficient to cover (i) it's Advance plus (ii) applicable fees, and (iii) any amount that may otherwise be necessary to rectify a shortfall on my account. The Agent shall also be liable for interest on the amount outstanding at the rate of 2.5 percent per month, compounded monthly, (34.48 percent per annum) until payment. The Agent hereby indemnifies Meridian against any loss suffered by the result of the refusal or neglect of the Agent or the Broker to perform in accordance with the terms and conditions of this Agreement or any Notice, as the case may be. Such indemnity includes liability for all solicitor and client legal costs incurred by Meridian in the enforcement if it's rights. Upon repayment or indemnification by the Agent in relation to Meridian’s right of recourse hereunder, Meridian shall forthwith cease to be entitled to payment of the doubtful commission, and the same shall be automatically re-assigned to the Agent.
7. Garnishment of Next Commission:Where Meridian has deemed it necessary to exercise its right of recourse hereunder, the Agent agrees that, in support of such right, it may make demand upon the Broker, or any future broker with whom the Agent may become associated, that the amount due to it be paid out of the next commission or commissions forthcoming to the Agent. The Agent hereby grants Meridian a registrable security interest (to which the *Personal Property Security Act* applies) in any commissions, present or future, existing or not existing at this time, in support of the financing provided hereunder. The Agent is aware that, as part of the overall arrangement under which this commission financing is provided, the Broker has agreed and is bound to comply with such demands until being notified in writing by Meridian that my debt is discharged.
8. Assignability: This Agreement ensures to the benefit of and shall be binding upon the Agent and Meridian and their respective heirs, executors, legal personal representatives, successors and permitted assigns. The Agent has read and understands and agrees to the terms and conditions set out herein and in the Notice and has had the opportunity to seek independent legal advice in connection therewith.

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