

PRESTIGE MEMBERSHIP APPLICATION

Universal Barter Group Inc. is a marketing company whose goal is to promote the barter network established by Barterworld Canada Inc. and known as Barterworld™ and the use of its trade dollars ("TradeBUX™") in charitable gifting. By becoming a Prestige Member of Barterworld™ and purchasing TradeBUX™, members will be able to participate in an enhanced trade system as well as special offers exclusive to our members.

Personal Information				PLEASE PRINT CLEARLY
ADVISOR: <input type="text"/>			Process Online at: www.universalbartergroup.com	
First and Last Name				
<input type="text"/>				
Last Name	First Name	S.I.N. #		
<input type="text"/>	<input type="text"/>	<input type="text"/>		
Street Address	City	Province	Postal Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Home Telephone	Business Telephone	Mobile Telephone	FAX #	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
<input type="text"/>				
<input type="text"/>				
*** E-MAIL (A unique email address is REQUIRED for all applicants and co-applicants. All correspondence from UBG and BarterWorld™ – INCLUDING THAT RELATED TO THE REWARDS POINTS SYSTEM-will be sent to this email address)				

TradeBUX™ Acquisition

The Applicant hereby applies to acquire \$_____ of TradeBUX™ from BarterWorld Canada Inc. and BarterWorld Canada Inc. has agreed to fund said acquisition by accepting vendor take-back financing evidenced by two promissory notes (First Promissory Note for 50% of the financing and Second Promissory Note for 50% of the financing) in the forms attached hereto. The Applicant understands that the debt incurred to acquire the TradeBUX™ is subject to the terms and conditions of said Promissory Notes.

The Applicant hereby agrees to provide a loan repayment deposit, subject to the terms and conditions of the LOAN REPAYMENT DEPOSIT AGREEMENT attached hereto, in the amount of \$_____ (cheque should be made payable to Barterworld Canada Inc.).

Marketing Fee

The Applicant agrees to pay a marketing fee of 5% of the Security Deposit (inclusive of GST). Please make cheque payable to Universal Barter Group Inc.

Authorizations

The Applicant hereby authorizes Universal Barter Group Inc. and BarterWorld Canada Inc. to act as an agent to supply information to charities and any other third parties necessary in order to comply with the requirements of the Income Tax Act (Canada) or other applicable legislation in connection with donations of TradeBUX™ and/or other property to charities.

PRESTIGE MEMBERSHIP APPLICATION (PART 2)

REPRESENTATION AND WARRANTIES

BarterWorld Canada Inc. represents and warrants that:

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1. Applicants who become members through the ownership of TradeBUX will be entitled to participate in a "Rewards Program" which, if they actively participate, will assist them in partially repaying their acquisition debt.
2. It will maintain a robust barter economy with substantial barter activity with transactions in 2010, excluding transactions with charities (for which there are no fees) and sales of its own inventory, in excess of \$5 million.
3. By December 31, 2009, BarterWorld™ Canada will have in excess of 10,000 members and, at all times, will own inventory the retail value of which exceeds the face amount of outstanding TradeBUX™ held by its Prestige and Platinum members.
4. Members will be able to repay the Second Promissory Note referred to below through a combination of their proceeds of sales of their property on BarterWorld™ and the use of Rewards Points.

TERMS & CONDITIONS

It is understood that the undersigned is entering into an irrevocable arrangement to acquire TradeBUX™ to be used for the purchase of products and services supplied through the BarterWorld™ online trade system. The debt incurred for such acquisition creates a FULL RECOURSE debt from the applicant to BarterWorld Canada Inc. and 50% of such debt must be repaid in full on or before January 2, 2019 and 50% must be repaid on or before December 31, 2015 and may be repaid in Canadian, U.S or TradeBUX™ currency.

The use of TradeBUX™ shall be governed by the terms and conditions applicable to all members of BarterWorld™ and the undersigned agrees to abide by the aforementioned. The undersigned may at his/her own discretion voluntarily donate TradeBUX™ to a registered Canadian charity of his/her choice, and such a donation is in no way obligatory as a condition of acquisition of the TradeBUX. In the case of a voluntary charitable donation, the undersigned acknowledges that the charity must be registered with BarterWorld™ to accept TradeBUX™ as a donation.

APPLICANT SIGNED

PRINT NAME

DATE

CHARITY REGISTRATION

I would like to suggest a charity to be registered with BarterWorld™ to receive TradeBUX™.

Please contact the following charity to arrange for it to register in order to receive my TradeBUX™:

Charity Name: _____

Contact Name: _____

Telephone #: _____ Email Address: _____

Note: This is not a binding decision, but only for informational purposes to assist with the charity's registration on BarterWorld™ and to facilitate its acceptance of TradeBUX™.

Tax Shelter Identification Number:

Federal: TS-073270

The identification number issued for this tax shelter shall be included in any income tax return filed by the donor. Issuance of an identification number is for administrative purposes only and does not in any way confirm the entitlement of a donor to claim any tax benefits associated with the tax shelter.

GST Number: 84461 0758 RT0001

FIRST PROMISSORY NOTE
(Repayable only in Canadian Currency)
(50% of total Vendor Take Back Debt)

\$ _____ (the "Principal Sum")

Due Date: January 2, 2019

THIS PROMISSORY NOTE ("Note") is issued in furtherance of, and is subject to, the terms and conditions contained in the undersigned's Prestige Member Application (the "**Application**") dated the date hereof to purchase TradeBUX™ from Barterworld Canada Inc. (the "**Lender**").

FOR VALUE RECEIVED the undersigned hereby promises to pay to, or to the order of, the Lender on the Due Date, at the registered office of the Lender as the Lender may, from time to time, designate by notice in writing to the undersigned, the Principal Sum. The undersigned shall be entitled to repay the Principal Sum in Canadian Dollars alone. Interest shall be payable in Canadian dollars on the Principal Sum outstanding at the greater of 3% per annum and the rate prescribed under the Income Tax Act (Canada) under section 143.2(7). Such interest shall be calculated on December 31 of each calendar year and shall be payable on February 28 of the next ensuing year.

AS SECURITY for the due and punctual payment of interest and principal due hereunder, the undersigned agrees to pay to the Lender the Deposit Amount (as defined in the Loan repayment deposit Agreement entered into between the undersigned and the Lender on the date hereof).

THE WHOLE OF the Principal Sum shall be payable on the Due Date. The undersigned acknowledges and agrees that any failure to make any such payment when due or the breach of any of the obligations of the undersigned pursuant to the Loan repayment deposit Agreement shall constitute a material default hereunder and the Lender shall be immediately entitled without further act or formality to proceed to enforce its rights to recover the whole of the Principal Sum hereunder together with accrued interest thereon and its actual costs incurred in so doing, including actual legal costs determined on a solicitor and client basis.

THE UNDERSIGNED HEREBY acknowledges and agrees that this Promissory Note may be assigned by the Lender, provided that the Lender shall provide notice thereof to the undersigned of such assignment within 30 days following such assignment.

THE UNDERSIGNED HEREBY waives diligence, demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note.

THIS NOTE SHALL be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

TAX SHELTER IDENTIFICATION NUMBER: FEDERAL: TS-073270

THE IDENTIFICATION NUMBER ISSUED FOR THIS TAX SHELTER SHALL BE INCLUDED IN ANY INCOME TAX RETURN FILED BY THE INVESTOR. ISSUANCE OF THE IDENTIFICATION NUMBER IS FOR ADMINISTRATIVE PURPOSES ONLY AND DOES NOT IN ANY WAY CONFIRM THE ENTITLEMENT OF AN INVESTOR TO CLAIM ANY TAX BENEFITS ASSOCIATED WITH THE TAX SHELTER.

SIGNED at _____ this _____ day of _____, 2009.

Signature of Applicant

Signature of Witness

Name of Applicant (please print):

Name of Witness (please print):

Address:

Address:

Address:

Address:



SECOND PROMISSORY NOTE

(Repayable in Canadian Currency, U.S. Currency or TradeBUX™)
(50% of total Vendor Take Back Debt)

\$ _____ (the "Principal Sum")

Due Date: December 31, 2015

THIS PROMISSORY NOTE ("Note") is issued in furtherance of, and is subject to, the terms and conditions contained in the undersigned's Prestige Member Application (the "**Application**") dated the date hereof to purchase TradeBUX™ from Barterworld Canada Inc. (the "**Lender**").

FOR VALUE RECEIVED the undersigned hereby promises to pay to, or to the order of, the Lender on the Due Date, at the registered office of the Lender as the Lender may, from time to time, designate by notice in writing to the undersigned, the Principal Sum. The undersigned shall be entitled to repay the Principal Sum in Canadian Dollars, U.S. Dollars or TradeBUX™. Interest shall be payable in Canadian dollars on the Principal Sum outstanding at the greater of 3% per annum and the rate prescribed under the Income Tax Act (Canada) under section 143.2(7). Such interest shall be calculated on December 31 of each calendar year and shall be payable on February 28 of the next ensuing year.

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SIGNED at _____ this _____ day of _____, 2009.

Signature of Applicant

Signature of Witness

Name of Applicant (please print):

Name of Witness (please print):

Address:

Address:

Address:

Address:



LOAN REPAYMENT DEPOSIT AGREEMENT



THIS AGREEMENT is made this ___ day of _____, 2009 between:

BARTERWORLD CANADA INC. ("BW Canada")

- and -

NAME OF PARTICIPANT (the "Owner") _____

WHEREAS the Owner has agreed to advance to BW Canada the sum of \$ _____ (the "Deposit Amount") on the date hereof to secure the repayment of a loan made by BW Canada to the Owner on the date hereof in the amount of \$ _____ (the "Loan"), as evidenced by a promissory note (the "First Promissory Note"), subject to the terms and conditions herein.

1. Appointment

- (a) The Owner hereby directs BW Canada to invest the Deposit Amount in the name of _____ BW Canada but for the beneficial account of the Owner immediately upon the delivery of _____ the Deposit Amount.
- (b) As continuing security for the repayment of the Loan evidenced by the First Promissory Note, any and all interest accrued thereon and all other amounts, if any, payable by the Owner to BW Canada in connection with the Loan (collectively the "**Indebtedness**"), the Owner hereby pledges, charges, assigns, transfers and sets over by way of hypothecation (such pledge, charge, assignment, transfer and hypothecation being collectively referred to herein as the "**Hypothecation**") to BW Canada the Loan repayment deposit and all other securities hereafter received in addition to or in substitution therefore and all rights now or hereafter attaching thereto and all accretions thereto and income thereon and proceeds thereof (collectively the "**Collateral**"). The Hypothecation will remain in full force and effect until such time as the Indebtedness has been fully paid. Such security shall become enforceable forthwith upon any default by the Owner in the payment of any of the Indebtedness as and when due or upon any default of the Owner in accordance with the terms of this Agreement. BW Canada may at any time, without prejudice to any other recourse or remedy available to it, realize, collect, sell, transfer and deliver the Collateral in whole or in part in such manner, for such consideration and whether by private sale or otherwise as may seem to it advisable, and, in addition, BW Canada or its nominee shall be entitled to exercise and enforce all the rights and privileges (including all voting rights, if any) and all ownership rights attaching to the Collateral as fully and effectually as if BW Canada were the absolute owner thereof. BW Canada may charge on its own behalf and also pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services on a solicitor and its own client basis) in connection with realizing, collecting, selling, transferring, delivering and/or obtaining payment of the Collateral or any part thereof and may deduct such amounts from the proceeds thereof. BW Canada may apply such proceeds on account of such part of the Indebtedness hereby secured as BW Canada may see fit. BW Canada may grant extensions of time and other indulgences, take and give up other securities, accept settlements, grant releases and discharges and otherwise deal with the Owner and other parties and with the Collateral as BW Canada may see fit without prejudice to its rights in the Collateral hereby constituted. Any amounts from time to time received by BW Canada for the account of the Owner whether in respect of the Collateral or the Hypothecation hereunder or pursuant hereto or otherwise, shall be retained by BW Canada and shall be added to and form a part of the Collateral.
- (c) For so long as any of the Indebtedness remains unpaid, the Owner hereby nominates, constitutes and appoints BW Canada, to the greatest extent permitted under applicable law, with full power of substitution, as the true and lawful agent of the Owner and attorney-in-fact for the taking of all proceedings with respect to the

Collateral contemplated in this Agreement including, without limitation, the investment, sale, transfer and assignment of the Collateral and all right, title and interest of the Owner therein, the whole for the benefit of BW Canada and in such manner as BW Canada from time to time, in its discretion, directs, and without prejudice to the rights of BW Canada as assignee of the rights of the Owner. The Owner hereby unconditionally ratifies, adopts, confirms and approves, and covenants and agrees to ratify, adopt, confirm and approve, all such acts and proceedings of BW Canada hereunder and undertakes to indemnify and save harmless BW Canada, and any of its agents, representatives, directors, officers, employees or shareholders from any and all costs, expenses, actions, suits, losses, claims, liabilities, obligations, demands or injury of any nature or kind whatsoever incurred or suffered in so doing.

- (d) The Owner covenants and agrees that, whenever BW Canada shall so require, the Owner will execute and perform such further documents and acts as BW Canada determines may be useful or necessary for the purpose of better and more perfectly granting the powers of attorney herein granted by the Owner, and for the purposes of perfecting the Owner's appointment of BW Canada as the Owner's agent and attorney herein or satisfying any acts undertaken by BW Canada pursuant to such appointment and to better perfect the Hypothecation, or any rights, advantages and benefits herein sought pursuant to the Hypothecation, if applicable, the whole without prejudice to or diminishing the effect of the powers of attorney herein or hereafter granted by the Owner.

2. **Repayment of Loan**

Upon the due date of the Loan, BW Canada shall apply all or a portion of the Collateral to satisfy the amount then owing under the Loan. In the event that the Collateral is not sufficient to repay the Loan in full on the due date, the Owner shall remain liable for and shall immediately pay to BW Canada the amount of any such deficiency. In the event that the Collateral exceeds the outstanding amount of the Loan on the due date, BW Canada may charge the Owner a special performance bonus fee in an amount equal to all or any portion of such excess and the Owner hereby authorizes BW Canada to retain such excess to satisfy the payment thereof.

3. **Investment of Collateral**

- (a) The Owner hereby acknowledges and agrees that BW Canada shall engage at the Owner's expense one or more duly qualified investment advisers, including discretionary portfolio managers, to assist in the investment of the Collateral with a view to maximizing the capital appreciation of the Collateral prior to the due date of the Loan while at the same time minimizing the income thereon taxable in respect of any period prior to the due date. The Owner hereby grants to BW Canada, to the greatest extent permitted under applicable law, the discretionary right and authority to sell, redeem, convert, exchange, invest and reinvest the Collateral on behalf of the Owner in such manner as any such adviser may from time to time consider appropriate, or to deposit the Collateral in a fully managed account in the name of BW Canada or otherwise, subject always to compliance with applicable securities and other laws, which compliance shall be at all times the responsibility of BW Canada .
- (b) BW Canada hereby represents and warrants to the Owner that any and all advisers engaged shall at all times exercise in the performance of that engagement that degree of care and skill that a reasonably prudent adviser would exercise in comparable circumstances.
- (c) The Owner hereby represents and warrants to BW Canada as follows:
 - (i) he or she has a net worth substantially in excess of the Deposit Amount;
 - (ii) he or she has no particular desire or preference as to the investment of the Collateral and agrees that, subject to the provisions hereof, BW Canada shall have the full and unfettered discretion to invest the Collateral in such manner as it may consider appropriate, whether or not such investments are publicly traded;
 - (iii) he or she has a high risk tolerance in relation to the investment and reinvestment of the Collateral for the purposes hereof.

- (d) BW Canada agrees that to the extent that in any calendar year the investment or reinvestment or realization of the Collateral results in interest earned or taxable dividends in that year to the Owner while a resident in Canada then BW Canada shall distribute from the Collateral to the Owner on or before April 10 of the following year an amount sufficient in BW Canada's opinion to pay the amount of tax payable in respect of such income assuming the Owner pays income tax at a combined federal/provincial rate of 35%. For greater certainty, BW Canada's obligation hereunder shall be determined on a cumulative basis, so that in the event that a taxable loss results to the Owner for tax purposes in any year then BW Canada's obligation to distribute any amount thereafter shall be limited to the extent by which taxable income in subsequent years exceeds the amount of loss so resulting.
- (e) Notwithstanding any other provision herein contained, and whether or nor the investment of the Collateral prior to the due date yields any income or loss, BW Canada hereby undertakes to pay to the Owner on the due date or on such earlier date as the Loan shall become due, an amount which is equal to the amount of the Collateral less any amount or amounts previously distributed by BW Canada to the Owner to fund the payment of interest on the Loan, as hereinbefore provided.

4. Acknowledgements and Confirmation

- (a) The Owner acknowledges and confirms that: (a) except as expressly set forth herein BW Canada does not make any representation or warranty to the Owner whatsoever with respect to the Hypothecation, the investment of the Deposit Amount or the tax effect thereof; (b) BW Canada has no responsibility for, is not and has not been associated with, and does not express any opinion with respect to any representations, warranties, declarations or undertakings made by any other party in connection with the Loan or any other transaction; (c) notwithstanding any other transaction involving the Owner, the Owner shall be irrevocably obligated to BW Canada for payment of the Indebtedness without regard to any issues which may arise between the Owner and any other person or persons; (d) BW Canada shall not be required to exhaust any recourse available to it in respect of the Hypothecation or the Collateral before looking to the Owner's other assets for payment of the Indebtedness or any accrued but unpaid interest thereon; and (e) nothing contained herein or in any other instrument will be interpreted so as to oblige BW Canada to extend any time for payment of the Indebtedness under any circumstances.

5. General

- (a) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- (b) The Owner covenants and agrees to pay all legal fees on a solicitor/client basis and other reasonable costs incurred by or in connection with the realization of the security created hereby.
- (c) This Agreement shall be binding upon the parties and their respective heirs, legal personal representatives and permitted assigns. BW Canada may assign all of its rights and interest hereunder without the consent of the Owner. The Owner may not assign this Agreement without the prior written consent of BW Canada, which consent may be unreasonably withheld.
- (d) Any notice or other communication to be given hereunder shall be in writing and shall be sufficiently given if delivered in person or sent by prepaid ordinary or registered mail, in the case of the Owner, to the address set out in the Prestige Member Application delivered to BW Canada on or about the date hereof, or in the case of BW Canada, to its then registered office address in Ontario. Communications shall be deemed to be received on the date of actual delivery. Either party hereto may change its address for the purposes of this paragraph by giving written notice to the other.

The parties have duly executed this Agreement on the date first above written.

BARTERWORLD CANADA INC.

Per: _____
Authorized Signing Officer

Name of Witness

Signature of Participant

Signature Witness