

Quest University Canada
Notes to Financial Statements

August 31, 2009

6. Demand loan

The University has a non-interest bearing demand loan payable at the earlier of written demand or August 15, 2017. This loan has registered security on the University's property up to \$75,000,000.

	2009	2008
Balance, beginning of year	\$ 75,276,316	\$ 80,081,408
Construction costs	2,147,036	10,182,724
Donation of loan payable	(2,400,000)	-
Advances (repayments) not related to construction	-	12,184
Assignment of proceeds from sale of property held for development	-	(15,000,000)
	\$ 75,023,352	\$ 75,276,316

7. Capital Lease Obligations

	2009	2008
Capital lease repayable at \$6,735 per month interest free, due February 2011. Secured by specific equipment.	\$ 127,114	\$ 208,793
Capital lease repayable at \$4,877 per month including interest at 3.17% per annum, due September 2010. Secured by specific equipment.	66,734	122,187
Capital lease repayable at \$1,523 per month including interest at 2.95% per annum, due November 2010. Secured by specific equipment.	23,869	41,163
	217,717	372,143
Less: current portion	162,318	153,569
	\$ 55,399	\$ 218,574

Estimated principal payments due in the next two years are as follows:

2010	162,318
2011	55,399
	\$ 217,717