

AGREEMENT OF PURCHASE AND SALE OF SHARES

This Agreement of Purchase and Sale (the "Agreement") is made in two original copies, effective [DATE]

BETWEEN: [VENDOR NAME] (the "Vendor"), a corporation organized and existing under the laws of the [STATE/PROVINCE], with its head office located at:

AND: [PURCHASER NAME] (the "Purchaser"), a corporation organized and existing under the laws of the [STATE/PROVINCE], with its head office located at:

Whereas the Vendor owns all the issued shares of [NAME OF CORPORATION] (the "Corporation");

It is agreed as follows:

1. SUBJECT-MATTER

1.1 The Purchaser agrees to buy and the Vendor agrees to sell to the Purchaser all of the shares owned by the Vendor in the Corporation (the "Shares").

2. PURCHASE PRICE

2.1 The purchase price payable for the Shares is the total of the amounts allocated among the Shares as follows:

- a) for all the [INSERT CLASS] shares - [AMOUNT]
- b) for all the [INSERT CLASS] shares - [AMOUNT] ETC.

3. TERMS OF PAYMENT

3.1 The Vendor acknowledges receiving a cheque for [AMOUNT] from the Purchaser on execution of this agreement to be held by the Vendor as a deposit on account of the purchase price of the Shares and as security for the Purchaser's due performance of this agreement.

3.2 The Purchaser shall pay the balance of the purchase price of the Shares by certified cheque on closing.

3.3 It is understood and agreed that the purchase price of the Shares is based on the financial position of the Corporation shown in the balance sheet produced by the Vendor for the Corporation and appended as Schedule A. If the net book value of the Corporation as of the date of closing is less than [%] of the net book value of the Corporation shown in Schedule A, the Vendor shall refund the Purchaser the dollar value difference within a reasonable time of receipt of written notice of the difference. For the purposes of this paragraph, the net book value of the Corporation means the dollar book value of the assets of the Corporation minus the dollar book value of the liabilities, other than for shareholder equity, of the Corporation determined in accordance with generally accepted accounting principles.

4. CONDITIONS, REPRESENTATIONS AND WARRANTIES

4.1 In addition to anything else in this agreement, the following are conditions of completing this agreement in favor of the Purchaser:

- a) that the Vendor owns all the issued shares of the Corporation;
- b) that the Shares are fully paid-up and non-assessable;
- c) that no agreement or option exists pursuant to which the Corporation is or may be obliged to issue further shares of its authorized capital;
- d) that the Shares are sold free and clear of all liens, encumbrances and charges;
- e) that any consent required for the transfer of the Shares in accordance with the Purchaser's direction is given;
- f) that the Corporation is duly incorporated, validly subsisting and in good standing under the laws of its jurisdiction of incorporation;
- g) that the Corporation is not party to any collective agreement with a labor union;
- h) that the Vendor give the Purchaser and all duly authorized representatives of the Purchaser full and complete access during normal business hours to the business premises and corporate, business, accounting, tax and employment records of the Corporation for the purpose of investigating the business and affairs of the Corporation;
- i) that the Purchaser obtain financing on terms satisfactory to the Purchaser to complete the purchase;
- j) that the Vendor supply or deliver on closing all of the closing documents.

4.2 The Purchaser agrees that, unless and until the purchase of the Shares contemplated in this agreement is completed, the Purchaser shall keep confidential all confidential information obtained by the Purchaser from the Vendor or the Corporation about the Vendor and the business and affairs of the Corporation.

4.3 The following representations and warranties are made and given by the Vendor to the Purchaser and expressly survive the closing of this agreement. The representations are true as of the date of this agreement and will be true as of the date of closing when they shall continue as warranties according to their terms. At the option of the Purchaser, the representations and warranties may be treated as conditions of the closing of this agreement in favor of the Purchaser. However, the closing of this agreement shall not operate as a waiver or otherwise result in a merger to deprive the Purchaser of the right to sue the Vendor for breach of warranty in respect of any matter warranted, whether or not ascertained by the Purchaser prior to closing:

- a) the Vendor is a resident of [COUNTRY] within the meaning of the Income Tax Act of [COUNTRY];
- b) the Articles of Incorporation and all amendments to the Articles of Incorporation of the Corporation are as stated in Schedule B;
- c) the issued share capital of the Corporation is as stated in Schedule C;