

SHARE PURCHASE AGREEMENT

THIS AGREEMENT made as of the ___ day of _____, _____.

BETWEEN:

PURCHASER
(the "Purchaser")

OF THE FIRST PART

- and -

VENDOR
(the "Vendor")

OF THE SECOND PART

RECITALS:

- A. [corporation] (the "Corporation") has an authorized capital consisting of [description of authorized capital], of which [number and class(es) of shares] are issued and outstanding.
- B. The Vendor is the legal and beneficial owner of [number and class(es) of shares] (the "Shares") in the capital of the Corporation.
- C. The Corporation is indebted to [lender(s)] in the amount of \$[amount of loan(s)] (the "Loan(s)").
- D. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Shares, upon the terms and subject to the conditions hereinafter set out.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, the terms or expressions defined in the descriptions of the parties, recitals or body hereof shall have those meanings when used in this Agreement, and:

- (a) **"Agreement"** means this Share Purchase Agreement, as amended, modified or supplemented from time to time in the manner herein provided, including all Schedules hereto; the expressions "herein", "hereto", "hereof", "hereunder" and similar expressions mean and refer to this Agreement; and the expressions "Article", "Section" or "Schedule" followed by a letter or number or combination thereof means and refers to the specified Article or Section of or Schedule to this Agreement;
- (b) **"Applicable Law"** means, in relation to any Person, transaction or event all applicable provisions, whether now or hereafter in effect, of laws, statutes, rules, regulations, official directives and orders of all governmental and non-governmental bodies (whether administrative, legislative, executive or otherwise) and all judgments, orders and decrees of all courts, arbitrators, commissions or bodies exercising similar functions, in actions or proceedings in which the Person in question is a party or by which it is bound or having direct or indirect application to the transaction or event;

- (c) **"Dollars" or "\$"** means lawful currency in and of Canada for the payment of public and private debts;
- (d) **"Person"** means any individual, partnership, joint venture, firm, corporation, trust, trustee in bankruptcy, receiver, incorporated or unincorporated organization or association, union, government or department or agency thereof, and the heirs, executors, administrators or other legal representatives of an individual, and words importing persons have a similar meaning;
- (e) **"Shares"** means [number and class(es) of shares] in the capital of the Corporation owned by the Vendor and to be sold to the Purchaser pursuant to Section 2.01.

1.02 Miscellaneous Matters Affecting Interpretation

The division of this Agreement into Articles, Sections and paragraphs and the insertion in this Agreement of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of [governing jurisdiction] and the parties hereby attorn to the jurisdiction of the courts of [governing jurisdiction]. If any Article, Section, paragraph or provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall not affect or impair the validity or enforcement of any other provision of this Agreement. Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders. Where any term or expression is defined herein, derivations of such term or expression shall have a corresponding meaning. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, successors and assigns. No consent or waiver, express or implied, by a party of any breach or default by the other party in the performance of such other party of its obligations shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations under this Agreement of such other party. Failure on the part of a party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long such failure continues, shall not constitute a waiver by the first mentioned party of its rights under this Agreement. No waiver of any provision of this Agreement, including, without limitation, this sentence, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by duly authorized representatives of the party making such waiver. This Agreement may not be modified or amended except with the written consent of the parties hereto. In this Agreement, time is of the essence.

1.03 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule "A" Representations and Warranties

ARTICLE 2 - PURCHASE AND SALE

2.01 Sale of Shares

For good and valuable consideration described below and upon the terms and conditions set out herein, the Purchaser hereby purchases from the Vendor and the Vendor hereby sells, assigns, transfers and delivers to the Purchaser the Shares at and for the Purchase Price.

2.02 Purchase Price

The purchase price ("Purchase Price") payable by the Purchaser to the Vendor for the Shares is the aggregate amount of _____ Dollars (\$_____).

2.03 Repayment of Loans

In addition to the payment of the Purchase Price, the Purchaser agrees to loan \$_____ to the Corporation to be used by the Corporation to repay the Loans, in full.

2.04 Effective Time

The effective time and date of the sale and transfer contemplated by this Agreement is [effective time] (local time) on [effective date] (the "Effective Date").

2.05 Deliveries by the Vendor

Prior to the release by the Purchaser to the Vendor of the Purchase Price, the Vendor will deliver or cause the following to be delivered to the Purchaser:

- (a) a certificate or certificates representing the Shares duly endorsed for transfer in blank;
- (b) a notarized copy of the Certificate of Incorporation, By-laws and Articles of Incorporation, as amended, of the Corporation as in force at such date and a certificate of status related to the Corporation and the Vendor;
- (c) a copy, certified by the Secretary of the Corporation, of the resolutions of the directors or shareholders, as applicable, of the Corporation approving the transfer and sale of the Shares to the Purchasers upon the terms and subject to the conditions hereof;
- (d) resignation of the Vendor as a director and officer of the Corporation;
- (e) the corporate records and minute books of the Corporation; and
- (f) such other Certificates or documents as the Purchaser may reasonably require.

2.06 Deliveries of the Purchaser

The Purchaser will deliver or cause the following to be delivered to the Vendor:

- (a) the Purchase Price by way of certified cheque, bank draft or solicitor's trust cheque;
- (b) evidence that the Purchaser has the funds available to repay the Loan(s) in full as well as an irrevocable direction from the Corporation to the holder of such funds to forthwith pay them to [lender(s)]; and
- (c) a certificate of the Purchaser to the effect that the representations and warranties made by the Purchaser in Section 4.01 were true and correct when made and are true and correct as of the Effective Time as if made then.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES OF THE VENDOR

3.01 Representations and Warranties

The Vendor confirms, represents and warrants to the Purchaser each of the matters set forth in Schedule "A" hereof. All representations and warranties shall survive the sale and transfer of the Shares and any investigations made at any time by or on behalf of the Purchaser shall not diminish in any respect whatsoever the rights of the Purchaser to rely on the Vendor's representations and warranties. The Vendor acknowledges that the Purchaser has entered into this Agreement in full reliance upon these representations and warranties.

THIS IS AN 8-PAGE DOCUMENT, including schedules.