

## SET-OFF AND CANCELLATION AGREEMENT

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

### BETWEEN:

**PURCHASER**, a body corporate organized pursuant to the laws of \_\_\_\_\_ (insert state) (hereinafter referred to as "Purchaser")

### OF THE FIRST PART

- and -

**SELLER**, a body corporate organized pursuant to the laws of \_\_\_\_\_ (insert state) (hereinafter referred to as "Seller")

### OF THE SECOND PART

### WHEREAS:

- SAMPLE PREVIEW**
- A. Purchaser purchased for cancellation \_\_\_\_\_ of \_\_\_\_\_ outstanding \_\_\_\_\_ shares in the capital stock (the "Shares") of Seller;
  - B. Purchaser paid for the Shares by making and delivering a promissory note in favor of Seller (the "Purchaser Note");
  - C. Seller has in possession of the Shares owned by Purchaser;
  - D. Seller has paid for the Shares by making and delivering a promissory note in favor of Purchaser (the "Seller Note");
  - E. The Seller Note is in the same principal amount as the Purchaser Note.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties hereto do hereby covenant and agree as follows:

1. Seller agrees to return the Purchaser Note to Purchaser and hereby releases Purchaser from any and all claims, liabilities and obligations under the Purchaser Note.
2. Purchaser agrees to return the Seller Note to Seller and hereby releases Seller from any and all claims, liabilities and obligations under the Seller Note.

**THIS IS A 2-PAGE FORM.**