SHARE SUBSCRIPTION AGREEMENT

****

This Share Subscription Agreement (the “Agreement”) is effective [DATE],

**BETWEEN: [FIRST PARTY NAME]** (the "Issuer"), a company organized and existing under the laws of the [State/Province] of [STATE/PROVINCE], with its head office located at:

[YOUR COMPLETE ADDRESS]

**AND: [SECOND PARTY NAME]** (the "Purchaser"), a company organized and existing under the laws of the [State/Province] of [STATE/PROVINCE], with its head office located at:

[COMPLETE ADDRESS]

**Recitals**

The Issuer and Purchaser have agreed upon and established a “Letter of Commitment” dated [DATE]. Through this, the Purchaser has expressed his intent to subscribe for and purchaser [PERCENTAGE] percent of all equity and voting shares of the Issuer, which shares the Issuer has agreed to allot to the Purchaser.

In alignment with this agreement, the parties agree to the following:

1. **DEFINITIONS**

The following definitions have been outlined for the purposes of this Agreement:

“Agreement” refers to this Share Subscription Agreement along with attached schedules which have been referred to. Words or phrases that are reasonably interpreted to referring to this agreement, also refer to this agreement.

“Assets” refers to the assets of the Issuer which includes but is not limited to real property such as physical assets but also intangible property such as trademarks, logos and other forms of intellectual property.

“Audited Financial Statements” refers to the financial statement of the Issuer for the fiscal year ending [DATE]. Such a statement consists of income statements, expenses etc. This statement is attached in Schedule [SPECIFY].

“Business Day” means any day other than a Saturday or a Sunday, upon which the Issuer’s main bank is open for business in [STATE/PROVINCE], [STATE/PROVINCE].

“Closing” refers to the completion of the formalities, such as delivery of documents etc, of the subscription for the relevant shares in this Agreement.

“Closing Date” is [TIME], [STATE/PROVINCE] on [DATE] or any other date as agreed by the parties in writing.

“Consolidated Companies” shall have the meaning attributed thereto in Section 4.7 hereof;

“Consolidated Companies Statements” means the unaudited financial statements of each of the Consolidated Companies for the fiscal year ended [DATE] and for the period from [DATE] to [DATE], consisting of the balance sheets and the statements of income and retained earnings and changes in financial position for the periods then ended, accompanied by a certificate of the chief financial officer of the Issuer stating that in his opinion such financial statements are complete and correct in all material respects and were prepared in accordance with generally accepted accounting principles and fairly represent the financial position of each of the Consolidated Companies for the periods then ended and the results of their operations for the said periods, copies of which are annexed hereto as Schedule [SPECIFY];

“Person” includes an individual, corporation, partnership, trust and unincorporated association;

“Purchase Price” refers to the price per share established in Section 2.

“Residences” [DEFINITION AS REQUIRED BY NOVEL CASE]

“Shares” means [NUMBER] common shares in the Capital of the Issuer;

“Unaudited Financial Statements” means the unaudited consolidated financial statements of the Issuer for the period from [DATE] to [DATE], consisting of the consolidated balance sheet as of such date and the consolidated statements of income and retained earnings and changes in financial position for the period then ended, accompanied by a certificate of the chief financial officer of the Issuer stating that in his opinion such financial statements are complete and correct in all material respects and were prepared in accordance with generally accepted accounting principles and fairly represent the financial position of the Issuer for the period then ended and the results of its operations for the said period, copies of which is annexed hereto as Schedule [SPECIFY];

1. **SUBSCRIPTION FOR SHARES**

This is an Agreement to Purchase and Sell Shares in the capital stock of the Issuer and is subject to the terms and conditions contained in this Agreement. The Purchaser agrees to purchase [AMOUNT] of shares for an aggregate purchase price of [AMOUNT] and the Issuer agrees to allot the relevant shares to the Purchaser for the aforementioned amount, free and clear of any and all options, rights, charges, calls, commitments, rights of first refusal, mortgages, pledges, privileges, liens, demands restrictions and encumbrances whatsoever.

1. **PAYMENT OF PURCHASE PRICE**

Payment of Purchase Price and Delivery of Share Certificate. The Purchase Price shall be paid in full at Closing by the Purchaser by the delivery of a certified check or bank draft payable to or to the order of the Issuer against delivery by the Issuer of a share certificate representing the Shares duly registered in the name of the Purchaser.

1. **REPRESENTATIONS AND WARRANTIES OF THE ISSUER**

The Issuer hereby covenants, represents and warrants to the Purchaser as follows:

* 1. **Due Incorporation and Capacity to Carry on Business**

The Issuer and each of the Consolidated Companies is body corporate duly incorporated, properly organized and validly subsisting in good standing under the [YOUR COUNTRY LAW] of the jurisdiction of its incorporation. The Issuer and each of the Consolidated Companies has the corporate power, authority and capacity to own its property and to carry on its business in the manner and to the extent currently carried on in all jurisdictions in which it presently carries on business and to carry out the transaction contemplated hereby.

* 1. **Due Qualification to Carry on Business**

The Issuer and each of the Consolidated Companies is duly qualified (and has all required permits, licenses, certificates and authorizations necessary) to transact and carry on its business in the manner and to the extent currently carried on in all jurisdictions in which it presently carries on business and is so duly licensed or qualified in each jurisdiction whereby by virtue of the nature of its business or the location of the Assets, such licensing or qualification is necessary. The only jurisdictions in which the Issuer and each of the Consolidated Companies carries on business or owns or leases property are set forth in Schedule [SPECIFY] hereto.

* 1. **Violation of Contacting Documents and Contracts**

The execution and delivery by the Issuer of and performance of its obligations under this Agreement and the completion by the Issuer of the transaction contemplated hereby will not result in the violation of any of the terms and provisions of the contacting documents or by-laws of the Issuer or of any indenture or other agreement, written or oral, to which the Issuer is a party or by which it is bound or in the creation of any lien or other encumbrance on the Shares or any of the Assets.

* 1. **Violation of Governing Law**

The execution and delivery by the Issuer of and the performance of its obligations under this Agreement and the completion by the Issuer of the transaction contemplated hereby will not result in the violation of any [YOUR COUNTRY LAW] or regulation of [COUNTRY] or of any province thereof, any [YOUR COUNTRY LAW] or regulation of the [COUNTRY] or of any state thereof, or any order or decree of any court or tribunal to which the Issuer, the Assets and the Shares are subject.

* 1. **Due Authorization**

This Agreement has been duly authorized, executed and delivered by the Issuer and is a valid and binding obligation of the Issuer enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or other [YOUR COUNTRY LAW] of general application affecting the rights of creditors and except that specific performance is an equitable remedy which may only be awarded in the discretion of the court.

* 1. **Other Rights of Purchase**

Except as provided for herein, no person, firm or corporation has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement (including convertible or exchangeable securities, warrants or convertible obligations of any kind):

* + 1. for the purchase or other acquisition from the Issuer or any Consolidated Company of any of the Assets or of any of their undertakings, property and assets other than in the ordinary course of the routine daily affairs of their business, or
    2. for the issue by the Issuer or any Consolidated Company of any of their previously unissued shares of any class.
  1. **Affiliates and Subsidiaries**

The Issuer is sole, true and absolute owner and registered holder of all the issued and outstanding shares of the share capital of [COMPANY NAME] or [COMPANY NAME], [COMPANY NAME] and [COMPANY NAME] (the “Consolidated Companies”), the whole as detailed in Schedule [SPECIFY] hereto. No Consolidated Company has outstanding any shares of any class except as shown on such schedule. The Issuer is not affiliated with any body corporate. Except as set forth in Schedule [SPECIFY], neither the Issuer nor any of the Consolidated Companies, directly or indirectly, owns or has any obligation to acquire any shares in the capital of any other corporation, or to acquire any other business operations or acquire or lease real property or any interest therein. Neither the Issuer nor any of the Consolidated Companies has conducted business in partnership with any other person.

* 1. **Authorized Capital**

The authorized share capital of the Issuer consists of an unlimited number of common shares without par value, [NUMBER] of which are outstanding and issued, and an unlimited number of preferred shares without par value, none of which are issued or outstanding. All issued common shares have been duly and validly allotted and issued and are outstanding as fully-paid and non-assessable shares in the share capital stock of the Issuer. No options, warrants or other rights or agreements to purchase shares or other securities of the Issuer or the Consolidated Companies have been authorized or agreed to be issued or are outstanding.

* 1. **Issued Capital**

The issued and outstanding common shares of the Issuer are owned of record and beneficially as set forth in Schedule [SPECIFY] hereto, free and clear of any mortgage, hypothec, pledge, security, interest lien, charge or encumbrances or option or other rights of others whatsoever.

* 1. **Governmental Consents**

All material consents, approvals, orders or authorizations of, or registrations, qualifications, designations, declarations or filings with any federal, state or provincial governmental authority on the part of the Issuer required in connection with the subscription and issue of the Shares, shall have been obtained prior to, and be effective as of, the Closing.

* 1. **Issue of the Shares**

The Shares, once issued and duly paid for, will be common shares of the share capital of the Issuer validly issued and outstanding as fully paid and non-assessable and will represent [PERCENTAGE %] percent of all issued and outstanding equity and voting shares of the Issuer.

* 1. **Minute Books and Corporate Records**

The corporate records and minute books of the Issuer and each of the Consolidated Companies contain complete and accurate minutes of all meetings of the directors and shareholders thereof, held since the date of incorporation thereof (all of which meetings were duly called and held) and the share certificate books, registers of shareholders, registers of transfers and registers of directors of the Issuer and each of the Consolidated Companies are and shall be complete and accurate and all eligible security transfer tax payable in connection with the transfer of any securities of the Issuer and each of the Consolidated Companies shall then have been duly paid.

* 1. **Accuracy of Books and Records**

The financial books and records of the Issuer and each of the Consolidated Companies fairly and correctly set out and disclose in all material respects, in accordance with generally accepted accounting principles, the financial position of the Issuer and each of the Consolidated Companies, and all material financial transactions of the Issuer and each of the Consolidated Companies have been accurately recorded in such books and records.

* 1. **Financial Statements**

The Issuer has furnished the Purchaser with the Audited Financial Statements and the Unaudited Financial Statements and the Consolidated Companies have furnished the Purchaser with the Consolidated Companies Statements (the Audited Financial Statements, the Unaudited Financial Statements and the Consolidated Companies Statements being sometimes collectively referred to herein as the “Financial Statements”). The Financial Statements are true, complete and correct, have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of previous years and fairly present the financial position and condition of the Issuer and each of the Consolidated Companies as of their respective dates and the results of the operations of the Issuer and each of the Consolidated Companies for the periods then ended. The balance sheets do not reflect any write-up or revaluation; increasing the book value of the Assets and the statements of income and retained earnings and changes in financial position do not contain any items of special or non-recurring income except as therein described.

* 1. **No Undisclosed Liabilities**

There are no liabilities, contingent or otherwise, of the Issuer or any of the Consolidated Companies of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which the Purchaser, the Issuer or the Consolidated Companies may be or become liable on or after the consummation of the transaction contemplated by this Agreement other than (i) liabilities disclosed on, reflected in or provided for in the Financial Statements and (ii) liabilities disclosed or referred to in this Agreement or in the Schedules attached hereto.

* 1. **Outstanding Long Term Indebtedness**

Except as disclosed in the Financial Statements, neither the Issuer nor the Consolidated Companies has outstanding any bonds, debentures, mortgages, notes or other indebtedness maturing more than one year after the date of their creation or issuance nor is under any agreement to create or issue any bonds, debentures, mortgages, notes or other indebtedness maturing more than one year after the date of their creation or issuance.

* 1. **Outstanding Guarantees**

Neither the Issuer nor the Consolidated Companies is a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, firm or corporation.

* 1. **Taxes**

All domestic and foreign tax returns of the Issuer and each of the Consolidated Companies which are required to be filed have been duly prepared and timely filed and all taxes shown thereon and all assessments, reassessments and all governmental charges, penalties, interest and fines due and payable have been paid or full provision has been made therefore in the Financial Statements. The income tax returns of the Issuer and each of the Consolidated Companies have all been reviewed and finally assessed by the appropriate government authorities up to and including [SPECIFY], [YEAR], and all such assessments have been satisfied.

All taxes including real and personal, property and business taxes, sales or other taxes, rates, assessments, excise taxes or other governmental or regulatory levies of any nature or kind whatsoever payable by the Issuer or any of the Consolidated Companies for their last completed fiscal period have been paid or are provided for in their books and are reflected in the Financial Statements and full provision has been made in the books of the Issuer and each of the Consolidated Companies for the current period for which tax returns are not required to be filed. No proceedings or other action has been taken against the Issuer or any of the Consolidated Companies for the assessment or collection of additional taxes, levies or other assessments of any nature or kind whatsoever.

All other tax returns of any nature and kind required to be filed and any and all corporate returns required under the [YOUR COUNTRY LAW] of [COUNTRY], or any province thereof, and the [YOUR COUNTRY LAW] of the [COUNTRY] or any state thereof have been filed and such returns are complete and correct. There are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return or the payment of any tax or governmental charge and there are no actions, suits, proceedings, investigations or claims now threatened or pending against the Issuer or any of the Consolidated Companies in respect of taxes, governmental charges or assessments or any matters under discussion with any governmental authorities respecting charges or assessments asserted by any such authority;

* 1. **Withholdings**

The Issuer and each of the Consolidated Companies has withheld from each payment made to any of its shareholders, officers, directors, former directors, non-resident creditors and employees the amount of all taxes, including but not limited to income tax, and other deductions required to be withheld therefrom and has paid the same to the proper tax or other receiving officers within the time required under any applicable legislation.

* 1. **Title to Property and Assets; Liens**

The real property described on Schedule [SPECIFY] hereto and the real property demised by the leases described on the Schedule I hereto constitute all of the real property owned, used or occupied by the Issuer and each of the Consolidated Companies. All such real property has reasonable access to public roads and to all utilities, including electricity, sanitary sewer, potable water, natural gas or its equivalent. All real property owned or leased by the Issuer and the Consolidated Companies and all improvements thereon conform in all material respects with all material zoning, environmental and other land use [YOUR COUNTRY LAW], occupational health and safety laws, ordinances, rules and regulations and other requirements of [YOUR COUNTRY LAW] and such improvements do not encroach in any respect on property of others.

All material occupancy and other certificates or permits for the occupancy and lawful use of the said real properties and the improvements thereto have been issued and are presently in full force and effect. All notices of violations issued by any governmental instrumentality having jurisdiction against or affecting any of the said real property and improvements have been materially complied with. No use of any such real property and improvements is dependent upon the continuance of a non-conforming use or a special permit or license.

No condemnation or taking by public authority of any real property owned by the Issuer and the Consolidated Companies is pending or, to the best of the Issuer’s knowledge, threatened.

The Issuer and the Consolidated Companies have delivered to the Purchaser complete and accurate copies of each of the leases described on Schedule I hereto and none of the leases have been modified in any material respect, except to the extent that such modifications are disclosed in the copies delivered to the Purchaser.

The Issuer and the Consolidated Companies own or lease all assets necessary for the conduct of the businesses as presently conducted and all assets which have been used in the conduct of the businesses since the date of the Audited Financial Statements, other than those which have been sold or otherwise disposed of in the ordinary and normal course of the routine daily affairs of business.

All of the buildings, materials, machinery, equipment and other tangible assets used in the businesses of the Issuer and the Consolidated Companies are in all material respects, in good condition and repair and are usable in the ordinary course of business. Except as reflected in the Financial Statements or in the notes thereto, the Issuer and each of the Consolidated Companies owns its property by good and marketable title free and clear of any and all mortgages, liens, pledges, charges, security interests, encumbrances, actions, claims or demands of any nature whatsoever and however arising.

* 1. **Insurance**

The Issuer and each of the Consolidated Companies are insured against loss or damage by all insurable hazards or risk and such insurance coverage is in full force and effect and will continue to be in effect up to and after the Closing Date. Neither the Issuer or any of the Consolidated Companies is in default with respect to any of the provision contained in any such insurance coverage and has not failed to give any such notice or present any claim in due and timely fashion.

* 1. **Conduct of Business**

Since [DATE], the Issuer and each of the Consolidated Companies carried on its business in the ordinary and normal course of the routine daily affairs of its business. Since [DATE] there has been no change in the business, operations, affairs or condition of the Issuer and the Consolidated Companies, financial or otherwise, or arising as a result of any legislative or regulatory change, modification, revocation or suspension of any material license or right to do business, fire, explosion, accident, casualty, labor trouble, flood, drought, riot, storm, expropriation, condemnation, act of God or otherwise, except changes occurring in the ordinary and normal course of the routine daily affairs of business, which changes have not materially adversely affected and will not materially adversely affect the organization, business, Assets, prospects and financial condition of the Issuer and the Consolidated Companies.

* 1. **Absence of Certain Developments**

Since [DATE], neither the Issuer nor the Consolidated Companies have and neither the Issuer nor the Consolidated Companies have agreed to do or permit any of the following:

* + 1. borrowed any amount or incurred or become subject to any material liabilities except (i) current liabilities incurred in the ordinary and normal course of the routine daily affairs of business and (ii) liabilities under contracts entered into in the ordinary and normal course of the routine daily affairs of business;
    2. discharged or satisfied any material lien or encumbrance or paid any material liability, other than current liabilities in the ordinary and normal course of the routine daily affairs of business, and current portions of term liabilities;
    3. mortgaged, pledged or subjected to any lien, charge or any other encumbrance, any material portion of the Assets except with respect to liens for current property taxes not yet due and payable;
    4. sold, assigned or transferred any material portion of the Assets except in the ordinary and normal course of the routine daily affairs of business, or which in the aggregate do not exceed [AMOUNT], or cancelled any material debts or claims;
    5. sold, assigned or transferred any material patents, trademarks, trade names, copyrights, trade secrets, know-how or other intangible assets (including operating licenses or permits), or disclosed any material proprietary information to any competitor or affiliate thereof;
    6. suffered any extraordinary losses or waived any rights of material value, whether or not in the ordinary course of business or consistent with past practice;
    7. entered into any material transaction other than in the ordinary and normal course of the routine daily affairs of business;
    8. suffered any theft, damage, destruction or casualty loss in excess of [AMOUNT] to the Assets whether or not covered by insurance; or made any capital expenditures which in the aggregate exceed [AMOUNT];
    9. made any change in the salary, benefits or compensation of any employee, office or director, other than in accordance with past practice;
    10. declared or paid any dividend or authorized or made any distribution in respect of its share capital, or redeemed or otherwise acquired any of its share capital;
    11. entered into any employment or compensation arrangements with or increased the compensation payable to any director, officer employee, other than in the ordinary course of business;
    12. made any loan or advance to any Person, other than advances to employees for reasonable business expenses;
    13. made any material change in any method of accounting or any accounting limitation, any change in depreciation or amortization policies or rates;
    14. conducted their respective businesses other than in the ordinary course;
  1. **Litigation**

There are no actions, suits or proceedings pending or threatened against or affecting the Issuer or any of the Consolidated Companies at law or in equity, or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign; to the best of the knowledge, information and belief of the Issuer, there is no existing grounds on which any such action, suit or proceeding might be commenced against the Issuer or any of the Consolidated Companies with any reasonable likelihood of success in whole or in part.

* 1. **Compliance with [YOUR COUNTRY LAW]**

The Issuer and each of the Consolidated Companies is conducting its business in compliance with all applicable [YOUR COUNTRY LAW], rules and regulations of each jurisdiction in which its business is carried on and is not in breach or default of any statute, [YOUR COUNTRY LAW], rule, regulations, ordnance, order or decree to which the Issuer or any of the Consolidated Companies, their business or the Assets may be or are subject, except for breaches which in the aggregate are immaterial. The Issuer and the Consolidated Companies are not in violation of any provision of their respective charters, deeds of incorporation or by-laws.

* 1. **Contracts**

The Issuer has at or prior to the date of this Agreement, furnished to the Purchaser, true and correct copies of all contracts, agreements and other instruments referred to in the Schedule J attached hereto, which constitute all contracts, agreements or other instruments which are of material importance to the business of the Issuer or any of the Consolidated Companies. Neither the Issuer nor any of the Consolidated Companies is in default or, to the best of the Issuers’ knowledge, is claimed to be in default in complying with any material provision thereof or has committed or permitted any event which, with notice or the passage of time or both, would constitute such default. Each such contract, agreement or other instrument is in full force and effect and, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar [YOUR COUNTRY LAW] of general application relating to or affecting the enforcement of creditors’ rights and by general equitable principles, is valid and binding upon the parties.

* 1. **Leases**

All leases pursuant to which the Issuer or any of the Consolidated Companies leases any immoveable and real property to or from third parties are in good standing, valid and effective, and there is not under any of such leases, any existing material default or any event or condition which, after notice or lapse of time, or both, would constitute a material default or breach thereof. Each such leases is in full force and effect and, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar [YOUR COUNTRY LAW] of general application relating to or affecting the enforcement of creditors’ rights and by general equitable principles, is valid and binding upon the parties. None of the leases have been transferred, assigned or encumbered.

* 1. **Conditional Sales Contracts**

Neither the Issuer nor any of the Consolidated Companies is a party to any conditional sales contract, hire-purchase agreement, security interest agreement or other title retention agreement or lease of personal property.

* 1. **Employment, Service and Union Agreement**

Neither the Issuer nor any of the Consolidated Companies is a party to any employment agreement, contract or arrangement, management contract, service agreement, collective bargaining agreements, pension and retirement plans, bonus or profit sharing schemes and other employee benefit plans, or other contracts, agreements or arrangements affecting employees of the Issuer or the Consolidated Companies. Neither the Issuer nor any of the Consolidated Companies has any employee who cannot be dismissed without further liability upon such notice period as would be construed by a competent court in the applicable jurisdiction to be reasonable. Neither the Issuer nor any of the Consolidated Companies has conducted any negotiations with any labor union or employee association with respect to any future agreement and is not aware of any current attempts to organize any labor union or employee association or any petitions to secure certification.

* 1. **Labor Disputes**

There are no disputes with labor unions, grievances, claims, demands, suits, actions, arbitration procedures or any other litigious matters generally relating to or emanating from, directly or indirectly, any labor agreement, petition to secure certification or any union certification applying to the employees of the Issuer or any of the Consolidated Companies. There are neither any complaints of unfair labor practices pending against the Issuer or any of the Consolidated Companies under the Labor Code ([STATE/PROVINCE]) nor any civil action or complaint under the Act respecting Labor Standards, or any other applicable legislation in any relevant jurisdiction existing or pending against the Issuer or any of the Consolidated Companies concerning its employees.

* 1. **Employee Salaries and Benefits**

All employee salaries and benefits, including vacation pay, required by [YOUR COUNTRY LAW] or by any collective agreement have been or shall have been paid by the Issuer and each of the Consolidated Companies up to and including the date hereof and all insurance premiums required to be paid by the Issuer and each of the Consolidated Companies for the benefit of its employees have been or shall have be paid as due or accrued as of the date hereof.

* 1. **Intellectual Property**

All of the patents, patent applications, licenses, trade marks, trade names, trade mark and trade name applications and copyrights standing in the name of the Issuer or any of the Consolidated Companies are set forth in Schedule K and are validly and beneficially owned by same with the sole and exclusive right to use the same, all in good standing and duly registered in all appropriate offices to preserve the rights thereof and are unencumbered and subject to no rights or interests of any other person, firm or corporation as licensee, co-owner, registered user or otherwise, and there is no ground of invalidity in respect of any thereof. There has been no proceedings or any claims challenging the rights of the Issuer or any of the Consolidated Companies as sole, true and absolute owner of such patents, patent applications, licenses, trade marks, trade names, trade mark or trade name applications. Neither the Issuer nor any of the Consolidated Companies is knowingly violating by infringement of or otherwise the rights of others in any domestic or foreign patent, patent application, licenses, trade mark, trade name trade mark and trade name applications or copyrights.

* 1. **Full Disclosure**

The Issuer has disclosed all information and data known to it relating to the business carried on by the Issuer and each of the Consolidated Companies, and relating to the financial condition and prospects of the Issuer and the Consolidated Companies which might reasonably be regarded as material to the Purchaser.

* 1. **Reliance**

The Issuer hereby expressly acknowledges that the Purchaser is relying on the covenants, representations and warranties of the Issuer contained in this agreement and in any certificates or other document delivered pursuant hereto in connection with the subscription for and purchase of the Shares hereunder.

1. **COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser hereby covenants, represents and warrants to the Issuer as follows:

* 1. **Incorporation and Power**

The Purchaser is duly incorporated, properly organized and validly substituting in good standing under the [YOUR COUNTRY LAW] of. The Purchaser has the corporate power, authority and capacity to carry out the transaction contemplated hereby.

* 1. **Authorization of Agreement**

This agreement has been duly authorized, executed and delivered by the Purchaser and is a valid and binding obligation of the Purchaser enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or other [YOUR COUNTRY LAW] of general application affecting the rights of creditor and except that specific performance is an equitable remedy which may only be awarded in the discretion of the court.

1. **COVENANTS**

The Issuer covenants and agrees with the Purchaser that on or before the Closing Date it will do or will cause to be done those things set forth herein.

* 1. **Continued Operation in Normal Course**

The Issuer will use all reasonable efforts

1. to cause the Issuer and each of the Consolidated Companies to carry on its business in the ordinary and normal course of the routine daily affairs thereof (with such changes thereto as may from time to time be approved in writing by the Purchaser),
2. to ensure that, except as otherwise contemplated hereby, each of the covenants, representations and warranties contained in Article [NUMBER], remains true and correct in all material respects until the Closing Date and
3. to promptly notify the Purchaser of changes in the business of the Issuer or any of the Consolidated Companies which might reasonably be regarded as material including major accidents, labor disputes or attempts to organize new bargaining units, significant rental losses
4. and additions, threatened major lawsuits, cancellation of or material amendment to insurance or threats of such cancellation or amendment. In determining whether or not reasonable efforts have been used by the Issuer, the standard of business judgment to be expected from it shall be the same as that applied in its previous conduct of its affairs.

The Issuer shall be entitled but not obliged to consult with the Purchaser with respect to any action proposed to be taken or omitted by it and if the Purchaser consents to or acquiesces in such action or omission then such action or omission shall be deemed to not result in a breach of the foregoing covenant. The Issuer shall furnish the Purchaser with evidence satisfactory to the Purchaser that except as otherwise contemplated hereby the facts with respect to each of the respective representations and warranties of the Issuer contained herein were as set out in Article [NUMBER] hereof at the Closing Date and that the Issuer has fulfilled each of the covenants required to be performed by it hereunder, provided that the receipt of such evidence and the closing of the transaction of subscription and issue herein provided for shall not be a waiver of the covenants, representations and warranties of the Issuer contained herein, which covenants, representations and warranties shall continue to full force and effect as provided for herein.

* 1. **Resignation of Directors**

The Issuer shall cause such directors and officers of the Issuer as the Purchaser may specify to resign in favor of nominees of the Purchaser, such resignations to be effective as at the Closing Date.

* 1. **Investigations**

The Issuer shall:

1. forthwith make available to the Purchaser and its directors, officers, auditors, counsel and other authorized representatives all title documents, abstracts of title, deeds, leases, contracts and agreements and other documents in its possession or under its control relating to any of property or assets of the Issuer and the Consolidated Companies;
2. forthwith make available to the Purchaser and its said authorized representatives for examination all books of account, accounting records, documents, business, legal and accounting information and data relating to its business and that of each of the Consolidated Companies including all audit working papers, tax return files and working papers for all past and current reporting years;
3. cause the auditors of the Issuer to prepare the Unaudited Financial Statements and the Consolidated Companies Statements on or before the Closing Date;
4. afford the Purchaser and its said authorized representatives every reasonable opportunity to have access to the personnel employed by the Issuer and each of the Consolidated Companies and to have access to and to inspect the property and assets of same, it being agreed that the exercise of any rights of access
5. or inspection by or on behalf of the Purchaser under this clause shall not affect or mitigate the covenants, representations and warranties of the Issuer hereunder which shall continue in full force and effect as provided in Article [NUMBER] hereof; and deliver by hand to the Purchaser not less than [NUMBER] days prior to the Closing Date a list showing:
   1. the name of each bank, trust company or similar institution in which the Issuer and each of the Consolidated Companies has accounts or safe deposit boxes, the identification numbers of each such account or safe deposit box and the names of all persons authorized to draw thereon or have access thereto; and
   2. the name of each person, firm or corporation or business organization holding a general or special power of attorney from the Issuer and each of the Consolidated Companies and a summary of the terms thereof.
   3. **Shareholders Agreement**

The Issuer shall have executed and shall have caused the Controlling Shareholders of the Issuer (as such term is defined in the Shareholders Agreement) to have executed a Shareholders Agreement governing the activities of the Issuer and the transfer of its securities in the form of the draft shareholders agreement attached hereto as Schedule [SPECIFY] (the “Shareholders Agreement”).

* 1. **Term Loan Agreement**

The Issuer shall have executed a term loan agreement with the Purchaser in form and substance satisfactory to both parties containing the terms and conditions set out in the Letter of Commitment and shall have granted to the Purchaser the floating charge security described in the Letter of Commitment.

* 1. **Guarantees**

The Issuer shall have caused each of [INDIVIDUAL NAME], [INDIVIDUAL NAME] and [INDIVIDUAL NAME] to guarantee the obligations of the Issuer to the Purchaser under the term loan agreement referred to in Section 6.5 hereof and to issue and maintain an irrevocable letter of credit from a [COUNTRY] Schedule A chartered bank to the Purchaser, the whole in accordance with the terms of the Letter of Commitment.

* 1. **Opinion of Issuer’s Counsel**

The Issuer shall have delivered to the Purchaser an opinion of legal counsel to the Issuer in form and terms satisfactory to legal counsel to the Purchaser with respect to certain matters referred to in Article [NUMBER] hereof and stating that all necessary corporate action has been taken and all regulatory approvals or consents have been obtained by the Issuer to authorize the allotment and issuance of the Shares to the Purchaser and as to such other matters incidental to the matters herein contemplated as legal counsel to the Purchaser may reasonably request.

* 1. **Cash Flow of Residences**

The Issuer shall have delivered to the Purchaser cash flow and profit and loss statements for the fiscal year ended [DATE] and cash flow and profit and loss projections for the fiscal years ending [DATE] and [DATE] for each of the Residences, which statements and projections shall be accompanied by a certificate of the chief financial officer of the Issuer stating with respect to the statements, that in his opinion such statements are complete and correct in all material respects and were prepared in accordance with generally accepted accounting principles and fairly represent the results of operations of each of the Residences for the said period, and with respect to the projections, that in his opinion the projections were prepared in accordance with the Accounting Guideline issued by the [COUNTRY] Institute of Chartered Accountants relating to the presentation and disclosure of financial forecasts and were complied in accordance with the current accounting policies of the Issuer and using reasonable and valid assumptions based upon the Issuer’s past experience and the historical costs and revenues relating to the Residences.

* 1. **Rent Roll**

The Issuer shall have delivered to the Purchaser a rent roll for each of the Residences as of the date hereof detailing the name of each and every lessee of each of the Residences and the current monthly rent payable by such lesser, which rent rolls shall be certified by the auditors of the Issuer as being complete and correct in all respects.

* 1. **Service Agreement**

The Service Agreement between the Issuer and [COMPANY NAME] (the “Service Agreement”) shall have been amended as set forth in the Letter of Commitment.

1. **SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES**
   1. **Survival of Issue’s Representations**

The covenants, representations and warranties of the Issuer contained in this agreement or contained in any document or certificate given pursuant hereto shall survive the Closing of the purchase and sale of the Shares provided for herein, and notwithstanding such Closing, or any investigation made by or on behalf of the Purchaser, shall continue in full force and effect for the benefit of the Purchaser, provided, however that:

* + 1. The covenants, representations and warranties of the Issuer, except those relating to tax liability of the Issuer, shall terminate at the expiry of [NUMBER] years following the Closing Date;
    2. Those covenants, representations and warranties of the Issuer relating to tax liability of the Issuer and each of the Consolidated Companies shall terminate on the [SPECIFIC DATE] day of [YEAR].
    3. There shall be no limit on the covenants, representations and warranties of the Issuer relating to tax liability of the Issuer or any of the Consolidated Companies based upon any misrepresentation made or fraud committed in filing a return or in supplying information.
  1. **Survival of Purchaser’s Representations**

The covenants, representations and warranties of the Tenant contained in this agreement or contained in any document or certificate given pursuant hereto shall survive the Closing of the purchase and sale of the Shares provided for herein and, notwithstanding such Closing, or any investigation made by or on behalf of the Issuer, shall continue in full force and effect for the benefit of the Issuer for a period of [NUMBER] years following the Closing Date.

1. **CONDITIONS OF CLOSING**

The sale and purchase of the Shares is subject to the following terms and conditions, all of which, except for those contained in paragraphs 8.4, 8.10, and 8.11, are hereby declared to be for the exclusive benefit of the Purchaser. The condition contained in paragraph 8.4, is for the mutual benefit of the Purchaser and the Issuer. The condition contained in paragraphs 8.10 and 8.11 is for the exclusive benefit of the Issuer. Each of the following conditions is required to be fulfilled prior to the Closing Date unless waived in writing by the benefiting party.

* 1. **Accuracy of Representations of Issuer**

The representations and warranties of the Issuer contained in this agreement or in any Schedule hereto or certificate or other document delivered to the Purchaser pursuant hereto shall be true and correct as at the Closing Date with the same force and effect as though such representations and warranties had been made as of such time, regardless of the date as of which the information in this agreement or any such Schedule or certificate or other document is given, except to the extent otherwise approved by the Purchaser in writing.

* 1. **Compliance with Covenants by Issuer**

The Issuer shall have substantially complied with all covenants, including all covenants made by it in Article [SPECIFY] hereof, and agreements herein agreed to be performed or caused to be performed by them at or prior to Closing Date, and shall have provided to the Purchaser evidence thereof reasonably satisfactory to the Purchaser.

* 1. **Governmental Consents**

There shall have been obtained from all appropriate federal, provincial, municipal or other governmental bodies or regulatory agencies all such approvals and consents in form and terms satisfactory to counsel for the Purchaser as may be required in order to permit the allotment and issuance of the Shares to the Purchaser without in any such case adversely affecting or resulting in the cancellation or termination of any license, permit or other authorization which is necessary to the operation of the Issuer’s business.

* 1. **No Adverse Actions**

No action or proceeding in [COUNTRY] or the [COUNTRY], at [YOUR COUNTRY LAW] or in equity, shall be pending by any person, company, firm, government authority, regulatory body or agency to disallow, enjoin or prohibit the allotment and issue of the Shares contemplated hereby or the right of the Purchaser to own the Shares.

* 1. **No Substantial Damage or Adverse Change**

No substantial damage to the Assets shall have occurred prior to the Closing Date and no adverse material change in the financial condition or prospects of the Issuer and the Consolidated Companies as reflected in the Financial Statements shall, in the reasonable opinion of the Purchaser, have occurred prior to the Closing Date.

* 1. **No Adverse Legislation**

No legislation (whether by statute, regulation, by-law or otherwise) shall have been enacted or introduced which, in the reasonable opinion of the Purchaser, adversely affects or may adversely affect the Assets or the operations and business of the Issuer or the Consolidated Companies.

* 1. **Terms and Conditions of Contracts**

The Purchaser and its legal counsel shall be satisfied with all the terms and conditions of the material contracts detailed on Schedule [SPECIFY] hereto and with all the terms and conditions of all contracts (including the Services Agreement) between the Issuer and any non-arm’s length person as well as any amounts owing between such parties.

* 1. **Due Diligence**

The Purchaser and its legal counsel shall be satisfied with the results of its due diligence review of the Issuer and the Consolidated Companies, which review shall include a full and complete investigation of the Issuer and the Consolidated Companies, their assets and the liabilities and such other matters as the Purchaser shall in its sole discretion deem relevant including, without limitation, pro forma financial statements for the Issuer and the Consolidated Companies.

* 1. **Closing Documents**

All documents relating to the due authorization and completion of the transaction contemplated hereby shall be satisfactory to legal counsel for the Purchaser and the Purchaser shall have received copies of all such documents in form and substance satisfactory to legal counsel for the Purchaser; such documents to include:

* + 1. a certified copy of the certificate and articles of incorporation of the Issuer and each of the Consolidated Companies and any certificate and articles of amendment issued to the Issuer or the Consolidated Companies;
    2. a certified copy of the by-laws of the Issuer and each of the consolidated Companies;
    3. a certified copy of a resolution of the board of directors of the Issuer authorizing the execution and delivery of this Agreement, allotting the Shares to be purchased by the Purchaser hereunder, and authorizing the issuance of the certificates and other documents required to be issued by the Issuer hereunder;
    4. an incumbency certificate listing all the officers and the directors of the Issuer who sign any documents in connection with this Agreement, allotting the Shares to be purchased by the Purchaser hereunder, and authorizing the issuance of the certificates and other documents required to be issued by the Issuer hereunder;
    5. a certificate signed by the President or the Vice-President of the Issuer dated the Closing Date, referring to this Agreement and the purchase of the Shares and stating:
       1. that such officer has made a full and detailed investigation and examination of the business and affairs of the Issuer and each of the Consolidated Companies and that, based upon such investigation and examination, he is of the opinion that, to the best of his knowledge, information and belief, the representations and warranties contained in Article [NUMBER] hereof are true and accurate on the Closing Date, and,
       2. that no event has occurred and is continuing, or would result from the purchase or the delivery of share certificates representing the purchase of the Shares, which constitutes a breach hereunder or would constitute a breach hereunder but for the requirement that notice be given or time elapse or both; and
    6. the share certificate representing the Shares registered in the name of the Purchaser.
  1. **Accuracy of Representations of Purchaser**

The representations and warranties of the Purchaser contained in this agreement or in any certificate or other document delivered to the Issuer pursuant hereto shall be true and correct as at the Closing Date with the same force and effect as though such representations and warranties had been made as of such time, regardless of the date as of which the information in this agreement or any such certificate or other document is given, except to the extent otherwise approved by the Issuer in writing.

* 1. **Compliance with Covenants by Purchasers**

The Purchaser shall have substantially complied with all covenants and agreements herein agreed to be performed by it at or prior to the Closing Date and shall have provided to the Issuer evidence thereof reasonably satisfactory to it.

If the Purchaser becomes aware that any of the foregoing conditions (other than the conditions contained in paragraphs 8.10 and 8.11) are not likely to be fulfilled at or before the Closing Date, it shall so notify the Issuer with a view to permitting it to take such action as may be necessary to enable it to cause such conditions to be fulfilled at or before the Closing Date. In case any of the foregoing conditions (other than the conditions contained in paragraphs 8.10 and 8.11) shall not be fulfilled on or before the Closing Date to the reasonable satisfaction of the Purchaser,

the Purchaser may rescind this Agreement by notice to the Issuer and in such event the Purchaser shall be released from all obligations hereunder and, unless the condition or conditions for the non-performance of which the Purchaser has rescinded this agreement are reasonably capable of being performed or caused to be performed by the Issuer, the Issuer shall also be released from all obligations hereunder; provided that any of such conditions, to the extent that it is for the benefit of the Purchaser, may be waived in whole or in part by the Purchaser without prejudice to its rights of rescission in the event of the non-fulfillment of any other condition or conditions, any such waiver to be binding on the Purchaser only if the same is in writing.

In the event that any of the conditions contained in paragraphs 8.10 and 8.11 shall not be fulfilled at or before the Closing Date to the reasonable satisfaction of the Issuer, the Issuer shall have all the rights and privileges granted to the Purchaser under this Article [NUMBER].

1. **CLOSING ARRANGEMENTS**

The closing of the purchase and sale of the Shares shall occur on the Closing Date at the offices of [INDIVIDUAL NAME], [FULL ADDRESS], [STATE/PROVINCE]. At or before the Closing Date, upon fulfillment of all the conditions set out in Article [NUMBER] which have not been waived in writing by the Purchaser or the Issuer, as the case may be:

* 1. **Delivery of Share Certificate and Documents by Issuer**

The Issuer shall deliver to the Purchaser the certificates representing the Shares duly and all other necessary deeds, conveyances, assurances, transfers, assignments and any other documents, including the documents referred to in subsection 8.7 hereof, necessary or reasonably required effectively to allot and issue the Shares to the Purchaser with a good and marketable title, free and clear of all mortgages, liens, charges, pledges, claims, security interests or encumbrances whatsoever.

* 1. **Corporate Proceedings by Issuer**

The Issuer shall take or cause to be taken all necessary or desirable actions, steps and corporate proceedings to approve or authorize validly and effectively the allotment and issue of the Shares to the Purchaser and the execution and delivery of this Agreement and other agreements and documents contemplated hereby and shall cause all necessary meetings of directors and shareholders of the Issuer to be held for such purpose;

* 1. **Delivery of Purchaser Price**

The Purchaser shall deliver to the Issuer a certified check or bank draft payable to or to the order of the Issuer in an amount equal to the Purchase Price.

1. **INDEMNIFICATION**
   1. **Indemnification of Purchaser**

The Issuer shall indemnify and save harmless the Purchaser and its directors and officers from and against any loss whatsoever, including all claims, demands, costs and expenses arising out of, under or pursuant to:

* + 1. all debts, liabilities, contracts or engagements whatsoever, including any liabilities for federal, provincial, sales, excise, income, corporate or any other taxes of the Issuer or any of the Consolidated Companies existing at the Closing Date and not disclosed on or included or reflected in the Financial Statements;
    2. any reassessment for income or corporate tax, interest and/or penalties for any period up to the Closing date for which no adequate reserve has been provided for and disclosed in the Financial Statements;
    3. any loss suffered by the Purchaser or the Issuer as a result of any breach of any representation, warranty or covenant of the Issuer contained in this Agreement; and
    4. all claims, demands, costs and expenses in respect of the foregoing.
  1. **Termination of Indemnification**

The indemnification set forth in section 10.1 shall terminate as follows:

* + 1. as to the indemnifications in respect of the liabilities of the Issuer referred to in section 10.1.1 and 10.1.2 on [DATE], for the purposes of [YOUR COUNTRY] federal and provincial income and corporation tax legislation;
    2. as to all other indemnifications in section 10.1 at the end of [NUMBER] years following the Closing Date.
  1. **Payment of Indemnification**

In the event of a valid claim by the Purchaser to be indemnified by the Issuer pursuant to the provisions of section 10.1 hereof, the Purchaser shall be entitled to recover, in addition to any other amounts to which it is entitled under the indemnification, an amount equal to the amount of any deficiency suffered by the Issuer or the Consolidated Companies as a result of a breach of any representation, warranty or covenant of the Issuer contained in this Agreement.

The parties hereto intend that the Purchaser will be indemnified on a dollar for dollar basis for any reduction in the assets or any increase in the liabilities of the Issuer or the Consolidated Companies arising out of, under or pursuant to a breach of any representation, warranty or covenant of the Issuer contained in this Agreement. The foregoing is subject to and limited in accordance with the following:

* + 1. the Issuer shall not be required to indemnify the Purchaser hereunder unless the aggregate of all amounts for which indemnity would otherwise be due exceeds [AMOUNT], in which case the Issuer shall be responsible only for such indemnification amount in excess of [AMOUNT]; and
    2. the Issuer’s obligation to indemnify Purchaser shall be satisfied (i) first, by recourse to the Issuer and the Consolidated Companies, (ii) second, by recourse to the Controlling Shareholders (as such term is defined in the Shareholders Agreements) and (iii) third, in the event that the Controlling Shareholders are unable to satisfy the amount of any indemnification owed to Purchaser hereunder,
    3. by recourse to the shares of the Issuer’s share capital held by Controlling Shareholders (or if such shares have been previously purchased by Purchaser pursuant to the Shareholders Agreement, by recourse to the proceeds of such purchase);
    4. and in the event that any breach by the Issuer of a representation or warranty hereunder shall be cured by the Issuer or result in a smaller reduction in any asset or less liability to the Issuer and the Consolidated Companies than is evidenced by the indemnification payment which the Purchaser shall have received as a result of such breach,
    5. then the Purchaser shall be obligated to repay to the party which made the indemnification payment the amount by which such indemnification payment exceeded the actual reduction in assets or increase in liabilities suffered by the Issuer and the Consolidated Companies as a result of such breach.

1. **GENERAL PROVISIONS**
   1. **Notices**

All notices, requests, demands and other communications hereunder shall be in writing with specific reference to this Agreement and shall be deemed to have been duly delivered on the date of delivery, if by hand, with a signed acknowledgement of receipt of delivery; on the [NUMBER] business day after transmission, if sent by telex, telegraph or telecopier; or on the [NUMBER] business day following the day on which it was mailed, sent by first class, certified or registered mail, if sent by mail, as follows:

* + 1. in the case of the Issuer, addressed to:

Issuer

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: [INDIVIDUAL NAME]

* + 1. in the case of the Purchaser, addressed to:

Purchaser

[FULL ADDRESS]

[STATE/PROVINCE]

Attention: [INDIVIDUAL NAME], President and Managing Partner

or such other address as the parties may from time to time advise the other party by notice in writing.

* 1. **Binding Contract**

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, legal representatives, successors and assigns, provided however that this Agreement cannot be assigned by either party without the consent of the other party.

* 1. **Entire Agreement**

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, agreements and understandings, if any.

* 1. **Further Documents**

The Issuer and the Purchaser will each execute and deliver such further documents and instruments and do such acts and things after the Closing Date as may be reasonably required by the other to carry out the intent and meaning of this Agreement.

* 1. **Headings**

This Agreement may be executed simultaneously in two or more counterparts each of which shall be deemed an original but all of which together shall constitute but one and the same instrument. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

* 1. **Interpretation**

Each Article and Section of this Agreement, and any part hereof, shall be interpreted separately and the nullity of any Article or Section or any part thereof shall not render the remaining parts of the Agreement null.

* 1. **Applicable Governing Law**

This Agreement shall be governed by and construed in accordance with the [YOUR COUNTRY LAW] of the Province of [STATE/PROVINCE]. The parties hereby irrevocably submit to the jurisdiction of the courts of the Province of [STATE/PROVINCE] in respect of all matters or disputes arising from this Agreement.

* 1. **No Commissions**

The Issuer and the Purchaser shall each bear and be responsible for all of its own costs and expenses, including legal fees, incurred in connection with this Agreement and the transaction hereby contemplated. The Issuer undertakes to indemnify and save harmless the Purchaser from and against any claims whatsoever for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who acted for the Issuer in connection with the transaction contemplated hereby.

* 1. **Time of the Essence**

Time shall be of the essence of this Agreement.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

# ISSUER PURCHASER

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title