

ASSET PURCHASE AGREEMENT

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ASSET PURCHASE AGREEMENT

SALE OF BUSINESS AGREEMENT entered into in the City of, Province of, Canada.

BETWEEN: V1 (*name of individual*), (*occupation*), domiciled and residing at (*civic number and street name*), in the City of (*name of city*), Province of (*name of province*), (*postal code*), doing business as (*business name*);

OR

V2 (*corporate name*), a legal person duly incorporated under the Act (*name of statute under which the corporation was incorporated*), having its principal place of business at (*civic number and street name*), in the City of (*name of city*), Province of (*name of province*), (*postal code*), and duly registered under the designating number in accordance with the Act (*name of the statute respecting the legal publicity of enterprises under which the corporation is registered*);

V2.1 (Authorized Representative) (to be added after V2, if applicable)
, represented by (*name of representative*), its (*title of representative*), duly authorized for the purposes hereof, as he/she so declares;

V2.2 (Authorized Representative by Resolution) (to be added after V2, if applicable)
, represented by (*name of representative*), its (*title of representative*), duly authorized for the purposes hereof as indicated in the resolution of the sole director [OR board of directors], attached hereto as Schedule A;

OR

V3 (*common business name*), [a general partnership], **OR** [a limited partnership represented by (*name of its general partner*), its general partner] **OR** [an undecleared partnership], **OR** [a joint venture], **OR** [a collaboration], **OR** [a group of persons] exercising an organized economic activity of a commercial nature, duly formed under the [..... Act (*identify applicable statute*)] **OR** [Civil Code of Québec] **OR** [applicable general law], having its head or registered office at (*civic number and street name*), in the City of (*name of city*), Province of (*name of province*), (*postal code*), and duly registered (*as the case may be*) under the designating number in accordance with the Act (*name of the statute respecting the legal publicity of enterprises under which the corporation is registered*) represented by (*name of representative*), its (*title of representative*), duly authorized for the purposes hereof as he/she so declares **OR** [as indicated in the resolution of the partners of the general partnership], **OR** [as indicated in the resolution of the sole director [or Board

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of Directors] of the general partner of the limited partnership], **OR** [as indicated in the resolution of the partners of the undeclared partnership], **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the joint venture, **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the collaboration], **OR** [as indicated in the resolution of the members of the group of persons], attached hereto as Schedule A;

HEREINAFTER REFERRED TO AS THE “PURCHASER”;

AND: (*identify vendor*);

HEREINAFTER REFERRED TO AS THE “VENDOR”;

HEREINAFTER COLLECTIVELY REFERRED TO AS THE “PARTIES”.

AND AS INTERVENOR: (*identify surety, if applicable*);

HEREINAFTER REFERRED TO AS THE “SURETY”;

RECITALS

THE PARTIES DECLARE AS FOLLOWS:

- (A) The VENDOR is the owner of (hereinafter the “**Business**”) located at, in the City of, province of Quebec;
- (B) The PURCHASER is interested in purchasing the Business and submitted a letter of intent [**OR** an offer to purchase] to this effect dated, 20...;
- (C) The VENDOR accepted such letter of intent [**OR** offer] on, 20...;
- (D) All conditions stipulated in the letter of intent [**OR** offer] have been fulfilled;
- (E) The PARTIES wish to record the terms of their agreement regarding such purpose in a private instrument;
- (F) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

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NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

0.00 INTERPRETATION

0.01 Definitions

Unless otherwise indicated, capitalized words and expressions appearing in the Agreement [or in any ancillary or subordinate documentation] will be interpreted as follows:

0.01.01 Activities

means regarding the PURCHASER, (*describe its principal business activities*), and means regarding the VENDOR, (*describe its principal business activities*) and means regarding the Business, (*describe its principal business activities*);

0.01.02 Agreement

means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendments thereto that the PARTIES may make from time to time in accordance with Section 12.05 herein;

0.01.03 Assets

means the following property belonging to the VENDOR:

a) the land fronting on Street, in the City of, known and designated as comprising:

(i) lot number (.....), of the official subdivision of original lot number (.....), of the plan and official book of reference, in the registration division where the real property is located;

(ii) lot number (.....), of the official subdivision of original lot number (.....), of said plan and official book of reference, in said registration division;

with a building bearing number (.....), on Street, at, subject to, in favour of, created following the terms of the deed filed at the land register office of the registration division of, under number (.....) as further described in Schedule 0.01.03 a) attached hereto;

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- b) the VENDOR's right to the telephone and fax numbers of the Business;
- c) all Equipment, machinery and tools located on the premises of the Business and used for its operations, as appears in the inventory attached hereto as Schedule 0.01.03 c);
- d) all rolling stock, including, but not limited to, cars, trucks, power lift trucks, trailer hitches, trailers and other similar property used by the Business, as set out in the non-exhaustive list attached hereto as Schedule 0.01.03 d);
- e) all movable property such as, office furniture and supplies, kitchen Equipment, leasehold improvements and other similar property used by the Business, as set out in the non-exhaustive list attached hereto as Schedule 0.01.03 e);
- f) all IT material and Equipment, including software and databases and any virtual goodwill, domain names, IP addresses, hosting agreements, etc. belonging to the Business, as set out in the non-exhaustive list attached hereto as Schedule 0.01.03 f);
- g) all inventories regarding raw materials and semi-finished or finished goods of the Business with an estimated value of DOLLARS (\$.....), the final value of which on the Closing Date will be determined following an inventory that will be jointly taken;
- h) the client/customer list, goodwill as well as the exclusive right to use the business name and corporate name, used by VENDOR as well as any rights it has under any pending contracts or tenders as well as under any unfilled service contracts or orders of the Business;
- i) the accounts receivable of the Business;
- j) rights the VENDOR holds in any permits or licences for the operation of the Business, to the extent that they may be transferred or assigned to the PURCHASER, as set out in the non-exhaustive list attached hereto as Schedule 0.01.03 j);
- k) Intellectual Property, relating to the Activities of the Business or belonging to the VENDOR, as set out in the non-exhaustive list attached hereto as Schedule 0.01.03 k);
- l) rights of the VENDOR in the lease entered into to lease the premises currently occupied by the Business and located at (*complete civic address*), a certified copy of which is attached hereto as Schedule 0.01.03 l);
- m) any other property of the Business, whether movable or immovable, corporeal or incorporeal, of any kind whatsoever in respect of which the VENDOR has an interest; and

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- n) rights of the VENDOR, whether apparent or secret, that may exist with regard to any Person whomsoever, for any reason whatsoever, and that relate directly or indirectly to the Business.
- o) but does not include the following:
 - i) prepaid expenses;
 - ii) liabilities;
 - iii) indemnification undertakings; and
 - iv) (clearly identify the other assets to be excluded from the sale);

0.01.04 Breach

means, with respect to any representation or warranty, obligation or other provision of the Agreement:

- p) any misrepresentation, inaccuracy, error, or failure to disclose;
- q) any non-compliant performance or failure to perform an obligation; or
- r) any non-compliance, infringement, default or failure to satisfy any other provision;

0.01.05 Clients

means any Person serviced by the VENDOR as part of its Activities;

0.01.06 Closing Date

means, 20...., [OR any other date agreed to by the PARTIES for the signing of the documents required in order to give effect to the transaction hereunder];

0.01.07 Confidential Information

means any information (commercial, technical, scientific, financial, legal, personal or other information) that a PARTY discloses [before and] during the term of the Agreement and that the receiving PARTY, exercising reasonable business judgment, understands to be confidential, including, in particular, any information related to its Activities, business strategies and opportunities, finances, Intellectual Property, suppliers, clients or employees, but excludes:

PURCHASER	VENDOR