

# ASSET PURCHASE AND AND ROLLOVER AGREEMENT

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# ASSET PURCHASE AND AND ROLLOVER AGREEMENT

ASSET PURCHASE AND ROLLOVER AGREEMENT, entered into in the City of .....,  
Province of Quebec, Canada.

**BETWEEN:** ..... *(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)*;

**HEREINAFTER REFERRED TO AS THE “VENDOR”;**

**AND:** ..... *(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 applicable statute governing the legal registration of the corporation)*, 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;

**HEREINAFTER REFERRED TO AS THE “PURCHASER”;**

**HEREINAFTER COLLECTIVELY REFERRED TO AS THE “PARTIES”.**

## RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- A) The VENDOR is the owner of a business located at ....., in the City of  
....., Province of Quebec, ..... (hereinafter the “**Business**”);
- B) The VENDOR wishes to sell the Property, as defined below, to the PURCHASER,  
which wishes to acquire such Property;

VENDOR	PURCHASER

# ASSET PURCHASE AND AND ROLLOVER AGREEMENT

- C) The VENDOR and the PURCHASER are not dealing at arm's length within the meaning of the Canada Income *Tax Act*, RSC 1985, c 1 (5th Supp) (the "ITA") or the Quebec *Taxation Act*, CQLR c I-3 (the "Taxation Act");
- D) The PARTIES intend to transfer the assets of the Business at their fair market value and the price specified herein reflects what the PARTIES consider to be the fair market value, as determined by fair and reasonable means;
- E) The PARTIES wish to agree to the terms of the bilateral transfer under this Agreement and, in particular, it is their intention that the Property be transferred in accordance with subsection 85(1) of the ITA and section 518 of the Taxation Act;
- F) Since the existence of a non-arm's length relationship between the PARTIES may be grounds for reconsideration or reassessment of the fair market value of the Business, consequently, the PARTIES agree that the price may be adjusted according to the value determined by any competent governmental authority;
- G) The PARTIES wish to record the terms of their agreement regarding such purpose in a private instrument;

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

0.00

## INTERPRETATION

### 0.01 Definitions

Unless otherwise indicated herein or inconsistent with the context, capitalized words and expressions appearing in this agreement [and in any ancillary or subordinate documentation] will be interpreted as follows:

#### 0.01.01 Activities

means ..... (*identify general business activities*) of the Enterprise;

#### 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 12.04 herein;

#### 0.01.03 Breach

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VENDOR	PURCHASER