

May 20, 2009

Deleted: April 9, 2008

STRICTLY PRIVATE AND CONFIDENTIAL

[Address]

Dear [name]

**Re: Purchase of Shares of [business] (the "Business")**

We thank you for the opportunity to be considered a prospective purchaser of [business] (the "Company").

We are pleased to hereby submit to you this Letter of Intent ("LOI") to negotiate in good faith for purchase of all the outstanding shares on a fully diluted basis of [business] (the "Transaction"), [Purchaser] (or a Nominee) (the "Purchaser")

Please note that this LOI has been prepared and executed to serve as an aid to the negotiation of definitive agreements between the Purchaser and Vendor (the "Agreements"). As such, you understand and agree that the terms of the Transaction proposed in this LOI may be modified by either party.

Consequently, except for Part B (which shall be legally binding on, and inure to the benefit of, the parties hereto), this LOI is not intended to constitute and does not constitute a binding contract or agreement of any party hereto, and no party hereto will be liable to the other party because of a failure to negotiate or to enter into the Agreements or engage in the Transaction upon the terms discussed herein or at all.

#### **Part A – Non-binding Business Terms**

1. The closing date will October 31, 2006; the transaction will be effective as of 12:01 a.m. that day.
2. The Purchased Assets will be all the assets and shares of the Business of any kind whatsoever, including all client files, records and goodwill, but not including cash on hand or accounts receivable, all structured as a share purchase transaction for tax purposes.
3. The parties agree that the formal agreement shall be structured in accordance with any reasonable and mutually acceptable tax planning proposed by \_\_\_\_\_
4. The Purchase Price will be determined, allocated and paid as follows (subject to due diligence):
  - (a) Purchase Price: \$[price] CDN
  - (b) Payment Terms:
5. The Purchaser will not assume any liabilities or obligations of the Business of any kind whatsoever.

6. The Vendor will be responsible for completing the closing financial statements and filing the closing tax return after closing at the Vendor's expense, subject to the reasonable prior approval of the Purchase's accountants.
7. A [initial deposit] deposit ("Initial Deposit) to be paid to "NAI Commercial, in trust" within 48 hours of execution of this Agreement, to be held in an interest bearing trust account with interest to accrue for the benefit of the Purchaser to be paid out in accordance with the terms hereof; and a further [second deposit] deposit to be paid upon execution of the Purchase and Sales Agreement. The Initial Deposit is refundable to the purchaser should this agreement be cancelled and not replace by a definitive agreement. After the execution of the definitive agreement the Deposits are non refundable and will form part of the Purchase Price as described herein.
8. Brokerage: No brokers or finders have been employed who would be entitled to a fee by reason of the transaction contemplated by this letter of intent except for the obligation owed by Vendor to NAI Commercial. Parties to this agreement acknowledge that the Vendor has an agency agreement with NAI Commercial and its representative Alf Sanderson and that the Purchaser has been advised to seek independent professional advice with respect to this transaction. All fees payable to NAI Commercial and its representatives are payable by the Vendor and not the obligation of the Purchaser.
9. The Agreements will include a mechanism for all pre-closing debts of the Company to be paid in full by the Vendor, including bonus payable, due to shareholder current portion of long term debt and long term debt.
10. The Vendor will agree not to directly or indirectly compete with the Business anywhere within, British Columbia, Canada for 3 years after Closing.
11. The closing of the Transaction would be subject to a number of conditions in favor of the Purchaser, including without limitation the following:
  - (a) The Purchaser being satisfied with the results of its due diligence of the Company which will be completed on or before September 29, 2006
  - (b) Key Employees having entered into an employment agreement and non compete agreement with the Purchaser on or before September 29, 2006
  - (c) The Purchaser obtaining a new lease on terms satisfactory to the Purchaser in its absolute discretion on or before September 29, 2006
  - (d) The Purchaser obtaining a VTB on terms satisfactory to the Purchaser in its absolute discretion on or before September 29, 2006
  - (e) The Purchaser arranging financing satisfactory to the Purchaser in its absolute discretion on or before September 29, 2006
12. The Vendor will provide an orderly transition to the Purchaser with customers, employees, suppliers and overall operations.

13. Following approval of this proposal, the Purchaser will instruct its solicitors to prepare a definitive agreement setting out in detail the terms and conditions upon which the Purchaser will purchase the shares of the Company and describing the documents required to complete the Transaction. The definitive agreement will incorporate the terms set out herein, together with all other terms and conditions as the Vendor and the Purchaser and their respective solicitors may reasonably deem necessary or appropriate to complete this transaction, including Vendor representations and warranties customary for a transaction of this kind, an indemnity from the Vendor relating to such representations and warranties and conditions to closing required by us or our solicitors.

**Part B – Legally Binding Issues**

14. Following the execution of this LOI, the Purchaser anticipates the expenditure of substantial efforts and resources in the conduct of its due diligence investigation of the Company and the preparation and negotiation of the Agreements. Accordingly, the Vendor agrees that it and its officers, directors, employees, representatives and agents will not, directly or indirectly, from the date that the Vendor executes this LOI until the close of business on September 29, 2006 (such period, the “Exclusivity Period”) entertain, solicit or enter into any other discussions, offers, agreements or negotiations for or with respect to the sale or granting rights or options of purchase for the shares of the Company or for a sale in bulk of the Company’ assets.
15. Until the end of the Exclusivity Period, the Vendor will:
  - (a). make a full, fair and complete disclosure to the Purchase of all matters, records and agreements related to the Business, including but not limited to financial statements, banking records, income and expense information, balance sheet information, cash flow information, cash flow projections, lease agreements, fixed asset information, leasehold improvement information, employee and supplier information, and all other principal and relevant documents, records and information as the Purchase may reasonably request, and
  - (b). permit the Purchaser to inspect, appraise and have reasonable access to the Business assets and premises, in order to permit the Purchase to complete its investigation of the Business, arrange third party consents and financing, draft and negotiate the Legal Agreement, and complete this transaction.
16. All our negotiations and disclosures will be subject to the following confidentiality provisions:
  - (a). Neither party will at any time disclose any confidential information of the other party or use same for any purpose which would give it or any competitor or other interested party an advantage over its counterpart in these discussions;
  - (b). At the end of these discussions, and subject to any other agreement reached, all confidential information belonging to the other party shall be returned to the disclosing party; and
  - (c). The entering into of this letter of intent, and the potential completion of this transaction, will be kept strictly confidential and will not be disclosed to customers, suppliers, employees or other persons without the consent of both parties, such consent not to be unreasonably delayed or withheld; provided that

(d). Paragraphs 15(a) and 15(c) will not apply to disclosure to professional advisors, potential financiers, or appraisers, provided they agree to maintain the same level of confidentiality required by the parties.

17. Each party will pay their own professional fees and other expenses related to this letter of intent, the Legal Agreement, and the transactions contemplated by this document.
18. The Letter of Intent may be signed in counterparts, and faxed signatures shall be valid and binding.
19. The term of this Part B will commence once we have both executed this Letter of Intent, and will expire when the Legal Agreement has been executed; provided either one of us may terminate this Letter of Intent and these discussions at any time before the Legal Agreement is executed upon seven days prior written notice to the other party. Once the Legal Agreement is drafted, all termination rights will be as set out in that agreement.

**Confirmation of Intent**

This proposal is valid until 5:00 p.m. PDT on August 28, 2006. Please confirm your acceptance of this proposal by signing this letter where indicated below, and returning it to us, and upon receipt we will proceed to the next stage.

We look forward to hearing from you, and sincerely hope that we will be able to negotiate and complete a mutually satisfying and rewarding transaction. Upon receipt of your acceptance, we will have our lawyers draw up a draft, legally binding Share Purchase Agreement for our mutual consideration.

Yours sincerely,

\_\_\_\_\_  
[Purchaser]

The undersigned hereby accepts the terms of this Letter of Intent, as set out above.

DATED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
[Vendor]

\_\_\_\_\_  
[Vendor]