

Letter of Intent

Date: January 1, 2023

BUYER: John Smith or Assignee	SELLER: ABC Resort Ltd.
Buyer's Agent is: Jane Doe of ABC Realty	Seller's Agent is: Jake Allen of XYZ Realty

This Letter of Intent ("LOI") sets forth certain non-binding provisions and certain binding provisions between Buyer and Seller with respect to the possible share purchase of the business commonly known as ABC Resort Ltd. ("the Business"). The property's legal description is: District Lot 1 Land District 2 Lease Licence Number 12345 in the Province of Ontario.

This LOI will remain open for execution by the other party until 5:00 pm January 8, 2023, provided however, that the party submitting this LOI may withdraw this LOI, in writing, at any time prior to the other party's execution.

BACKGROUND:

This Document will establish the basic terms used in a future asset purchase agreement between the Buyer and the Seller. The terms contained in this Document are not comprehensive and it is expected that additional terms may be added, and existing terms may be changed or deleted. The basic terms are as follows:

NON-BINDING PROVISIONS

Upon execution by Buyer and Seller of this LOI, the following numbered paragraphs (collectively, "Non-Binding Provisions") reflect only the general understanding of the matters described in them, and each party acknowledges that the Non-Binding Provisions are not intended to constitute a complete statement of, or a legally binding or enforceable obligation on the part of, Seller or Buyer; and neither Seller nor Buyer shall have any liability to the other with respect to the Non-Binding Provisions until a Share Purchase Contract ("Contract") is executed and delivered by and between them. If a Contract is not prepared, authorized, executed, and delivered for any reason, no party to this LOI shall have any liability to any other party to this LOI based upon, arising from, or relating to the Non-Binding Provisions.

1. Basic Transaction.

On the terms and subject to the provisions to be set forth in the Contract to be negotiated and entered into by the parties, Buyer would purchase the business shares from the Seller.

2. Purchase Price and Earnest Money.

- (A) John Smith (Buyer) would pay \$1,000,000.00 CAD for the Assets.
(B) John Smith (Buyer) would pay \$100,000.00 CAD as earnest money upon execution of the Contract.

3. Proposed Closing.

If a Contract is entered into between Buyer and Seller, the parties intend that the proposed transaction would be consummated on or before April 15, 2023 ("Closing").

4. Initial Drafting.

The initial draft of the Contract shall be prepared by the attorney for the Buyer.

5. Contract.

The Contract would contain the usual and customary conditions of those typically found in asset purchase contracts in the Province of Ontario for business purchases of a similar nature.

6. Due Diligence.

The Buyer's willingness to acquire the assets is subject to reasonable due diligence. Buyer agrees to make the appropriate inquiries in a timely manner. The Seller will cooperate with the Buyer as may be necessary for the successful confirmation to be obtained. The buyer may need up to February 28, 2023 to satisfy the below due diligence items. The buyer will seek confirmation of the following:

- i. the Buyer's verification and approval of the Seller's financial statements, with the Buyer having the option of employing third-party consultants to perform a confidential audit of the Seller's financial records and business operations;

7. Condition of the Business Assets.

The property and all included items will be in substantially the same condition at the Possession Date as when viewed by the buyer on December 1, 2022.

BINDING PROVISIONS

Upon execution by Buyer and Seller of this LOI, the following lettered paragraphs (collectively, "Binding Provisions") will constitute the legally binding and enforceable agreement of Buyer and Seller (in recognition of the significant costs to be borne by all parties in pursuing this proposed transaction and in further consideration of their mutual undertakings as to the matters described herein).

A. Reasonable Efforts.

Buyer and Seller will negotiate in good faith and use their reasonable efforts to arrive at a mutually acceptable Contract for approval, execution, and delivery on or before the termination date set forth in Paragraph F (ii) hereof.

B. Confidentiality.

In the event of that negotiations are terminated, each party will promptly deliver to the other party and will not retain any documents, work papers and other materials (and any reproductions thereof) obtained by each party or on its behalf from the other party as a result of this LOI or in connection therewith, whether so obtained before or after the execution hereof, and will not use any non-public information so obtained and will use its reasonable efforts to keep such information confidential unless disclosure is required by law. Neither Seller nor Buyer may disclose the existence or status of this LOI or negotiations of the Contract to any party other than Seller or Buyer's attorney, broker, lender, and other advisors relating to the purchase and sale of the premises unless disclosure is required by law.

C. Exclusive Dealings.

Until the Contract has been duly executed and delivered by all the parties or until the Binding Provisions have been terminated pursuant to Paragraph F below, whichever occurs sooner: (i) Seller will not enter into any negotiations, discussions, agreements or understandings for the purpose of selling or exchanging the Business to any other person or entity.

D. Broker.

It is acknowledged by the parties that the brokers or salespersons designated above have participated in the transaction by acting as agent for the parties during their negotiations.

E. Costs.

Buyer and Seller will each be responsible for and bear all of their own respective costs and expenses, including without limitation, expenses of their legal counsels, accountants, representatives, and other advisors (other than the parties' brokers) incurred at any time in connection with this LOI.

F. Termination.

The Binding Provisions of this LOI may be terminated: (i) at any time by mutual written consent of Buyer and Seller; or (ii) upon written notice by any party to the other party if the Contract has not been executed and delivered by all parties by March 30, 2023; provided, however, that the termination of the Binding Provisions shall not affect the liability of a party for breach of any of the Binding Provisions prior to the termination. Upon termination of the Binding Provisions, the parties shall have no further obligations hereunder, except as stated in Paragraphs B and E of these Binding Provisions, which shall survive any such termination.

BUYER:

SELLER:

_____ Buyer's Signature	_____ Seller's Signature
_____ Printed Name	_____ Printed Name
_____ Street Address	_____ Street Address
_____ City, Province & Postal Code	_____ City, Province & Postal Code
_____ Telephone #	_____ Telephone #
_____ E-Mail	_____ E-Mail
_____ Buyer's Attorney	_____ Seller's Attorney
_____ Address	_____ Address
_____ Telephone #	_____ Telephone #
_____ Email	_____ Email
_____ Broker/Agent	_____ Broker/Agent
_____ Address	_____ Address
_____ Telephone #	_____ Telephone #
_____ Email	_____ Email