



Confidentiality Agreement and Agency Disclosure For Business file # EBB-1022-1

This Agreement is made and entered into between the undersigned individually and on behalf of undersigned's business entity, its officers, directors, partners, shareholders, employees, agents and advisors (collectively "Buyer") and Equitas Business Brokers Limited ("EQUITAS") for the benefit of EQUITAS and the following business entity represented by EQUITAS as an acquisition candidate ("Seller"). Whereas, Buyer has requested certain information from EQUITAS for purposes of evaluating and investigating a possible acquisition through transfer of assets, stock, partnership interests or otherwise merger or joint venture involving all or part of the interests of the Seller ("Transaction"). Therefore, in consideration of the mutual promises and covenants contained herein, Buyer agrees as follows:

1. Buyer shall not disclose any information concerning the Seller and its products, services, manufacturing techniques, formulas, databases, business plans, marketing plans and customer lists, provided to you, whether before and after the date of this agreement and whether by the Seller or on behalf of the Seller by EQUITAS or any of the directors, officers, employees, advisors (including attorneys, accountants, consultants, banks and financial advisors) or agents (collectively, "Representatives") of the Seller or EQUITAS, including without limitation, the fact that Buyer has received information and that the Seller is considering a possible acquisition Transaction, that discussions or negotiations are taking place or any of the terms, conditions, or other facts with respect thereto and all notes, analyses, compilations, studies or other documents, whether prepared by you or your Representatives, which contain or otherwise reflect such information (collectively, the "Evaluation Material") is confidential. The term Evaluation Material does not include information, which is or becomes generally available to the public other than as a result of disclosure by you or your Representatives.
2. Buyer will use the Evaluation Material solely for the purpose of evaluating a possible acquisition Transaction and agree that the Evaluation Material will be kept confidential and that you will not disclose any of it in any manner whatsoever; provided, however, that (i) you may make any disclosure of such information to which the Seller gives its prior written consent and (ii) any of such information may be disclosed to your Representatives who need to know such information for the sole purpose of evaluating a possible transaction with the Seller and who agree to keep such Information confidential and agree in writing to be bound by the terms of this agreement. Buyer shall be responsible for any breach of this agreement by the Buyer's Representatives and for enforcing it against the Buyer's representatives, including by the taking of appropriate legal action. Any information included in the Evaluation Material, which constitutes a trade secret shall be entitled to all the protections and benefits under applicable trade secret law.
3. Buyer shall not contact the Seller, its banker, accountant, attorney, employees, suppliers, competitors, customers or others who might have information concerning the Seller for any purpose whatsoever (including the hiring of Seller's employees) without the prior written consent of EQUITAS. Buyer nor any of the Buyer's Representatives who are apprised of the potential of a transaction between Buyer and the Seller, directly or indirectly, or who receive, directly or indirectly through your evaluation of the potential transaction with the Seller information concerning any current employee of the Seller, will solicit the employ of such current employee, so long as such current employee is then currently employed by the Seller, without obtaining the prior written consent of the Seller.
4. If Buyer decides not to proceed with the Transaction with the Seller, Buyer will promptly inform the Seller of that decision. In that case, or at any time upon the written request of the Seller for any reason, Buyer shall promptly deliver to the Seller or EQUITAS all Evaluation Material (and all copies thereof whether received from the Seller or made by you or your Representatives) furnished to you or your Representatives by or on behalf of the Seller pursuant hereto. In the event of such a decision or request, all materials prepared by the Buyer or Buyer's Representatives, which contain or are based upon the Evaluation Material shall be destroyed and no copy thereof shall be retained. Notwithstanding the return or destruction of the Evaluation Material, the Buyer and Buyer's Representatives will continue to be bound by the Buyer's obligations of confidentiality and all other obligations hereunder. Upon request of the Seller, Buyer will provide written certification of your compliance with this paragraph and a list of destroyed materials.
5. Buyer understand and acknowledge that neither EQUITAS, the Seller, any of their Representatives nor any of the stockholders of the Seller makes any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material. Buyer agrees that neither EQUITAS, the Seller, any of their Representatives nor any of the stockholders of the Seller shall have any liability to the Buyer or to any of the Buyer's Representatives, relating to or resulting from the use of the Evaluation Material. Only those representations and warranties, which are contained in a final definitive agreement regarding the Transaction contemplated hereby, when, as and if executed, and subject to such limitations, conditions and restrictions as may be specified therein, will have any legal effect.
6. The Seller and its stockholders reserve the right, in their sole discretion, to reject any and all proposals made by Buyer with regard to an Acquisition Transaction, to terminate discussions and negotiations with Buyer, to terminate the Buyer's participation in the sale process and to modify or terminate the sale process at any time.
7. Intermediary is not an agent for us, but rather is an agent for the Seller and its stockholders. Intermediary has a contract providing for a fee to be paid to it upon the completion of the Acquisition Transaction. Buyer agrees not to circumvent or interfere with Intermediary's contract with the Seller and its stockholders in any way including the consummation of the sale of the Seller without Intermediary. Should Buyer become a consultant to, a manager of or otherwise connected with the Seller, or if Buyer completes any transaction with the Seller, then a fee will be due to Intermediary.



8. The Buyer hereby acknowledges and agrees that it is not a client or customer of EQUITAS, and this Agreement is not a representation agreement or a service agreement, as those terms are used in the Real Estate and Business Brokers Act (Ontario) and the regulations thereto. By making the Confidential Information available to the Buyer, EQUITAS is not providing the Buyer with any services.

9. Nothing in this Agreement shall prevent the Buyer from retaining its own independent Advisor to represent the Buyer as a client under the Real Estate and Business Brokers Act (Ontario). However, the Buyer acknowledges that EQUITAS' Business listings do not use the Multiple Listing Service (MLS) system. Under no circumstances shall EQUITAS be obligated to split or share its commission with brokers retained by the Buyer(s).

10. Buyers are encouraged to obtain accounting and legal advice before signing an Agreement of Purchase and Sale in connection with any Business.

11. Buyer acknowledges and agrees that the breach of any provision of this Agreement would cause the Seller irreparable harm, the exact amount of which may be difficult to ascertain. Therefore, Buyer agrees that the Seller shall have the right to apply to a court of competent jurisdiction for the purpose of seeking specific performance and/or an order restraining and/or enjoining such further breach of this Agreement, and for such other and further relief as the Seller deems appropriate. Such rights of the Seller shall be in addition to any other remedies available to the Seller at law or in equity.

12. The Seller and EQUITAS acknowledge that the Buyer considers potential funding and capitalization in and by many entities, some of which may compete directly or indirectly against Seller and/or EQUITAS. Nothing in this Agreement is intended to limit the Buyer's ability at any time to continue to evaluate, make investments, receive advice and or funding from and into any other entities.

13. This Agreement is for the benefit of the Seller and its stockholders, which are intended third party beneficiaries hereof, and shall be governed by, and construed in accordance with, the laws of the Province of Ontario.

14. The respective obligations of the parties under this Agreement shall survive for a period of two (2) years following the date hereof. This agreement shall be binding on successors, heirs and assigns. The invalidity or unenforceability of any provision of this agreement shall not affect the validity of any other provisions of this Agreement, which shall remain in full force and effect. Buyer agrees that if you are found to be in breach, violation or non-performance of any of the terms of this agreement, then you will pay all of the costs of such action or suit, including reasonable attorney's fees and expenses. This agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement.

15. Buyer agrees not to take any action such as will interfere or adversely affect the rights of EQUITAS and or Seller under any fee (compensation) or other agreements. Buyer agrees that if it violates this provision of this Agreement and completes a Transaction with the Seller, Buyer shall be jointly and severally liable with the Seller for any uncollected fees due to EQUITAS from the Seller.

BUYER

_____ Print Name/Title

_____ Signature

_____ Company (If applicable)

_____ Address

_____ City, Province, Postal Code

_____ Phone#

_____ E-mail address

Ron Hunter, Certified Business Intermediary (CBI), CPA,CGA, Broker of Record
Equitas Business Brokers Limited
1100 Burloak Drive, 3rd Floor
Burlington, Ontario
Telephone #905-407-5354
e-mail: ron@equitasma.ca