SHARE PURCHASE AGREEMENT

THIS AGREEMENT made the sixteenth day of December, 2003

B E T W E E N:

FAMILY MEMORIALS INC., a corporation incorporated under the laws of Ontario, Canada

(hereinafter referred to as the "Purchaser")

OF THE FIRST PART

- and -

JOHN BLEMKIE, of the City of Belleville, in the Province of Ontario_________ (hereinafter referred to as the "Vendor")

OF THE SECOND PART

- and -

GRAJACK INDUSTRIES LTD, a corporation incorporated under the laws of Ontario, Canada doing business as Lons Memorials_______

(hereinafter referred to as the "Company")

OF THE THIRD PART

WITNESSETH THAT:

WHEREAS the Vendor is the legal and beneficial owner of all the issued and outstanding shares in the capital of the Company; and

AND WHEREAS the Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor all of the issued and outstanding shares in the capital of the Company upon and subject to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained and of other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party hereto), the Parties agree with one another as follows:

INTERPRETATION

(1) Definitions

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them in this Section 1(1):

(a)**"Agreement"** means this share purchase agreement and all instruments supplemental to or in amendment or confirmation of this share purchase agreement, and all references to this Agreement shall include the attached Schedules and "Article", "Section", "Subsection", or "Paragraph" means and refers to the specified article, section, subsection, or paragraph of this share purchase agreement;

(b) **"Financial Statements"** means the financial statements of the Company for its fiscal period ended on January 31, 2003 and 30 September interim financial statements

(c) **"Business"** means the operations of the Company in engraving, installation and sales of monuments, memorials, urns, vases and other products in the bereavement business and all operations related thereto;

(d) **"Claim"** means any claim, demand, action, suit, litigation, charge, complaint, prosecution or other proceeding for which one Party can seek indemnification from the other Party pursuant to Sections 7(1) or 7(2);

(e) **"Closing"** means the completion of the sale to, and the purchase by the Purchaser of, the Shares and the completion of the transactions contemplated by this Agreement including the transfer and delivery of all documents of title to the Shares and the payment of the Purchase Price;

(f) **"Closing Date"** means December 16th, 2003, or such other date as the Parties may agree in writing as the date upon which the Closing shall take place;

(g) **"Closing Documents"** has the meaning ascribed in Article Eight;

(h) **"Closing Time"** means 10:00 AM on the Closing Date or such other time on such date as the Parties may agree as the time at which the Closing shall take place;

(i) **"Collective Agreements"** means the collective agreements and related documents including all benefit agreements, letters of understanding, letters of intent and other written communications with bargaining agents which impose any obligations upon the Company or set out the understanding of the parties with respect to the meaning of any provisions of such Collective Agreements entered into by the Company;

(j) **"Contracts"** means those contracts, agreements, commitments, entitlements and engagements of the Company relating to the Business and the Assets whether with suppliers, customers or otherwise and including all unfilled orders from customers; all forward commitments for supplies or materials; all orders for new machinery and equipment as yet undelivered; all equipment and construction guarantees and warranties; negative covenants with employees; and all other contracts described in Schedule "B";

(k) **"GAAP"** has the meaning ascribed in Section 1(8);

(l) **"GST"** means the Goods and Services Tax payable under the Excise Tax Act;

(m) **"Interim Period"** means the period beginning on the Effective Date to and including the Closing Date;

(n) **"Inventories"** means all inventories of every kind and nature and wheresoever situate owned by the Company and pertaining to the Business including, without limitation, all inventories of raw materials, work-in-progress, finished goods, operating supplies and packaging materials of or pertaining to the Business;

(o) **"Non-Competition Agreement"** means the non-competition agreement in the form of Schedule "B"

(p) **"Parties"** means the Vendor, the Purchaser and the Company, collectively, and "Party" means any one of them;

(q) **“Person”** includes an individual, corporation, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other juridical entity;

(r) **“Shares”** means all of the issued and outstanding shares of the Company;

(s) **“Third Party Claim”** means for the purposes of Section 6(3) any demand which has been made on, or communicated to either of the Vendor or the Purchaser by or on behalf of any Person other than the persons mentioned above in this definition and which, if maintained or enforced, might result in a loss, liability or expense of the nature described in either Section 7(1) or Section 7(2);

(t) **“to the best of the knowledge”** when used in reference to:
  (i) the Purchaser means the knowledge of the senior officer, Scott Kellaway of the Purchaser; and
  (ii) the Vendor means the knowledge of the senior officer John Blemkie of the Company

(2) Gender and Number

In this Agreement, words importing the singular include the plural and vice versa and words importing gender include all genders.

(3) Entire Agreement

This Agreement, including Schedules together with the agreements and other documents to be delivered under this Agreement constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. No supplement, modification or amendment to this Agreement and no waiver of any provision of this Agreement shall be binding on any Party unless executed by such Party in writing. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

(4) Article and Section Headings

Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content of any Article or Section and shall not be considered to be part of this Agreement.

(5) Schedules

The following Schedules are an integral part of this Agreement:

Schedule “A”	—	Contracts
Schedule “B”	—	Non-Competition Agreement
Schedule “C”	—	Owned Property
Schedule “D”	—	Unusual Transactions
Schedule “E”	—	Employees
Schedule “F”	—	Employment Agreement
Schedule “G”	—	Opinion of Vendor’s Counsel
Schedule “H”	—	Opinion of Purchaser’s Counsel
Schedule “I”		Opinion of Vendor’s Accountant

(6) Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario..

(7) Accounting Terms

All accounting terms not otherwise defined have the meanings assigned to them, and all calculations are to be made and all financial data to be submitted are to be prepared, in accordance with the generally accepted accounting principles ("GAAP") approved from time to time by the Canadian Institute of Chartered Accountants, or any successor institute applied on a consistent basis.

(8) Arm's Length

For purposes of this Agreement, Persons are not dealing "at arm's length" with one another if they would not be dealing at arm's length with one another for purposes of the Income Tax Act.

(9) Materiality

In this Agreement "Material" means, when used as an adjective, that any breach, default or deficiency in the satisfaction of any covenant, representation or warranty so described might reasonably:

(a) give rise to an aggregate remedial cost (including consequential loss and loss of profit) of more than $3,000.00, in any individual instance, or more than $5,000.00 collectively in any greater number of instances, where all such instances arise pursuant to multiple breaches of the same covenant, representation or warranty; or

(b) where no adequate remedy is reasonably available, result in disturbance in the ordinary conduct of the Business of an aggregate cost properly attributable to such disturbance (including consequential loss and loss of profit) of more than $5,000.00, and "Materially" shall have the corresponding meaning.

2. PURCHASE AND SALE OF SHARES

(1) Purchase and Sale of Shares

Upon and subject to the terms and conditions of this Agreement, the Vendor shall sell, transfer, assign and set over to the Purchaser and the Purchaser shall purchase and acquire from the Vendor at the Closing Time, the Shares for the Purchase Price payable as provided in Article 3.

3. PURCHASE PRICE AND PAYMENT

(1) Payment of Purchase Price

The Parties agree that the Purchase Price, subject to the adjustments provided in this Agreement, will be $350,000.00. At the Closing Time, the Purchaser shall pay on account of the Purchase Price the amount of $350,000.00, to be satisfied by:

(a) a certified cheque or bank draft of the Purchaser payable to or to the order of the Vendor in the amount of $310,000.00; and,

(b) 200,000 of the Purchaser's common shares valued at $0.20 each

(2) Delivery of Certificates, etc.

The Vendor and Purchaser shall each transfer and deliver to the other at the Closing Time, share certificates representing the shares to be transferred to the other duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, with the and shall cause the Company to enter the Purchaser or its nominee(s) on the books of the Company as the holder of the Shares and to issue one or more share certificates to the Purchaser or its nominee(s) representing the Shares. Following the closing the Purchaser shall enter the Vendor on its books as the holder of the shares of the Purchaser delivered pursuant to Article 3(1) (b).

(4) Place of Closing

The Closing shall take place at the Closing Time at the office of the Vendor's Solicitors, in Belleville, or at such other place as may be agreed upon by the Vendor and the Purchaser.

(5) Tender

Any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money may be tendered by official draft drawn upon a Canadian chartered bank or trust company or by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank.

4. REPRESENTATIONS AND WARRANTIES

(1) Representations and Warranties of the Vendor

The Vendor hereby represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in entering into this Agreement and the transactions contemplated under this Agreement:

(a) Organization and Good Standing—The Company is a corporation duly incorporated, organized and validly existing in good standing under the laws of Ontario.

(b) Bankruptcy, etc.—No bankruptcy, insolvency or receivership proceedings have been instituted or are pending against the Company and the Company is able to satisfy its liabilities as they become due.

(c) Capacity to Carry on Business—The Company has all necessary corporate power, authority and capacity to own its property and assets and to carry on the Business as presently owned and carried on by it, and the Company is duly licensed, registered and qualified as a corporation to do business and is in good standing in each jurisdiction in which the nature of the Business make such qualification necessary, and all such licences, registrations and qualifications are valid and subsisting and in good standing and none of them contains any burdensome term, provision, condition or limitation which has or may have an adverse effect on the Company.

(d) Due Authorization, Company etc.—The Company has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement; the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company.

(e) Authorized and Issued Capital of the Company—The authorized capital of the Company consists of an unlimited number of common shares of which 501common shares have been validly issued and are outstanding as fully paid and non-assessable shares.

(f) Title to Shares -_The Vendor is the legal and beneficial owner of the 501 common shares of the Company and on Closing the Purchaser shall acquire good and marketable title to the Shares, free and clear of all agreements, mortgages, pledges, charges, hypothecs, claims, liens, security interests, encumbrances and rights of other Persons. The Shares constitute all of the issued and outstanding shares in the capital of the Company. No options, warrants or other rights for the purchase, subscription or issuance of shares or other securities of the Company or securities convertible into or exchangeable for shares of the Company have been authorized or agreed to be issued or are outstanding. There are no restrictions on the transfer of the Shares except those set forth in the Articles.

(g) Family Law Act—No order has been given under the Family Law Act (Ontario) (the "FLA") nor is there any application pending under the FLA by the spouse of the Vendor which would or does affect the Shares in any manner whatsoever.

(h) Absence of Conflicting Agreements—Except for the consent to the change of control of the Company which may be required from the Lessor of the business premise at 638 Dundas Street West, Belleville neither the Vendor nor the Company is a party to, bound or affected by or subject to any indenture, mortgage, lease, agreement, instrument, statute, regulation, arbitration award, charter or by-law provisions, order or judgment which would be violated, contravened, breached by, or under which any default would occur as a result of the execution and delivery of this Agreement or the consummation of any of the transactions contemplated under this Agreement.

(i) Absence of Guarantees—The Company has not given or agreed to give, nor is it a party to or bound by, any guarantee of indebtedness or other obligations of third parties nor any other commitment by which the company is, or is contingently, responsible for such indebtedness or other obligations.

(j) Enforceability of Obligations—This Agreement constitutes a valid and binding obligation of the Vendor and the Company enforceable against both in accordance with its terms, provided that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting enforceability of creditors' rights and that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

(k) Books and Records—The books and records of the Company fairly and correctly set out and disclose in all material respects, in accordance with GAAP, the financial position of the Company as at the date of this Agreement and all material financial transactions of the Company relating to the Business have been accurately recorded in such books and records.

(l) Financial Statements—The items reported in the Financial Statements are reported in accordance with GAAP applied on a basis consistent with that of the preceding period and present fairly:
- (i) all of the assets of the Company as at January 31, 2003 that are of a nature customarily reflected or reserved against in a balance sheet,
- (ii) all of the liabilities of the Company as at January 31, 2003 that are of a nature customarily reflected or reserved against in a balance sheet, and
- (iii) the sales and earnings from operations of the Company for the twelve month period ended January 31, 2003. The financial position of the Company at closing is at least as good as shown or reflected in the Financial Statements.

(m) Absence of Changes—Subject to Article 6, since 31 January 2003, there has not and will not be to Closing:
- (i) any Material change in the condition or operations of the Company,:or
- (ii) any damage, destruction or loss, labour trouble or other event, development or condition of any character (whether or not covered by insurance) materially and adversely affecting the Company.

(n) Absence of Unusual Transactions—Subject to Article 6 there has not and will not be to closing any unusual transactions of the Company and the Company save as set out in Schedule D attached hereto has carried on the Business in its usual and ordinary course, and in particular the Company has not:
- (i) transferred, assigned, sold or otherwise disposed of any of the assets shown in the January 31, 2003 except in the ordinary and usual course of business;
- (ii) discharged or satisfied any lien or encumbrance, or paid any obligation or liability (fixed or contingent) other than liabilities included in the balance sheet to the Financial Statements and liabilities incurred since the date of the Financial Statements in the ordinary and normal course of business;
- (iii) suffered an extraordinary loss, or waived any rights of Material value, or entered into any Material commitment or transaction not in the ordinary and usual course of business;

(iv) made any general wage or salary increases or other payments in respect of personnel which it employs except in the ordinary course of business;

(v) made any capital expenditure, except in the usual and ordinary course of business, and no capital expenditure will be made or authorized after the date of this Agreement by the Company with respect to the Business without the prior written consent of the Purchaser;

(vi) mortgaged, pledged, subjected to lien, granted a security interest in or otherwise encumbered any of the assets of the Company other than in favour of the Company's Bank;

(vii) incurred or assumed any obligation or liability (fixed or contingent), except secured and unsecured current obligations and liabilities incurred in the ordinary and normal course of business, particulars of which have been disclosed in writing to the Purchaser or its representatives;

(viii) except as provided in this Agreement, issued or sold any shares in its capital or any warrants, bonds, debentures or other securities of the Company or issued, granted or delivered any right, option or other commitment for the issuance of any such securities;

(ix) amended or changed or taken any action to amend or change its Articles or by-laws; or

(x) authorized or agreed or otherwise become committed to do any of the foregoing.

(o) Employees, etc.—Set forth in Schedule "E", is a Schedule of:

(i) the names and titles of all salaried personnel and unionized office workers paid on an hourly basis, employed or engaged by the Company on a full- or part-time basis and including, without limitation, all individuals who may be considered to be employees of the Company pursuant to applicable law or equity, notwithstanding that they may have been laid off or terminated, (the "Employees") together with the location of their employment;

(ii) the date each such employee was hired by the Company or its predecessor corporations;

(iii) the hourly rate and rate of annual remuneration of each such employee as at the date hereof and the dates and amounts of the most recent salary increases; and

(iv) particulars of all other material terms and conditions of employment or engagement of such employees, including benefits and positions held.

(p) Employment Contracts and Government Withholdings—Subject to applicable statutory rights, the Company is not a party to any written contracts of employment with any of its employees and is not a party to any Collective Agreement or any oral contracts of employment which are not terminable on the giving of reasonable notice and/or severance pay in accordance with applicable law and no inducements to accept employment with the Company were offered to any such employees which have the effect of increasing the period of notice of termination to which any such employee is entitled. The Company has deducted and remitted to the relevant governmental authority or entity all income taxes, unemployment insurance contributions, Canada Pension Plan contributions, provincial employer health tax remittances and any taxes or deductions or other amounts which it is required by statute or contract to collect and remit to any governmental authority or other entities entitled to receive payment of such deduction.

(q) Employment Payments by the Company to Date of Closing—The Company has paid to the date of this Agreement all amounts payable on account of salary, bonus payments and commission to or on behalf of any and all Employees;

(r) Workers' Compensation—All levies under the Workplace Safety and Insurance Act, 1997 (Ontario), or under the workers' compensation legislation of any other jurisdiction where the Company carries on the Business, have been paid by the Company.

(s) Labour Matters—Except as listed in any Schedule annexed hereto there is no:

(i) unfair labour practice complaint under *Ontario Labour Relations Act against the Company pending before the* provincial labour tribunals or any similar agency or body having jurisdiction therefor;

(ii) labour strike threatened against or involving the Company;

(iii) certification application outstanding respecting the Employees;

(t) Material Contracts—Schedule A setsforth all Material Contracts or commitments whether oral or written and in particular but not so as to limit the generality of the foregoing includes all leases of real and personal property and supplier contracts that will continue to be an obligation of the Company from and after the Closing Date. . The Contracts, the Leases, and the Equipment Leases are all in good standing and in full force and effect unamended and no Material default or breach exists in respect of them on the part of any of the parties to them and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach; the foregoing includes all the presently outstanding material contracts entered into by the Company in the course of carrying on the Business.

(u) Residence—The Vendor is not a non-resident of Canada within the meaning of the Income Tax Act.

(v) Insurance—The Company maintains such policies of insurance, issued by responsible insurers, as are appropriate to the Business and its property and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets; all such policies of insurance are in full force and effect, and will continue to be so until the Closing Date, and the Company is not in default, whether as to the payment of premium or otherwise, under the terms of any such policy, nor has the Company failed to give any notice or present any claim under any claim under any such insurance policy in due and timely fashion.

(w) Compliance with Applicable Laws—The Company has conducted and is conducting the Business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which the Business is carried on and are not in breach of any such laws, rules or regulations, except for breaches which are not Material.

(x) Pension Plan—The Company is not subject to any Company funded or partially funded pension plan for its employees.

(y) Benefit Plans—The Company is not a party to any management agreement, pay equity plan, vacation or vacation pay policy, employee insurance, hospital or medical expense programme or pension, retirement, profit sharing, stock bonus or other employee benefit plan, programme or arrangement or to any executive or key personnel incentive or other special compensation arrangement or to other contracts or agreements with or with respect to officers, employees or agents.

(z) Business Premises—To the best of the knowledge of the Vendor, the business premises located at 638 West Dundas Street, Belleville are in compliance with applicable health and safety legislation and regulations and are not subject to any orders or directions of an occupational health and safety authority and the present use complies with, and at all material times have complied with the ownership, use, maintenance or operation of applicable federal, provincial or municipal laws, regulations or by-laws or orders of any governmental authorities which exist as of the date of this Agreement. There are no current outstanding work orders or directions requiring any work, repairs, construction or capital expenditures with respect to the Business Premises.

(aa) Litigation—There is no suit, action, litigation, arbitration, proceeding, governmental proceeding, including appeals and applications for review in progress, pending or threatened against or involving the Company, and there is not presently outstanding against the Company any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator.

(ab) Rights, Privileges etc.—There are no rights, privileges or advantages presently enjoyed by the Company which might be lost as a result of the consummation of the transactions contemplated under this Agreement.

(ac) Consents—Except for Contracts, Equipment Leases and Leases requiring the consents to the change of control of the Company and with respect to the licenses or permits referred to herein, there are no consents, permits, approvals or required to permit the Vendor to complete this transaction with the Purchaser.

(ad) Intellectual Property—The trade name Lons Memorials and any trade mark used in connection therewith necessary or incidental to the conduct of the Business as the same is presently being carried on are listed in Schedule “D”, and are valid and subsisting. The operations of the Business, the manufacture, storage, use and sale by it of its products and the provision by it of its services do not involve infringements or claimed infringement of any patent, trademark, trade name or copyright, to the best of the knowledge of the Vendor.

(ae) Inventories—The Inventories are in good and merchantable condition and are usable or saleable in the ordinary course of business for the purposes for which they are intended and are carried on the books of the Company at the lower of cost and net realizable value.

(af) Expropriation—No part of the assets of the Company as disclosed in the Financial Statements pof the Company have been taken or expropriated by any federal, provincial, state, municipal or other authority nor has any notice or proceeding in respect thereof been given or commenced nor is the Company aware of any intent or proposal to give such notice or commence any such proceedings.

(ag) Tax Matters—Except to the extent reflected in or reserved against in the Financial Statements and except for the tax consequences flowing from the Intervening Transactions described in Article 6, the Company is not liable for any taxes, levies, duties, assessments, charges, penalties, interest, fines or other imposts of any nature or kind due and unpaid at the date hereof in respect of its income, business or property or for the payment of any tax instalment due in respect of its current taxation year and, except as aforesaid, no such taxes, assessments, imposts, levies, charges, fines or penalties are required to be reserved against. The reservation to be taken, is adequate to provide for taxes payable by the Company for its current period for which tax returns are not yet required to be filed. The Company is not in default in filing any returns or reports covering any Canadian federal, provincial, municipal or local taxes, levies, duties, assessments or other reports in respect of its income, business or property. The Company has filed all reports or returns with respect to income, capital, sales (including goods and services and Ontario employer health tax reports), excise, business and property taxes and all other taxes and customs duties which are required to be filed by it up to the date of this Agreement (and all such returns and reports are correct and complete in all material respects) and has paid all taxes and duties as shown on such reports or returns to the extent such taxes or duties are payable or have or may become due and has paid, or where permitted by law, provided security for, all assessments received by it. The Company has withheld from any amounts payable, including without limiting the generality of the foregoing, from any salaries, bonuses or dividends paid by it all deductions required by law to be made therefrom and has remitted the same to the proper tax or other authorities. Federal Canadian income tax assessments have been issued to the Company covering all past periods through the fiscal year ended 31 January, 2003_ (and such assessments, if any amounts were owing in respect thereof, have been paid. There are no currently outstanding reassessments, suits, actions, proceedings, investigations, claims or questions which have been issued or raised by Financial Statements or the Effective Date Financial Statements and the Company does not have any negotiations or discussions in progress with respect to any eventual assessment or reassessment with any such authority. The Company has not executed or filed with any taxing authority any waiver or agreement extending the period for assessment or collection of any income or other taxes.

(ah) Disclosure—None of the foregoing representations, warranties and statements of fact contains any untrue statement of material fact or omits to state any material fact necessary to make any such representation, warranty or statement not misleading to a prospective purchaser of the Shares seeking full information concerning the matters which are the subject of such representations, warranties and statements.

(ai) Undisclosed Liabilities—Subject to Article 6, the Company has no liabilities (whether accrued, absolute, contingent or otherwise) of any kind except liabilities incurred in the ordinary course of business since January 31st 2003 which are not inconsistent with past practice, which are, in the aggregate, Material and adverse to the business, assets, financial condition or results of operations of the Company, and do not Materially violate any covenant contained in this Agreement or constitute a Material misrepresentation or breach of warranty made in or pursuant to this Agreement. Without limiting the foregoing, there were reflected or reserved against in the Effective Date Balance Sheet, and the Financial Statements all Material liabilities of a type required to be so reflected or reserved against under Generally Accepted Accounting Principles applied consistently with prior years by the Company which the Vendor knows or had reasonable grounds to know there was a basis for asserting against the Company.

(aj) Non-Arm's Length Transactions—Subject to Article 6, the Company has not entered into any contracts, agreements, options, or arrangements or incurred or assumed any obligation or liability (whether fixed or contingent) with, on behalf of, or with respect to the Vendor or other "non-arm's length person" (as that term is defined in the *Income Tax Act* or a Related Person, whether jointly or severally.

(ak) Condition of Assets—All material tangible Assets of the Company used in or in connection with the Business are in good condition, repair and, where applicable, working order, having regard to the use and age thereof. A complete description of all Owned Property as set out in Schedule C hereto..

(al) Purchase Commitments—No purchase commitment of the Company is in excess of its normal business requirements or at any excessive price. The Company is not obligated in any manner whatsoever to purchase monuments from any supplier.

(am) Securities Legislation—The Company is a private company within the meaning of the *Securities Act* (Ontario) and the sale of the Shares by the Vendor to the Purchaser will be made in compliance with all applicable securities legislation.

(2) Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to the Vendor as follows:

(a) Organization and Good Standing—The Purchaser is a corporation duly incorporated, organized, and validly existing and in good standing under the laws of Ontario.

(b) Authority Relative to this Agreement, etc.—The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder; the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Purchaser.

(d) Enforceability of Obligations—This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms provided that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting enforceability of creditors' rights and that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

(e) Investment Canada Act—The Purchaser is not a non-Canadian within the meaning of the Investment Canada Act.

(3) Commission

Each Party represents and warrants to the other Parties that no Person is entitled to a brokerage commission, finder's fee or other like payment in connection with the purchase and sale contemplated hereby.

(4) Non-Waiver

No investigations made by or on behalf of the Purchaser at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by the Vendor herein or pursuant hereto. No waiver by the Purchaser of any condition, in whole or in part, shall operate as a waiver of any other condition.

(5) Nature and Survival of Representations and Warranties

All statements contained in any certificate or other instrument delivered by or on behalf of a Party pursuant to or in connection with the transactions contemplated by this Agreement shall be deemed to be made by that Party under this Agreement. All representations, warranties, covenants and agreements contained in this Agreement on the part of each of the Parties shall survive the Closing, the execution and delivery hereunder of any bills of sale, instruments of conveyance, assignments or other instruments of transfer of title to any of the Shares and the payment of the consideration contemplated under this Agreement, except that the representations and warranties contained in this Article shall only survive for two years following Closing (except for the Vendor's representation and warranties relating to tax matters which shall survive for the period of time during which the taxes to which such representations and warranties relate may be reassessed by the relevant taxation authority, unless the Vendor has been found to be fraudulent in filing a return or supplying information to any taxation authority under any taxation legislation in which case, the survival of those representations and warranties relating to tax matters shall be extended, after which period of time, if no claim shall, prior to the expiry of such period, have been made under this Agreement against a Party with respect to any incorrectness in or breach of any representation or warranty made herein by such Party, such Party shall have no further liability under this Agreement with respect to such representation or warranty.

5. COVENANTS OF THE PARTIES

(1) Conduct of Business Prior to Closing

During the period from the date of this Agreement to the Closing Time, the Vendor shall do or cause the Company to do the following:

(a) Conduct Business in Ordinary Course—Except as otherwise contemplated or required under Article 6 of this Agreement, the Company shall conduct the Business in the ordinary and normal course and shall not, without the prior written consent of Purchaser, enter into any transaction which, if entered into before the date of this Agreement, would cause any representations or warranties of the Vendor contained in this Agreement to be incorrect or constitute a breach of any covenant or agreement of the Vendor contained in this Agreement. The Vendor shall use its best efforts to preserve intact the Company and the Business and the relationship existing with the customers of the Company.

(b) Continue Insurance—The Company shall continue in force and in good standing all existing insurance maintained by it.

(c) Perform Obligations—The Company shall comply with all applicable laws, regulations, by-laws and other governmental requirements of each jurisdiction in which the Business is carried on.

(d) Material Changes—Subject to Article 6 the Company shall not take any action which would result in any Material adverse change, in or to the Business or sell, transfer or dispose of any of the assets of the Company, other than in the ordinary course of business.

(e) Liens, Vendor—The Vendor shall not suffer or permit any mortgages, pledges, hypothecs, security interests, deemed trusts, liens, charges, rights or claims of other Persons, or any other encumbrances whatsoever, to attach to or affect the Shares other than security interests in favour of the Vendor's Bank, all of which shall be discharged or waived in writing by the Vendor's Bank on or prior to the Closing.

(f) Liens, Company—The Company shall not suffer or permit any mortgages, pledges, hypothecs, security interests, deemed trusts, liens, charges, rights or claims of other Persons, or any other encumbrances whatsoever, to attach to or affect the assets of the Company other than security interests which are not Material in amount and which are granted in the ordinary course of business.

(2) Access for Investigation

The Vendor and the Company shall permit the Purchaser and its employees, agents, counsel and accountants or other representatives, between the date of execution of this Agreement and the Closing Time, without interference to the ordinary conduct of the Business, to have access during normal business hours to the premises and to all the books, accounts, records and other data of the Company (including, without limitation, all corporate and accounting records of the Vendor relating exclusively to the Company) and to furnish to the Purchaser such financial and operating data and other information with respect to the Company, as the Purchaser shall from time to time reasonably request to enable confirmation of the matters warranted in Section 5(1).

(3) Delivery of Books and Records

At the Time of Closing, the Vendor and the Company shall deliver to the Purchaser the following documents: (i) lists of suppliers and customers of the Company; (ii) employee records with respect to the Employees; (iii) advertising, promotional and marketing materials which relate to the Company. The Purchaser agrees that it will preserve the documents, books and records so delivered to it for a period of six years from the Closing Date, or for such other period as is required by any applicable law, and will permit the Vendor or his authorized representatives reasonable access to those books and records in connection with the affairs of the Vendor relating to any tax matters, workers' compensation or litigation matters. The Vendor agrees that he will preserve the documents, books and records which are not delivered to the Purchaser for a period of six years from the Closing Date, or for such longer period as is required by applicable law, and will permit the Purchaser or its authorized representatives reasonable access to those books and records in connection with the affairs of the Company relating to any tax, workers' compensation or litigation matters.

(4) Actions to Satisfy Closing Conditions

Each Party agrees to take all such actions as are within its power to control, and to use its best efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with any conditions set forth in Article Eight which are for the benefit of the other Party.

(5) Workers' Compensation

On or before Closing, the Company shall provide a clearance certificate or other similar documentary evidence from the Worker's Compensation authority in each jurisdiction where the Company carries on business certifying that there are no outstanding assessments, penalties, fines, levies, charges, surcharges or other amounts due or owing to those authorities.

(6) Confidentiality

The Purchaser shall keep confidential all confidential technology and any other confidential information (unless readily available from public or published information or sources or required to be disclosed by law) obtained from either the Vendor or the Company. If this Agreement is terminated without completion of the transactions contemplated herein then, promptly after such termination, all documents, work papers and other written material obtained by the Purchaser from the Vendor or the Company in connection with this Agreement shall be returned by the Purchaser to the party from whom such materials were obtained. [

(7) Consents Required in Contracts

The Purchaser shall be responsible for obtaining any consent for any Contract, Lease or Equipment Lease where such consent is required upon a change of control of the Company as a result of the consummation of transactions contemplated by this Agreement. If the Purchaser is unable to obtain such consent, such Contract, Lease or Equipment Lease shall not be assigned and the Vendor or the Company shall, to the extent legally possible, hold its right, title and interest in, to and under such Contract, Lease or Equipment Lease in trust for the benefit of the Purchaser until such consent is obtained.

(8) Non-Competition

The Vendor covenants and agrees that he will not, from and after the Closing Date until the fifth anniversary of the Closing Date, carry on within a 50 mile radius from the City of Belleville Municipal Offices any business in the nature of or in competition with the Business. At Closing, the Vendor shall enter into a non-competition agreement in support of the covenant under this Section 5(11), in the form attached as Schedule “B” (the “Non-Competition Agreement”).

(9) Employment Agreement

The Vendor agrees to enter into an employment contract with the Company in accordance with Schedule F hereof.

6. INTERVENING TRANSACTIONS

On signing of this Agreement and payment of the Deposit herein, the Vendor and Company covenant and agree to implement the following transactions, which shall be completed immediately prior to the Closing Date:

(1) Accounts Receivable

All accounts receivable on the books of the Company one day prior to the Closing Date shall be collected by the Company which shall remit same to the Vendor less a 5% administration fee and less employee withholding taxes attributable to same under the Income tax Act. Any accounts receivable in dispute or uncollected by the Company six months after closing, the Company shall transfer to the Vendor without consideration.

(2) Equipment and Supplies

All machinery and plant equipment, save and except for a leased GMC truck, shall be sold prior to the Closing Date by the Company at book value, and all net proceeds from such sale shall be paid by way of dividend or bonus to the Vendor.

(3) Equipment Leases

All equipment leases, save and except for leases of office equipment, furnishings and GMC truck, shall be transferred to the Vendor prior to the Closing Date, so that the Company shall have no further responsibility for any obligations under the said leases from and after the Closing Date.

(4) Existing Employees

Immediately after closing the Vendor shall on behalf of the Company terminate the employment of all employees to take effect immediately and pay all entitlements under the Employment Standards Act accrued vacation and sickness pay.

(5) Liabilities

All liabilities of the Company, including all liabilities arising by virtue of the foregoing Intervening Transactions, including employee claims, income tax liability, GST, PST Property Purchase Taxes shall be paid in full prior to the

Closing Date. The Company's independent accountants/auditors shall estimate any unpaid tax liability arising pursuant to the Intervening Transactions, and the amount of such estimate shall be reserved by the Company from the sale proceeds to pay said tax liabilities.

(6) Lease of Sales Premises

The Vendor and Purchaser shall renegotiate with the present Lessor of the premises for a new lease for a minimum of 5 years with an option to renew for a further 5 years which renewed lease shall be in place prior to the closing date.

(7) Company Assets/Liabilities after Intervening Transactions

For greater certainty it is declared and agreed by Parties that the only assets and liabilities of the Company after completion of the intervening transaction will consist of:

All memorial inventory consisting of monuments, urns, vases etc. having a wholesale value of not less than $100,000.00

The business premises lease and all office and showroom furnishing and equipment and leasehold improvements;

All cost items relating to the office and showroom;

One leased GMC ½ ton truck;

Goodwill and the business name "Lons Memorials";

Funds in bank account equal to all deposits, to repay the loan in (4) above and the amount reserved pursuant to subsection (5) above.

In the event of a conflict between this section and any Article or Section of this Agreement this Section shall prevail

7. INDEMNIFICATION

(1) Indemnification by Vendor

(a) Subject to this Article, if the transactions contemplated by this Agreement are consummated, the Vendor agrees to indemnify and hold the Purchaser harmless against and in respect of any loss, damage, claim, cost or expense whatsoever, including any and all incremental out-of-pocket costs, including, without limitation, all reasonable legal and accounting fees, which the Purchaser may incur, suffer or be required to pay, pursuant to any Claim that may be made or asserted against or affect the Purchaser, provided, however, that the subject matter of any such Claim relates to or arises out of or in connection with the following matters:

(i) any misrepresentation or breach of any warranty, agreement, covenant or obligation of the Vendor contained in this Agreement or in any agreement, schedule, certificate or other document required to be entered into or delivered by the Purchaser;

(ii) any reassessment for income, corporate sales, excise or other tax (and all interest and/or penalties relating thereto) in respect of which tax returns have been filed before the Closing Time which result in the payment of tax in excess of the amount accrued or reserved for in the Audited Financial Statements or the Effective Date Financial Statements;

(iii) any tax liability for income, corporate sales, excise or other tax (and all interest and/or penalties relating thereto) incurred by the Company or the Purchaser as a result of the Intervening Transactions in excess the amounts reserved for said liabilities as described in Section 6 (7). The Vendor agrees that notwithstanding any appeal rights that he or the may have he shall upon the Company being assessed immediately repay to the Company the amount of such tax liability and the Purchaser and the Company will at the Vendor's cost assist in any appeal and will promptly repay to the Vendor any amounts recovered should such appeal be successful

(iv) all Liabilities of the Company in excess of those liabilities described in Section 6 (5) of this Agreement

(2) Indemnification by Purchaser

(a) Subject to this Article, if the transactions contemplated by this Agreement are consummated, the Purchaser agrees to indemnify and hold the Vendor harmless against and in respect of any loss, damage, claim, cost or expense whatsoever, including any and all incremental out-of-pocket costs, including, without limitation, all reasonable legal and accounting fees, which the Vendor may incur, suffer or be required to pay, pursuant to any Claim, that may be made or asserted against or affect the Vendor, provided, however, that the subject matter of any such claim relates to or arises out of or in connection with the following matters:

(i) any misrepresentation or breach of any warranty, agreement, covenant or obligation of the Purchaser contained in this Agreement or in any agreement, schedule certificate or other document required to be entered into or delivered by the Purchaser; or

(3) Claims by Third Parties

(a) Promptly upon receipt by either the Purchaser or the Vendor (herein referred to as the "Indemnitee") of notice of any Third Party Claim in respect of which the Indemnitee proposes to demand indemnification from the other party to this Agreement (the "Indemnitor"), the Indemnitee shall forthwith give notice to that effect to the Indemnitor.

(b) The Indemnitor shall have the right, exercisable by giving notice to the Indemnitee not later than 30 days after receipt of the notice described in Sections 6(3)(a), to assume the control of the defence, compromise or settlement of the Third Party Claim, provided that:

(i) the Indemnitor shall first deliver to the Indemnitee its written consent to be joined as a party to any action or proceeding relating thereto; and,

(ii) the Indemnitor shall at the Indemnitee's request furnish it with reasonable security against any costs or other liabilities to which it may be or become exposed by reason of such defence, compromise or settlement.

(c) Upon the assumption of control by the Indemnitor as aforesaid, the Indemnitor shall, at its expense, diligently proceed with the defence, compromise or settlement of the Third Party Claim at the Indemnitor's sole expense, including employment of counsel reasonably satisfactory to the Indemnitee, and in connection with such proceedings, the Indemnitee shall co-operate fully, but at the expense of the Indemnitor, to make available to the Indemnitor all pertinent information and witnesses under the Indemnitee's control and to make such assignments and take such other steps as in the opinion of counsel for the Indemnitor are necessary to enable the Indemnitor to conduct such defence, provided always that the Indemnitee shall be entitled to reasonable security from the Indemnitor for any expense, costs or other liabilities to which it may be or may become exposed by reason of such co-operation.

(d) The final determination of any such Third Party Claim, including all related costs and expense, will be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Third Party Claim against the Indemnitor.

(e) Should the Indemnitor fail to give notice to the Indemnitee as provided in Section 6(3)(b), the Indemnitee shall be entitled to make such settlement of the Third Party Claim as in its sole discretion may appear advisable, and such settlement or any other final determination of the Third Party Claim shall be binding upon the Indemnitor.

(f) Where an amount is payable by the Purchaser or Vendor as indemnification pursuant to the terms of this Agreement and the Excise Tax Act provides that GST is deemed to have been collected by the payee thereof, the amount so payable, as determined without reference to this paragraph (the "Indemnification Amount"), shall be increased by an amount equal to the rate of GST applied to the Indemnification Amount in accordance with the Excise Tax Act.

(4) Indemnification Sole Remedy

The provisions of this Article Six shall constitute the sole remedy to the Vendor and the Purchaser against the other party to this Agreement with respect to any and all breaches of any agreement, covenant, representation or warranty made by such party in this Agreement.

(5) Details of Claims

With respect to any claim provided for under Sections 6(1) and 6(2), no indemnity under this Agreement shall be sought unless written notice providing reasonable details of the reasons for which the indemnity is sought is provided to either of the Vendor or the Purchaser, as the case may be, before the expiration of the limitation dates provided for in Section 6(1) and 6(2) respectively, as applicable.

(6) Limit on Indemnity

Notwithstanding any other provision of this Agreement, the Vendor and the Purchaser agree that they shall not assert against the other any claim or claims with respect to the breach of any representation, warranty, covenant or agreement under this Agreement unless the aggregate amount of the claim or claims asserted to that date, including the claim or claims then being asserted, is material.

8. CONDITIONS PRECEDENT TO THE PERFORMANCE BY THE PURCHASER AND THE VENDOR OF THEIR OBLIGATIONS UNDER THIS AGREEMENT

(1) Purchaser's Conditions

The obligation of the Purchaser to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is hereby acknowledged to be inserted for the exclusive benefit of the Purchaser and may be waived by it in whole or in part):

(a) Truth and Accuracy of Representations of the Vendor at the Closing Time — All of the representations and warranties of the Vendor made in or under this Agreement, including, without limitation, the representations and warranties made by the Vendor and set forth in Section 4(1), shall be true and correct in all material respects as at the Closing Time and with the same effect as if made at and as of the Closing Time (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement) and the Purchaser shall have received a statutory declaration [*certificate*] from the Vendor confirming the truth and correctness in all material respects of the representations and warranties of the Vendor.

(b) Performance of Obligations — The Vendor shall have performed or complied with, in all material respects, all their obligations, covenants and agreements under this Agreement.

(c) Intervening Transactions -. The Vendor and Company shall have completed all intervening transactions at least one month prior to the closing date.

(d) Receipt of Closing Documentation — All instruments of conveyance and other documentation and assurances relating to the sale and purchase of the Shares including, without limitation, share certificates (the "Closing Documents") and all actions and proceedings taken on or prior to the Closing in connection with performance by the Vendor of her obligations under this Agreement shall be satisfactory to the Purchaser and its counsel, acting reasonably, and the Purchaser shall have received copies of all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated under this Agreement and the taking of all corporate proceedings in connection with those transactions in compliance with this Section 7(1), in form [as to certification and otherwise] and substance satisfactory to the Purchaser and its counsel.

(e) Closing Documentation — Without limiting the generality of Section 7(1)(c), the Purchaser shall have received at or before the Closing Time sufficient duly executed original copies of the following:

(i) certified copy of a resolution of the board of directors of the Company approving this Agreement and the transactions contemplated under this Agreement;

(ii) statutory declaration of the Vendor concerning residence of the Vendor, the matters referred to in subsection 7(1)(a) and confirming that all conditions under this Agreement in favour of the Vendor have been either fulfilled or waived;

(iii) certificate of incumbency of the Company;

(iv) Company share certificates

(iv) certificate of status of the Company;

(v) share certificates representing the Shares;

(vi) books and records of the Company;

(vii) Non-Competition Agreement; and

(viii) Employment Agreement.

(f) Opinion of Counsel for the Vendor — The Purchaser shall have received an opinion dated the Closing Date, in the form attached as Schedule "Z" from counsel for the Vendor, confirming the matters warranted in subsections (a), (d), (e), (g) and (p) of Section 4(1) which opinion may rely on opinions of counsel in other jurisdictions with respect to matters of law in those jurisdictions. In giving such opinion, counsel to the Vendor may rely on certificates of the Vendor as to factual matters.

(g) Consents to Assignment — All consents or approvals from or notifications to any lessor or other third Person required under the terms of any of the Equipment Leases, the Leases or the Assignable Licences with respect to the acquisition of control of the Company by the Purchaser, or otherwise in connection with the consummation of the transactions contemplated under this Agreement, shall have been duly obtained or given, as the case may be, on or before the Closing Time.

(h) Opinion of Accountant for the Company — The Purchaser shall have received an opinion dated the Closing Date, in the form attached as Schedule "Z" from the Company's independent accountant, confirming the matters described in Article 6(7). In giving such opinion, the accountant may rely on certificates of the Vendor or Company as to factual matters.

(i) Certificate as to Status of Assets — A senior officer of the Company shall have executed and delivered to the Purchaser, in a form satisfactory to the Purchaser, a certificate stating that, as of the Closing Date, there has been no Material damage to or adverse change in the condition of the Assets or to the nature of the Business.

(j) Directors of Company — There shall have been delivered to the Purchaser on or before the Closing Time, the resignations, effective as and from Closing, of all of the directors of the Company, together with comprehensive releases from each such person of all their claims respectively.

(k) Status of Vendor — The Vendor has delivered to the Purchaser reasonable and satisfactory evidence that the Vendor is at the Closing Date a resident of Canada within the meaning of the Income Tax Act,

(l) Change of Control Filing — The Vendor shall prepare at its expense and provide to the Company and the Purchaser to be filed within the time period prescribed by the Income Tax Act and any other applicable legislation all tax returns and tax filings required to be made by the Company consequent upon the acquisition of control of the Company by the Purchaser. The Vendor shall indemnify and hold harmless the Company and the Purchaser in respect of liability of the Company for Taxes relating to all fiscal periods of the Company commencing prior to the Effective Completion Time. In its return for the fiscal period ending on the acquisition of control of the Company by the Purchaser, the Company shall elect not to have subsection 256(9) of the Income Tax Act (and other similar provisions under provincial law) apply.

(2) Vendor's Conditions

The obligations of the Vendor to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent (each of which is hereby acknowledged to be inserted for the exclusive benefit of the Vendor and may be waived by the Vendor in whole or in part);

(a) Truth and Accuracy of Representations of the Purchaser at Closing Time — All of the representations and warranties of the Purchaser made in or under this Agreement, including, without limitation, the representations and warranties made by the Purchaser and set forth in Section 4(2), shall be true and correct in all material respects as at the Closing Time and with the same effect as if made at and as of the Closing Time (except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted hereby) and the Vendor shall have received a statutory declaration [*certificate*] from a senior officer of the Purchaser confirming the truth and correctness in all material respects of such representations and warranties of the Purchaser.

(b) Performance of Agreements — The Purchaser shall have performed or complied with, in all respects, all of its other obligations, covenants and agreements under this Agreement.

(c) Receipt of Closing Documentation — All instruments of conveyance and other documentation and assurances relating to the sale and purchase of the Shares including, without limitation, share certificates and all actions and proceedings taken on or prior to the Closing in connection with performance by the Purchaser of its obligations under this Agreement shall be satisfactory to the Vendor and her counsel, acting reasonably, and the Vendor shall have received copies of all such documentation or other evidence as she may reasonably request in order to establish the consummation of the transactions contemplated under this Agreement and the taking of all corporate proceedings in connection with those transactions in compliance with this Section 7(2), in form (as to certification and otherwise) and substance satisfactory to the Vendor and her counsel.

(d) Closing Documentation — Without limiting the generality of Section 7(2)(c), the Vendor shall have received at or before the Closing Time sufficient duly executed original copies of the following:

   (i) certified copy of a resolution of the board of directors of the Purchaser approving this Agreement and the transactions contemplated under this Agreement;

   (ii) a share certificate for 200,000 common shares of the Purchaser;

   (iii) statutory declaration of a senior officer of the Vendor concerning residence of the Vendor, the matters referred to in subsection 8(2)(a), its status as a Canadian (i.e.-noty a non-Canadian) for purposes of the

Investment Canada Act and confirming that all conditions under this Agreement have been either fulfilled or waived;

(iv) certificate of incumbency of the Purchaser; and

(v) certificate of status of the Purchaser.

(e) Opinion of Counsel for Purchaser — The Vendor shall have received an opinion dated the Closing Date, in the form attached as Schedule “AA” from counsel for the Purchaser, confirming the matters warranted in subsections (a), (b) and (d) of Section 4(2), which opinion may rely on opinions of counsel in other jurisdictions with respect to matters of law in those jurisdictions. In giving such opinion, counsel to the Purchaser may rely on certificates of the Purchaser as to factual matters.

(g) Payment of Purchase Price — The Purchaser shall have tendered to the Vendor the Purchaser’s Notes and certified cheques or bank drafts for the balance of the Purchase Price payable to the Vendor.

(h) Intervening Transactions -. The Purchaser shall have paid the amount specified in Section not later than one week prior to the closing date.

(j) Release of Directors of the Company — The Company shall have executed and delivered to each of the directors of the Company, comprehensive releases with respect to any claims by the Company against such directors.

(k) Release of Guarantee — The guarantee granted by the Vendor to the Company’s Bank, has been released, and the Company’s Bank has released the Vendor from any and all obligations under such guarantee or in respect thereto.

(3) Failure to Satisfy Conditions

If any condition set forth in Sections 8(1) or 8(2) is not satisfied on or before the Closing Time, the Party entitled to the benefit of such condition (the “First Party”) may terminate this Agreement by notice in writing to the other Party and in such event the First Party shall be released from all obligations under this Agreement, and unless the First Party can show that the condition or conditions which have not been satisfied and for which the First Party has terminated this Agreement are reasonably capable of being performed or caused to be performed by the other Party then the other Party shall also be released from all obligations under this Agreement, except that the First Party shall be entitled to waive compliance with any such conditions, obligations or covenants in whole or in part if it sees fit to do so without prejudice to any of its rights of termination in the event of non-performance of any other condition, obligation or covenant, or whole or in part.

(4) Destruction or Expropriation

If, prior to the Closing Time, there occurs any material destruction or damage by fire or other cause or hazard to any of the properties or assets of the Company, or if such properties or assets or any material part of them are expropriated or forcefully taken by any governmental authority or if notice of intention to expropriate a material part of such properties or assets has been filed in accordance with applicable legislation, then the Purchaser may, at its option, terminate this Agreement by notice to the other Parties.

8. CLOSING ARRANGEMENTS

(1) Time and Place of Closing

The completion of the transactions contemplated by this Agreement shall take place at the Closing Time on the Closing Date at the offices at 638 Dundas Street West, Belleville Ontario, or at such other place as may be agreed upon between the Parties.

(2) Closing Arrangements

At the Closing Time, upon fulfilment of all the conditions under this Agreement which have not been waived in writing by the Purchaser or the Vendor respectively:

(a) Purchase and Sale of Purchased Assets — The Vendor shall sell and the Purchaser shall purchase the Shares for the Purchase Price payable under this Agreement.

(b) Delivery of Closing Documents — The Parties shall respectively deliver the Closing Documents.

(c) Actual Possession — The Vendor shall deliver actual possession of the Shares to the Purchaser.

(d) Payment of Purchase Price — On the fulfilment of the foregoing terms of this Article Eight, the Purchaser shall pay and satisfy the Purchase Price as provided in Section 3(1).

(3) Tender

Any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money may be tendered by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank or trust company.

9. NOTICES

(1) Delivery of Notice

Any notice, direction or other instrument required or permitted to be given by either party under this Agreement shall be in writing and shall be sufficiently given if delivered personally, sent by prepaid first class mail or transmitted by telecopier or other form of electronic communication during the transmission of which no indication of failure of receipt is communicated to the sender:

(a) in the case of a notice to the Vendor at:

c/o Templeman Menninga LLP (Ian Sullivan),

205 Dundas St. East Suite 200, Belleville Ontario K8N 5A2, Fax: (613)966-2866

(b) in the case of a notice to the Purchaser at:

Lakehead Monument

c/o Douglas J. Livesey, 102-145 West 15th St. North Vancouver, BC V7M 1R9, Fax: (604)980-5079

Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the date on which it was received at such address, or, if sent by mail, shall be deemed to have been given and received on the date which is five days after which it was mailed, provided that if either such day is not a Business Day, then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice transmitted by telecopier or other form of electronic communication shall be deemed to have been given and received on the date of its transmission provided that if such day is not a Business Day or if it is received after the end of normal business hours on the date of its transmission at the place of receipt, then it shall be deemed to have been given and received at the opening of business in the office of the recipient on the first Business Day next following the transmission thereof. If normal mail service, telex, telecopier or other form of electronic communication is interrupted by strike, slowdown, *force majeure* or other cause, a notice, direction or other instrument sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice shall utilize any other such service which has not been so interrupted to deliver such notice.

10. GENERAL

(1) Expenses

All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transaction contemplated under this Agreement shall be paid by the Party incurring such expenses.

(2) Time

Time shall be of the essence hereof.

(3) Assignment/Successors and Assigns

Neither this Agreement nor any rights or obligations under this Agreement shall be assignable by either Party without the prior written consent of the other Party. Subject to that condition, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

(4) Further Assurances

Each Party agrees that upon the written request of any other Party, it will do all such acts and execute all such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of all such acts and will cause the execution of all such further documents as are within its power to cause the doing or execution of, as the other Party may from time to time reasonably request be done and/or executed as may be required to consummate the transactions contemplated under this Agreement or as may be necessary or desirable to effect the purpose of this Agreement or any document, agreement or instrument delivered under this Agreement and to carry out their provisions or to better or more properly or fully evidence or give effect to the transactions contemplated under this Agreement, whether before or after the Closing.

(5) Public Notices

All notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated by the Vendor and the Purchaser and no Party shall act unilaterally in this regard without the prior approval of the other Party (such approval not to be unreasonably withheld), except where required to do so by law or by the applicable regulations or policies of any provincial, federal or other regulatory agency of competent jurisdiction or any stock exchange.

(6) Counterparts

This Agreement may be executed by the Parties in separate counterparts each of which when so executed and delivered shall be an original, and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

__(Signed)______________________
Witness:

__(Signed) John Blemkie ______________/s
JOHN BLEMKIE

FAMILY MEMORIALS INC.

___ (Signed) Scott C. Kellaway ___________

Authorized Signing Officer ______________ c/s

GRAJACK INDUSTRIES LTD

___ (Signed) John Blemkie ________________

Authorized Signing Officer________________ c/s

SCHEDULE “A”

CONTRACTS

1. Lease at 638 Dundas Street West, Belleville, Ontario: $2,000.00/month

2. Bell Canada Lease of Telephone Numbers 613-968-6897(phone) and 1-800-563-2628: $400.00/month (approximately).

3. Yellow pages advertising: $450.00/month (approximately).

4. Utilities at 638 Dundas Street West, Belleville, Ontario.

SCHEDULE “B”

NON-COMPETITION AGREEMENT

TO: Family Memorials Inc.
(herein called the “Purchaser”)

AND TO: Grajack Industries Ltd.
(herein called the “Company”)

WHEREAS the Purchaser has completed the purchase of substantially all of the shares of the Company pursuant to an agreement of purchase and sale between the Purchaser and John Blemkie (herein called the “Vendor”) dated the 1st day of October, 2003 (the “Share Purchase Agreement”);

AND WHEREAS pursuant to the Share Purchase Agreement it is a condition of closing that the Vendor enter into this instrument in favour of the Purchaser and the Company;

NOW THEREFORE THIS INSTRUMENT WITNESSES that in consideration of the premises and other good and valuable consideration and the sum of One Dollar ($1.00) of lawful money of Canada now paid to the Vendor (the receipt and adequacy whereof is hereby acknowledged by the Vendor), the Vendor hereby covenants and agrees with the Purchaser as follows:

1. The Vendor shall not at any time within the period of three (3) years from the date of execution herein, either individually or in partnership or in conjunction with any person or persons, firm, association, syndicate, company or corporation, as principal, agent, director, officer, employee, investor or in any other manner whatsoever, directly or indirectly, carry on, be engaged in, be interested in, or be concerned with, or permit any of their names or any part thereof to be used or employed by any such person or persons, firm, association, syndicate, company or corporation, carrying on, engaged in, interested in or concerned with, a business which is similar to the business carried on by the Company on the date hereof within a radius of fifty (50) miles of the municipal offices of Belleville, Ontario.

   For the purpose of this instrument the “Company” also means the solicitation of and sale to the present customers of the Company of any services performed by the Company at the date hereof.

2. For greater certainty, this non-competition agreement shall not prevent the Vendor from carrying on the business of digging foundation holes for monuments, doing the cement work for monuments.

3. The Vendor shall not at any time within the period of three (3) years from the date of execution herein, directly or indirectly, induce or attempt to induce any employee of the Company to leave the employ of the Company or to become employed by any person other than the Company or the Purchaser.

4. The Vendor acknowledges that he has reviewed the provisions of sections 1 and 2 herein and that he has turned his mind to the reasonableness of the scope thereof, both as to geographical area and time period, that he has consulted the law firm of Messrs.

Templeman, Menninga, who has explained the implications of the said sections to him, and that he fully understands the implications of such restrictive covenants, and that he is entirely satisfied that the provisions of such sections are both necessary and reasonable for the protection of the legitimate interests of the Purchaser and that they reflect the mutual desire and intent of the Purchaser and the Vendor and that such provisions be upheld in their entirety and be given full force and effect.

5. The Vendor acknowledges and agrees that the breach by him of any of the restrictions set out in sections 1 and 2 of this instrument would cause irreparable harm to the Purchaser which could not be adequately compensated for by damages, and in the event of a breach or a threatened breach of any of the said provisions, the Vendor hereby acknowledges that the Purchaser shall be entitled to specific performance of this Agreement and to an injunction being issued against the Vendor restraining the said party from any breach or further breach of such restrictions, but this sentence shall not be construed so as to be in derogation of any other remedy which the Purchaser may have in the event of such a breach or threatened breach. In order to obtain such relief, it shall not be necessary for the Purchaser to establish irreparable harm which cannot be satisfied by an award of damages.

6. This instrument shall be construed in accordance with the laws of the Province of Ontario. This instrument shall extend to and enure to the benefit of the successors and assigns of the Purchaser and shall be binding upon each of the Vendor and his heirs, representatives, successors and assigns.

DATED this 16th day of December, 2003.

FAMILY MEMORIALS INC.

Per:

____
Authorized Signatory

____
Title

SIGNED, SEALED AND DELIVERED by The Vendor, in the presence of:	))))	
________________________ Ian B. Sullivan	)	________________________ JOHN BLEMKIE
________________________ 208 Dundas Street East Belleville, Ontario K8N 5A2 Barrister & Solicitor	)))))	

SCHEDULE “C”

OWNED PROPERTY

INCLUDED

Office Showroom: 638 Dundas Street West, Belleville, Ontario

1 – Granite Coffee Table

6 – Blue Grey Stacking Chairs

2 – Office Desk Chairs

3 – Office Desks

1 – Canon PC940 Photocopier (new)

2 – Granite Office Desk Covers

2 – End Tables

1 – Child’s Table and Chairs

1 – Steel Filing Cabinet

1 – Granite Work Table

1 – Water Cooler and Heater

1 – Steel Racking System

1 – Glass Display Cabinet

- - Assorted Plants

1 – Computer System and Related Material

- - Costing, Brochures, Mailing Supplies, Office Supplies, etc.

1 – Television

1 – Vacuum Cleaner

2 - Bookshelves

SCHEDULE “D”

UNUSUAL TRANSACTIONS

None, save and except those provided for in Article 6 of this Agreement

SCHEDULE "E"

EMPLOYEES

Name and Title	Date of Hire	Rate	Last Annual Date/ Increase
Randy Downey Layout	March 3, 1987	$14.50/hr.	$.50 hr. May, 2003
Gary Downey Stone Cutter	March 21, 1988	$15.50/hr.	$.50 hr. May, 2003
Ronald Brannen Labourer	May 17, 1992	$650.00/week	$100.00/week May, 1999
Donald Maracle Labourer	May 17, 1992	$650.00/week	$100.00/week May, 1999
Marie Davies Secretary	August 2, 1993	$11.50/hr.	$.50/hr. May, 2003

SCHEDULE “F”

EMPLOYMENT AGREEMENT

MEMORANDUM OF AGREEMENT made as of the ___ day of _________, 20__

BETWEEN:

JOHN BLEMKIE, of the City of Belleville, in the Province of Ontario

(hereinafter called the “Employee”)

OF THE FIRST PART

- and -

FAMILY MEMORIALS INC., a corporation incorporated under the

laws of the Province of Ontario

(hereinafter called “Purchaser”)

OF THE SECOND PART

- and -

GRAJACK INDUSTRIES LTD., doing business as LAWNS MEMORIALS

under the laws of the Province of Ontario

(hereinafter called the “Company”)

OF THE THIRD PART

WHEREAS the Employee has entered into an agreement dated October 1, 2003 with the Purchaser (the “Share Purchase Agreement”) providing for the sale by the Employee to the Purchaser of all shares in the capital of the Company;

AND WHEREAS, pursuant to the Share Purchase Agreement, the Employee, the Purchaser and the Company have entered into a non-competition agreement dated as of November 20, 2003, (the “Non-Competition Agreement”);

AND WHEREAS under the terms of the Share Purchase Agreement the Employee agreed to enter into this agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the respective covenants and agreements herein set out, it is agreed by and between the parties as follows:

1. The Employee shall serve as the General Manager of the Company and shall perform such duties and exercise such powers as are normally performed by persons holding such office and as may from time to time be determined by resolution of the board of directors of the Company or vested in him by the by-laws of the Company.

2. The employment of the Employee hereunder shall commence on the date hereof and shall continue until January 15, 2004 and thereafter for such period as the parties may agree.

3. The employment of the Employee hereunder may be terminated by the Company only (i) for cause by notice in writing from the Company; or (ii) if the Employee shall by reason of

illness or mental or physical disability or incapacity fail, for any three consecutive calendar months in any calendar year or for six months in the aggregate in any three successive calendar years, to perform his duties hereunder, then by not less than two months' notice in writing from the Company to the Employee. In either case, the employment of the Employee may not be terminated by the Company without the express prior written approval of the board of directors of the Company, expressed by a resolution passed by the directors at a meeting of the directors of each Company which is called for the purpose of considering such a resolution.

4. For the purposes of this agreement "cause" shall mean (i) wilful misfeasance, bad faith, gross negligence or an act of dishonesty of the Employee in the performance of his obligations, responsibilities, powers, discretions or authorities hereunder or (ii) the Employee's reckless disregard of her obligations or responsibilities hereunder.

5. The employment of the Employee hereunder may be terminated at any time by either party giving to the other party three months written notice and in the case of the Company the Company shall have the option to pay three months salary and accrued benefits in lieu of notice.

6. The Employee shall devote the whole of his working time, attention and ability to the business and affairs of the Company and the Employee shall well and faithfully serve the Company during the continuance of his employment hereunder and shall use his best efforts to promote the interests of the Company.

7. During the Employee's employment hereunder, the remuneration of Employee for his services hereunder shall be payable in equal monthly instalments in arrears on the last business day of each calendar month. The annual rate of remuneration of the Employee for the first twelve (12) months of his employment hereunder shall be $30,000.00.

8. During the Employee's employment hereunder the Employee shall from time to time be entitled to vacations of three (3) weeks in each consecutive twelve month period commencing on the date hereof. Such vacations shall be taken at such times as are appropriate having regard to the operations of the Company.

9. In addition to the remuneration provided for in clause 7, the Company shall provide the Employee with a suitable current model pick-up truck for his use and shall pay the cost of operation, maintenance, parking and insurance in connection therewith and shall provide the Employee with the following benefits: as required by the Employment Standards Act.______________________

10. The Employee further acknowledges and agrees that as a result of the nature of his position and its inherent opportunities, the Employee will have access to and will be entrusted with specific detailed confidential information concerning the business or businesses now or hereafter conducted by the Company, including but not limited to information relating to business opportunities, services provided, pricing policies, financial information, research and development information, marketing schemes, sales and distribution information and customer information, and that the disclosure of any such information to the competitors of the Company or any other third party would be detrimental to the best interests of the Company and would cause irreparable harm to the Company's interests.

11. The Employee also acknowledges that the right to maintain such information in confidence constitutes a proprietary right which the Company is entitled to protect.

12. The Employee accordingly covenants and agrees with the Company that he will not, during his employment or at any time thereafter, disclose any such confidential information to any third party, except as required in the ordinary course of his employment with the Company, nor shall he use such confidential information for any purpose other than to further the interests of the Company.

13. The Employee agrees that upon the termination of this agreement, for any reason whatsoever, the Employee will immediately return all Company business documents, lists, files, materials, equipment and property, including all copies of such information and property in such Employee's possession to the Company.

14. The Employee covenants and agrees that he will not, except as an officer and/or Employee of the Company at any time during the period that the Employee is receiving and accepting remuneration from the Company hereunder and for a period of one (1) years thereafter, either individually or in partnership or jointly or in conjunction with any person or persons, firm, association, syndicate, company or corporation, as principal, agent, shareholder or in any other manner whatsoever, carry on or be engaged in or concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of, or permit his name or any part thereof to be used or employed by or associated with, any person or persons, firm, association, syndicate, company or corporation engaged in or concerned with or interested in the business of a monument business with a radius of fifty (50) miles of the municipal offices of the City of Belleville, Ontario.

15. The provisions of this agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada in force in such province and each of the parties hereto hereby irrevocably attorneys to the jurisdiction of the courts of such province.

16. The provisions of this agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators and legal personal representatives of the Employee and the successors and assigns of the Company, respectively.

IN WITNESS WHEREOF this agreement has been executed by the parties hereto.

SIGNED, SEALED AND DELIVERED by)
JACK BLEMKIE in the presence of:)
)
______________________________) ____________________________
Name: Ian Sullivan) JOHN BLEMKIE
)
______________________________)
Address: 205 Dundas St. East, Suite 200,)
Belleville, Ontario K8N 5A2)
______________________________)
Occupation; Lawyer

FAMILY MEMORIALS INC.

____
Authorized Signatory

____
Title: President

GRAJACK INDUSTRIES LTD.

____
Authorized Signatory

____
Title: President

SCHEDULE "G"

TEMPLEMAN MENNINGA LLP

BARRISTERS – SOLICITORS – TRADEMARK AGENTS

December 16, 2003

Mr. Douglas J. Livesey
Barristers & Solicitors
102-145 West 15th Street
North Vancouver, BC
V7M 1R9

Dear Sir:

Re: Grajack Industries Ltd. – Sale to Family Memorials Inc.

We have acted as counsel to Grajack Industries Ltd. (the "Company"), and to John C. Blemkie (the "Principal") in connection with the sale to Family Memorials Inc. (the "Purchaser") of all of the outstanding shares (the "Purchased Shares") of the Company.

In acting as counsel we have examined the following documents:

(a) Share purchase agreement dated as of , between the Principal, the Company and the Purchaser (the "Share Purchase Agreement");

(b) The constating documents of the Company (and all of its predecessors by amalgamation or otherwise) including articles of incorporation, by-laws, certificates of incorporation, continuance and amalgamation and share certificates;

(c) Certified copy of resolutions of directors of the Company with respect to this transaction;

(d) Such certificates and other documents as we have considered necessary as a basis for the opinions hereinafter expressed.

(All hereinafter referred to as the "Documents")

In acting as legal counsel we are familiar with the charter documents and other corporate records of the Company and in particular we have supervised the authorization, execution and delivery by the Company and the Principal of the documents herein mentioned to which they are parties.

Based on the foregoing, we are of the opinion that:

1. The Company is a corporation incorporated and is a duly subsisting corporation under the laws of Ontario with full capacity and power to own its properties and carry on its business in the Province of Ontario, and to enter into the Documents herein mentioned to which it is a party;

2. All necessary corporate action and proceedings have been taken by the Company to permit the transfer of the Purchased Shares to the Purchaser;

3. The execution and delivery of the Share Purchase Agreement and the performance thereof by the Principal and the Company does not and will not contravene, breach or result in any default thereunder:

    (a) the articles or by-laws of the Company;

    (b) any law, statute, rule or regulation of Canada or the Province of Ontario, to which the Principal or the company are subject; or

    (c) to the best of counsel's knowledge,

        i) any judgment, writ, decree, inunction, rule or order of any court of any government authority of Ontario or Canada which is applicable to the Principal, the Company or to the Business; or

        ii) under any indenture, agreement or other legally binding instrument to which the Principal or the Company are a party or by which they are bound;

4. The execution, delivery and performance of the Share Purchase Agreement and other agreements and documents contemplated thereby and under the Share Purchase Agreement have been duly authorized by all necessary corporate action on the part of the Company. The Share Purchase Agreement has been duly executed by the Principal and the Company and is a valid and binding obligation of the Principal and the Company enforceable against them by the Purchaser in accordance with its terms.

The opinions expressed herein are subject to the following qualifications, limitations and exclusions, namely:

1. The enforceability of the obligations of the Principal and the Company under the Share Purchase Agreement are subject to the applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally;

2. General principals of equity which may apply to any proceedings in equity or at law including, without limitation, equitable limitations on the availability of remedies, such as the remedies of specific performance and injunctive relief;

3. The powers of a court to stay proceedings before it and to stay the execution of judgments;

4. The discretion which a court may reserve to itself to decline to hear any action or give effect to any covenant if it is contrary to public policy for it to do so or if it is not the proper form to hear such actions;

5. The exercise of a discretion purported to be given to a party may be unenforceable, if exercised in an unreasonable or arbitrary fashion.

All terms used herein with initial capitals which are not defined herein have the meaning ascribed thereto in the Share Purchase Agreement.

This opinion may not be furnished to or relief upon by any person other than the addresses hereof, or for any purpose other than as specified herein.

Yours very truly,
TEMPLEMAN MENNINGA LLP

IAN B. SULLIVAN

IBS:in

SCHEDULE "H"

December 15 2000

Templeman Menninga LLP
Barristers & Solicitors
#200-203 Dundas Street
Belleville Ont.
K8N 5A2

AND TO

John Blemkie
RR#1 -370 Cunningham Road
Consecon, Ontario K0K 1T0

Dear Sirs:

Re: Family Memorials Ltd. (the "Company") Purchase of Shares of Grajack Industries Ltd ("Grajack")

I am the Corporate Solicitor for the Company and as such am familiar with its corporate governance and I am also familiar with the transaction of purchase of shares of Grajack Industries closing 16 December, 2003 and am preparing this letter opinion in the full knowledge that the Vendor of the said shares and his Solicitors Templeman and Menninga are relying on this opinion letter.

I have also examined the constating instruments and corporate minutes and records of the Company and such statutes, regulations, public and corporate documents, resolutions, certificates and other documents and agreements, as I have considered relevant and necessary for the purpose of providing this opinion.

Based upon the following, I am of the opinion that:

1) The Company was duly incorporated and validly exists under the laws of the province of Ontario and is in good standing thereunder
2) The Company has full corporate power and capacity to own the properties which it now owns and to enter into and complete the purchase of the shares of Grajack and all necessary resolutions and corporate authorizations authorizing the purchase have been and remain validly in effect;
3) The signing of the said agreement for the purchase of the shares of Grajack and performance by the Company in accordance therewith has been duly authorized by all necessary corporate actions of the Company and none of the said action violate the terms of or constitute a breach or default under the terms of any agreement entered into by the Company and constitute a binding obligation of the Company enforceable in accordance the said Agreement, subject always to the laws of Ontario and federal government of Canada.

This opinion is furnished only to the above addressees and may not be relied upon by any other person(s) and is given only for the purposes expressed herein.

Yours very truly,

DOUGLAS J. LIVESEY