

CHESSWOOD GROUP LIMITED

- and -

CB LEASECO HOLDINGS INC.

- and -

DANIEL WITTLIN

- and -

EDMUND DIAS

SHARE PURCHASE AGREEMENT
made February 25, 2015

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT made the 25th day of February, 2015.

B E T W E E N:

CHESSWOOD GROUP LIMITED, a corporation existing under the laws of Ontario
(hereinafter referred to as the "**Purchaser**")

- and -

CB LEASECO HOLDINGS INC., a corporation existing under the laws of Ontario
(hereinafter referred to as the "**Vendor**")

- and -

DANIEL WITTLIN, an individual residing in Toronto, Ontario
(hereinafter called "**Daniel**")

- and -

EDMUND DIAS, an individual residing in Mississauga, Ontario
(hereinafter called "**Ed**")

RECITALS

WHEREAS:

- A. The Vendor is, and will be at the Closing Time, the beneficial and registered owner of the Blue Chip Purchased Shares (as such term is defined herein), and will be at the Closing Time the beneficial and registered owner of the EcoHome Purchased Shares (as such term is defined herein);
- B. The Vendor is, and will be at the Closing Time, the owner of the Blue Chip Loan (as such term is defined herein), and will be at the Closing Time the owner of the EcoHome Loan (as such term is defined herein);
- C. The Vendor desires to sell and the Purchaser desires to purchase the Purchased Securities (as such term is defined herein) upon and subject to the terms and conditions set out in this Agreement; and
- D. Daniel and Ed have significant economic interests in the Vendor and, accordingly, will derive significant economic benefit from the sale of the Purchased Securities by the Vendor pursuant to this Agreement.

NOW THEREFORE, THIS AGREEMENT WITNESSES THAT, in consideration of the premises and the respective covenants and agreements herein contained, and for other good

and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

“Additional Purchase Price” has the meaning ascribed thereto in Section 2.2(a);

“Additional Shares” has the meaning ascribed thereto in Section 2.2(d);

“Affiliate” means, with respect to any Person (other than an individual), any other Person (other than an individual) that: (a) Controls, (b) is Controlled by or (c) is under common Control with such Person;

“Agreement” means this agreement, including the schedules hereto, as the same may be supplemented or amended from time to time;

“ASPE” means Canadian accounting standards for private enterprises, as set out in Part II of the CPA Canada Handbook – Accounting from time to time approved by CPA Canada, or any successor institute, applicable as at the date on which any calculation or determination is required to be made in accordance with such accounting standards;

“Base Price” has the meaning ascribed thereto in Section 2.2(a);

“Blue Chip” means Blue Chip Leasing Corporation, a corporation existing under the laws of Ontario. Unless inconsistent with the context, references to “Blue Chip” include Pre-Amalgamation BCL and Enable;

“Blue Chip Allocation” means an aggregate amount equal to (i) 83.3% of the aggregate amount of the Share Purchase Price plus (ii) the purchase price for the Blue Chip Loan;

“Blue Chip Holdback Amount” has the meaning ascribed thereto in Section 2.2(b)(ii);

“Blue Chip Loan” means the loan by the Vendor to Blue Chip with a principal amount outstanding of \$6,747,005.34;

“Blue Chip Purchased Shares” means all of the issued and outstanding shares in the capital of Blue Chip;

“Business Day” means any day, other than a Saturday, Sunday or any other day on which the principal banks located in Toronto, Ontario are not open for business during normal banking hours;

“Charter Documents” means (i) with respect to a corporation, its articles and by-laws and similar constating documents, (ii) with respect to a partnership (including a limited partnership), its partnership agreement and (iii) with respect to a trust, the trust declaration (or analogous instrument);

“**Chesswood Shares**” means common shares in the capital of the Purchaser;

“**Claim**” means any claim, demand, action, suit, litigation, charge, prosecution or other proceeding (including in respect of an arbitration proceeding);

“**Closing**” means the closing of the purchase of the Purchased Securities;

“**Closing Date**” means April 3, 2015, or such earlier date on or after March 13, 2015 as the Purchaser may designate;

“**Closing Time**” means 10:00 a.m. (Eastern Time) on the Closing Date, or such other time as may be mutually agreed to by the Vendor and the Purchaser;

“**Contract**” means any contract, agreement, license, franchise, lease, loan, or rental permit, arrangement, commitment or other right or obligation to which a Person is a party or by which such Person is bound or affected or has actual or contingent entitlements or obligations;

“**Control**”:

- (a) when applied to the relationship between a Person and a corporation, means the beneficial ownership by that Person at the relevant time of shares of that corporation carrying the greater of (i) a majority of the voting rights ordinarily exercisable at meetings of shareholders of that corporation and (ii) the percentage of voting rights ordinarily exercisable at meetings of shareholders of that corporation that are sufficient to elect a majority of the directors; and
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the beneficial ownership by that Person at the relevant time of more than 50% of the ownership interests of the partnership, limited partnership, trust or joint venture or the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture,

and the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who Controls a corporation, partnership, limited partnership or joint venture (the “**second-mentioned Person**”) will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by the second-mentioned Person and so on;

“**Corporations**” means, together, Blue Chip and EcoHome;

“**Corporations’ Financial Statements**” means the following financial statements of the Corporations: (i) with respect to Pre-Amalgamation BCL, audited financial statements for the fiscal years ended September 30, 2013 and September 30, 2014; (ii) with respect to Enable, audited financial statements for the fiscal years ended May 31, 2013 and May 31, 2014 and audited financial statements for the four months ended September 30, 2014; (iii) with respect to Blue Chip, unaudited financial statements for the three months ended December 31, 2014; and (iv) with respect to EcoHome, audited financial statements for the fiscal years ended July 31, 2014 and December 31, 2012 and unaudited financial Statements for the seven months ended July 31, 2013 and unaudited financial statements for the three months ended October 31, 2014;

“Credit Enhancement” means any support, financial or otherwise, provided by third parties with respect to an Obligor under a Financing Contract or from the vendor of the Financed Assets which is subject to the Contract, including any personal guarantees, guarantees, letters of credit, repurchase agreements, remarketing agreements, mortgages, collateral mortgages or recourse pools;

“Dias Executive Employment Agreement” means the employment agreement to be entered into between Ed and EcoHome at or before the Closing, in form acceptable to Ed and the Purchaser;

“Direct Claim” has the meaning ascribed thereto in Section 6.7;

“Disclosure Letter” means the disclosure letter of the Vendor and the Vendor Principals of even date with this Agreement in respect of the Agreement and accepted by the Purchaser;

“Dispute” has the meaning ascribed thereto in Section 9.1;

“EcoHome” means EcoHome Financial Inc., a corporation existing under the laws of Ontario;

“EcoHome Allocation” means an aggregate amount equal to (i) 16.7% of the aggregate amount of the Share Purchase Price plus (ii) the purchase price for the EcoHome Loan;

“EcoHome Holdback Amount” has the meaning ascribed thereto in Section 2.2(b)(ii);

“EcoHome Loan” means the loan to EcoHome with a principal amount outstanding of \$1,000,000, which is to be acquired by the Vendor as part of the Proposed Reorganization;

“EcoHome Purchased Shares” means all of the issued and outstanding shares in the capital of EcoHome;

“Employee Plans” means, with respect to any Person, the employee benefit, health, welfare, vacation (other than statutory plans or entitlements), supplemental employment benefit, bonus, pension, profit sharing, incentive compensation, deferred compensation, stock compensation, stock option, stock appreciation or purchase, retirement, hospitalization (or other medical, life or other) insurance, medical, dental, legal, disability and similar plans or arrangements or practices applicable to present or former employees, directors or independent contractors of such Person which are currently maintained or participated in by such Person;

“Enable” means Enable Capital Corporation, which amalgamated with Pre-Amalgamation BCL on September 30, 2014 to form Blue Chip;

“Enforceability Qualifications” means that enforceability is subject to bankruptcy, insolvency and other similar Laws affecting creditors’ rights generally and to general principles of equity;

“Environmental Laws” means all applicable federal, provincial, local and foreign Laws imposing liability or standards of conduct for or relating to the regulation of activities,

materials, substances or wastes in connection with or for or to the protection of human health, safety, the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);

“Environmental Liabilities” means, with respect to any Person, all liabilities, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, capital costs, operation and maintenance costs, losses, damages, punitive damages, property damages, natural resource damages, consequential damages, treble damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any Claim or investigation by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, relating to any environmental matter including any arising under or related to any Environmental Law, Environmental Permit, or in connection with any Release or threatened Release or presence of a Hazardous Material whether on, at, in, under, from or about or in the vicinity of any real or personal property;

“Environmental Permits” means all permits, licenses, written authorizations, certificates, approvals, program participation requirements, sign-offs or registrations required by or available with or from any Governmental Entity under any Environmental Law;

“Equipment Contract” means equipment leases, conditional sales contracts, title retention agreements and other similar agreements binding upon either of the Corporations relating to equipment used by the Corporations in their respective businesses;

“Escrow Agreement” has the meaning ascribed thereto in Section 2.4;

“Family Members” means, with respect to an individual, the spouse, parents, grandparents, collateral ancestors, siblings, children, grandchildren, collateral descendants, and in-laws of such individual;

“Finance Providers” means the Persons which provide financing to Blue Chip and EcoHome to fund leasing, rental or loan transactions, being, currently, Sun Life Assurance Company of Canada, Pacific & Western Bank of Canada, Business Development Bank of Canada (through Tao Asset Management) and The Toronto-Dominion Bank;

“Financed Assets” means any and all property leased, rented, loaned or sold by the subject Corporation now or in the future under a Financing Contract, including (i) equipment or other tangible property, together with all additions, replacements, substitutions, parts, repairs, accessories, accessions or attachments thereto and (ii) all soft costs (including all software products and any applicable delivery, installation support, service and maintenance fees and taxes);

“Financial Information” means the Corporations’ Financial Statements and any other financial information in respect of either of the Corporations provided to the Purchaser by or on behalf of the Vendor;

“Financing Contract” means, collectively, all of the leases, rentals, loans and other financing transactions with respect to which one or more Obligor or the subject Corporation has any continuing rights, obligations, or liabilities of whatever kind or nature, including (i) a non-cancellable lease, loan or rental agreement arising out of a lease, loan or rental of Financed Assets between such Corporation as lessor, creditor or owner (either directly or through assignment) and an Obligor as lessee, borrower or renter; (ii) a lease, loan or rental schedule to a master lease, loan or rental agreement (which incorporates the terms and conditions of the master lease, loan or rental agreement) between such Corporation as lessor and an Obligor as lessee, borrower or renter; (iii) an instalment purchase or conditional sale agreement between such Corporation as vendor and an Obligor as purchaser; or (iv) such other agreements as may contain an Obligor’s Payment obligations in connection with such Corporation’s transfer of rights in the Financed Assets to the Obligor, other chattel paper arising out of a sale of Financed Assets; and all the ancillary documents related to the Financing Contract including delivery and acceptance certificates and pre-authorized payment authorization documents, together with any Credit Enhancements;

“Financing Documents” means any and all of the agreements, instruments, and documents entered into in connection with a Financing Contract, including any Credit Enhancement and addendums;

“Fundamental Blue Chip Representations” means the representations and warranties in Sections 3.1(a), 3.1(b), 3.1(c), 3.1(f), 3.1(g), 3.1(h), 3.1(k), 3.1(s), 3.1(u), 3.1(dd), 3.3(a), 3.3(b), 3.3(c), 3.3(d), 3.3(e) and 3.3(f);

“Fundamental EcoHome Representations” means the representations and warranties in Sections 3.2(a), 3.2(b), 3.2(c), 3.2(f), 3.2(g), 3.2(h), 3.2(k), 3.2(s), 3.2(u), 3.2(dd), 3.3(a), 3.3(b), 3.3(c), 3.3(d), 3.3(e) and 3.3(f);

“Governmental Entity” means any (i) multinational, federal, provincial, county, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agent, commission, board, or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“Guaranteed Indebtedness” means, with respect to any Person, any obligation of such Person guaranteeing or providing indemnification or insurance with respect to, any indebtedness, lease, dividend, or other obligation (a **“primary obligation”**) of any other Person (the **“primary obligor”**) in any manner, including any obligation or arrangement of such Person:

- (a) to purchase or repurchase any such primary obligation,
- (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor,

- (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or
- (d) to indemnify the owner of such primary obligation against loss in respect thereof;

“Hazardous Material” means any substance, material or waste which is regulated by, or which may form the basis of liability now or hereafter under, any Environmental Laws, including any material or substance which is:

- (a) defined as a “solid waste,” “hazardous waste”, “hazardous material”, “hazardous substance”, “dangerous good”, “extremely hazardous waste,” “restricted hazardous waste,” “pollutant”, “contaminant”, “hazardous constituent”, “special waste,” “toxic substance” or other similar term or phrase under any Environmental Laws, or
- (b) petroleum or any fraction or by-product thereof, asbestos, substances used for dry-cleaning and the waste and breakdown products thereof, polychlorinated biphenyls (PCB’s), or any radioactive substance;

“including” means including without limitation;

“Indebtedness” of a Person means:

- (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (including reimbursement and all other obligations with respect to surety bonds, letters of credit, note purchase obligations and bankers' acceptances, whether or not matured),
- (b) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments or covenants to create the same,
- (c) all indebtedness of such Person created or arising under any conditional sale or other title retention agreements with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property),
- (d) all obligations under sale leasebacks,
- (e) all Guaranteed Indebtedness of such Person,
- (f) all Purchase Money Indebtedness of such Person,
- (g) all obligations of such Person under commodity purchase or option agreements or other commodity price hedging arrangements, in each case whether contingent or matured,
- (h) all obligations of such Person under any foreign exchange contract, currency swap agreement, interest rate swap, cap or collar agreement or other similar agreement or arrangement designed to alter the risks of that Person arising from

fluctuations in currency values or interest rates, in each case whether contingent or matured,

- (i) all redemption obligations of such Person in respect of redeemable preferred shares and mandatory dividend obligations, and
- (j) any other obligation or contingent obligation which would be classified as, or accorded the same treatment as, indebtedness for purposes of such Person's borrowing, securitization or bulk leasing facilities;

"Indemnified Party" has the meaning ascribed thereto in Section 6.7;

"Intellectual Property" means in respect of a Person, trade names, business names, corporate names, domain names, website names and world wide web addresses, registered trade-marks, common law trade-marks, trade-mark registrations, trade mark applications, designs, indicia, distinguishing guises, trade dress and logos, any other source or business identifiers and proprietary confidential information and data relating to the business and operations of that Person;

"Laws" means all laws, statutes, codes, ordinances, decrees, rules, standards, orders-in-council, regulations, by-laws, statutory rules, principles of law, published policies and guidelines (whether or not having the force of law), judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, statutory body, or self-regulatory authority (including stock exchanges or markets), and the term **"applicable"** with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

"Lease" means any material immovable or real property license, lease, sublease and any agreement or offer to lease or sublease;

"Lien" means any mortgage, hypothecation, lien, pledge, security interest, adverse claim, lease, option, right of third parties or other charge or encumbrance, including the lien on retained title of a conditional vendor and any easement, right of way or other encumbrance on title to real property;

"LOI" has the meaning ascribed thereto in Section 1.6;

"Material Adverse Change" means any change, effect, event or occurrence that is, or could reasonably be expected to be, material and adverse to the business, operations, or condition (financial or otherwise) of either of the Corporations or the Purchaser, as the case may be, except, in the case of the Purchaser, to the extent any such change, effect, event or occurrence results from or arises in connection with any change in the market price or trading volume of the securities of the Purchaser or any suspension of trading in securities generally on any securities exchange on which the securities of the Purchaser trade;

“Material Adverse Effect” means any matter, condition, event, development or action that has an effect that is, or could reasonably be expected to be, material and adverse to the business, operations or condition (financial or otherwise) of either of the Corporations or the Purchaser, as the case may be;

“Material Agreement” of a Person means any Contract (including with brokers, landlords, commercial finance companies (including banking, non-banking, securitization or bulk leasing facility partners), vendors, employees, customers, Equipment Contracts or otherwise) which could reasonably be considered material in the context of such Person or the business of such Person;

“Misrepresentation” means (i) an untrue statement of material fact or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made;

“Non-Arm’s Length Party” means, in respect of a Corporation: (i) any director, officer, employee, shareholder, or Affiliate of such Corporation, (ii) any Family Member of any individual described in item (i) above or (iii) any Person of which any Person described in items (i) or (ii) above is a director, officer, partner, manager, member, trustee, or holder of more than five percent (5%) of the outstanding voting securities;

“Northstar Leasing” means Northstar Leasing Corporation, a corporation existing under the laws of Ontario;

“Obligor” means any party obligated in respect of a Financing Contract, including any party under a Credit Enhancement, other than the lessor or vendor of the Financed Assets covered thereby;

“ordinary course” or **“ordinary course of business”** when used in relation to the conduct of a Person means any transaction which constitutes an ordinary day-to-day business activity conducted in a manner consistent with the existing practices of such Person;

“Payment” means all rights to the payment of rent, fees, option payments, insurance proceeds, warranties, indemnities, late charges, principal, interest and any other amounts payable to the subject Corporation under or with respect to any Financing Document;

“Permitted Liens” means:

- (a) liens for Taxes, assessments and governmental charges due and being contested in good faith and diligently by appropriate proceedings (and for which adequate provision has been made);
- (b) servitudes, easements, restrictions, rights-of-way and other similar rights in real property or any interest therein, provided the same are not of such nature as to materially adversely affect the use of the property subject thereto by a Person;
- (c) Liens for Taxes either not due and payable or due but for which notice of assessment has not been given (and for which adequate provision has been made);

- (p) undetermined or inchoate Liens incidental to current construction or current operations and statutory Liens of any nature whatsoever claimed or held by any Governmental Entity that have not at the time been filed or registered against the title to the asset or served upon a Person pursuant to applicable Law or that relate to obligations not due or delinquent;
- (q) assignments of insurance provided to landlords (or their mortgagees) pursuant to the terms of any lease and Liens or rights reserved in any lease for rent or for compliance with the terms of such lease;
- (r) security given in the ordinary course of business to any public utility, municipality or government or to any statutory or public authority in connection with the operations of the business, other than security for Indebtedness;
- (s) the reservations in any original grants from the Crown of any real property or interest therein and statutory exceptions to title that do not materially detract from the value of the real property concerned or materially impair its use in the operation of the business; and
- (t) security given to Finance Providers;

“Person” includes any individual, firm, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

“PPSA” has the meaning ascribed thereto in Section 1.9;

“Pre-Amalgamation BCL” means Blue Chip Leasing Corporation, which amalgamated with Enable on September 30, 2014 to form Blue Chip;

“Pre-Closing Date Period” means the period from the date of this Agreement to and including the Closing Time;

“Proposed Reorganization” has the meaning ascribed thereto in Section 4.2(w);

“Purchase Money Indebtedness” means, with respect to any Person, all obligations of such Person (i) consisting of the deferred purchase price of any property, conditional sale obligations, obligations under any title retention agreement and other purchase money obligations, in each case, where the maturity of such obligation does not exceed the anticipated useful life of the property or (ii) incurred to finance the acquisition of such property, including additions and improvements;

“Purchase Price Adjustment” has the meaning ascribed to such term in Section 2.2(a)

“Purchased Securities” means, collectively, the Purchased Shares and the Shareholder Loans;

“Purchased Shares” means, together, the Blue Chip Purchased Shares and the EcoHome Purchased Shares;

“Purchaser Indemnified Party” has the meaning ascribed thereto in 6.2;

“Purchaser's Counsel” means McCarthy Tétrault LLP, or such other counsel as may be designated by the Purchaser;

“Referring Broker/Vendor” means a referring Financing Contract broker or a referring Financed Assets vendor or distributor, being a Person that refers a potential obligor to a Corporation or that offers Financed Assets to obligors through a program under which a Corporation leases the Financed Assets to, or provides a loan to, the obligor;

“Release” means any release, threatened release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material in the indoor or outdoor environment, including the movement of Hazardous Material through or in the air, soil, surface water, ground water or property;

“Share Purchase Price” has the meaning ascribed thereto in Section 2.2(a);

“Shareholder Loans” means, collectively, the Blue Chip Loan and the EcoHome Loan;

“Solvent” means: (i) the property of the subject Person is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due, (ii) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due; and (iii) such Person is not for any reason unable to meet its obligations as they generally become due;

“Subsidiary” means, with respect to a Person (other than an individual), another Person (other than an individual) that is directly or indirectly Controlled by such Person;

“Takeback Shares” has the meaning ascribed thereto in Section 2.2(b)(i);

“Tax” and **“Taxes”** means, with respect to any Person, (i) all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes (including goods and services or harmonized sales tax), transfer taxes, land transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, utility taxes, Canada Pension Plan (and any provincial pension plan) premiums, excise, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such Person, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing, and (ii) any liability of such Person for the payment of any amount of the type described in the immediately preceding clause (i) of another Person;

“Tax Act” means the *Income Tax Act* (Canada);

“Tax Returns” means all returns, declarations, reports, information returns and statements required to be filed with any taxing authority relating to Taxes (including any attached schedules), including any information return, claim for refund, amended return and declaration of estimated Tax;

“Third Party” has the meaning ascribed thereto in Section 6.9;

“Third Party Claim” has the meaning ascribed thereto in Section 6.7;

“Transactions” means the purchase and sale of the Purchased Securities and the other related transactions contemplated by this Agreement;

“TSX” means the Toronto Stock Exchange;

“Vendor Principals” means, Daniel and Ed;

“Vendor’s Counsel” means, Aird & Berlis LLP, or such other counsel as may be designated by the Vendor Principals; and

“Wittlin Executive Employment Agreement” means the employment agreement to be entered into between Daniel, Blue Chip, EcoHome and the Purchaser at or before the Closing, in form acceptable to Daniel and the Purchaser.

1.2 **Currency**

All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.3 **Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement. Unless otherwise indicated, all references to an article, section or other portion followed by a number and a letter refer to the specified article, section or other portion of this Agreement. The terms **“this Agreement”**, **“hereof”**, **“herein”**, **“hereunder”** and similar expressions refer to this Agreement as a whole and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.4 **Number and Gender**

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter.

1.5 **Date for Any Action**

In the event that any date on which any action is required to be taken hereunder by any party is not a Business Day, such action shall be required to be taken on or before the next succeeding day which is a Business Day.

1.6 Entire Agreement

This Agreement, the agreements and other documents herein referred to, which shall remain in full force and effect, constitute the entire agreement between the parties hereto pertaining to the transactions contemplated herein and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the terms of such transactions (including the letter of intent dated November 14, 2014 between the Purchaser, the Vendor, the Vendor Principals and certain shareholders of the Vendor).

1.7 Governing Law

This Agreement shall be governed by and be construed in accordance with the internal laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to conflicts of law rules, and shall be treated in all respects as an Ontario contract.

1.8 Knowledge

Any reference to the knowledge of a Person means to the knowledge of such Person (or if such Person is a corporation, to the knowledge of the senior officers or directors of such corporation), in each case, after due inquiry.

1.9 PPSA Terms

For the purposes of subsections 3.1(u) and 3.2(u), (i) certain terms used but not defined herein that are defined in the Personal Property Security Act (Ontario) (the “PPSA”) (by way of example, and not limitation, “**chattel paper**”, “**security interest**”, “**purchase money security interest**”, “**equipment**”, “**inventory**”, “**proceeds**”), and all such other terms used but not defined herein and having a definition in the PPSA shall have the meanings ascribed thereto under the PPSA and (ii) all references to the PPSA or any provisions thereof shall mean the PPSA or such cited provision thereof as adopted and in effect, including any predecessor or successor formulation thereof, at the time and in the jurisdiction relevant to the representation in which such term, or cited provisions thereof, is used or referred.

1.10 Schedules

The following are the schedules attached to and incorporated by reference in this Agreement:

Schedule 2.3	Escrow Agreement
Schedule 3.1(a)	Directors and Officers of Blue Chip
Schedule 3.1(d)	Consents
Schedule 3.1(j)	Absence of Certain Changes or Events
Schedule 3.1(n)	Material Agreements and Licenses
Schedule 3.1(o)	Major Suppliers and Customers
Schedule 3.1(r)	Intellectual Property
Schedule 3.1(aa)	Employee Plans
Schedule 3.1(cc)	Guarantees
Schedule 3.1(hh)	Real Property
Schedule 3.2(a)	Directors and Officers of EcoHome
Schedule 3.2(d)	Consents

Schedule 3.2(j)	Absence of Certain Changes or Events
Schedule 3.2(n)	Material Agreements and Licenses
Schedule 3.2(o)	Major Suppliers
Schedule 3.2(r)	Intellectual Property Rights of EcoHome
Schedule 3.2(aa)	Employee Plans
Schedule 3.2(cc)	Guarantees
Schedule 5.2(f)	Opinion of Purchaser's Counsel
Schedule 5.3(q)	Non-Compete Agreements
Schedule 5.3(r)	Right of First Refusal Agreement
Schedule 5.3(s)	Opinion of Vendor's Counsel

ARTICLE 2 ACQUISITION OF PURCHASED SECURITIES

2.1 Purchased Securities to be Sold and Purchased

- (a) Upon and subject to the terms and conditions hereof, at the Closing Time, the Vendor will sell the Purchased Shares to the Purchaser, and the Purchaser will purchase the Purchased Shares from the Vendor.
- (b) Upon and subject to the terms and conditions hereof, at the Closing Time, the Vendor will sell the Shareholder Loans to the Purchaser, and the Purchaser will purchase the Shareholder Loans from the Vendor.

2.2 Purchase Price for Purchased Shares

(a) *Purchase Price for the Purchased Shares*

The aggregate purchase price payable to the Vendor for the Purchased Shares (the "**Share Purchase Price**") will be comprised of a base equal to the amount determined by subtracting the purchase price for the Shareholder Loans in accordance with Section 2.3 from \$64,000,000 (the "**Base Price**"); (ii) any additional amounts (each, a "**Purchase Price Adjustment**") determined in accordance with Section 2.2(c); and (iii) any additional amount ("**Additional Purchase Price**") determined in accordance with Section 2.2(d). The parties acknowledge and agree that (i) the Base Price was determined to reflect a value of the Corporations based on a multiple of lower end forecast earnings for the Corporations; and (ii) the Share Purchase Price shall be increased in accordance with Sections 2.2(c) and Section 2.2(d) to reflect a higher valuation of the Corporations based on earnings exceeding the lower end forecasts.

(b) *Satisfaction of Base Price*

The Base Price will be satisfied as follows:

- (i) The Takeback Share Value (as defined below) of the Base Price will be satisfied on the Closing Date by the issue to the Vendor of the following Chesswood Shares (collectively, the "**Takeback Shares**"):

- A. 600,000 Chesswood Shares issued at a deemed issue price of \$11.50 per share;
- B. 400,000 Chesswood Shares issued at a deemed issue price per share equal to the per share offering price of the arm's length equity financing (if any) completed by the Purchaser during the period from the date of this Agreement up to and including the Closing Date, but if no such equity financing is completed during such period then the deemed issue price for the purposes of this clause B shall be \$11.50 per share; and
- C. A number of Chesswood Shares equal to the 10.25% Number (as defined below), issued at a deemed issue price per share equal to the lower of (i) \$11.50 and (ii) the 30-day volume weighted average trading price of the Chesswood Shares on the TSX for the period ending on the Business Day first preceding the Closing Date.

For purposes of this clause C, "10.25% Number" means such number of Chesswood Shares to be issued to the Vendor as will result in the Takeback Shares representing 10.25% of the aggregate number of Chesswood Shares outstanding after giving effect to (i) any Chesswood Shares to be issued pursuant to equity offering by the Purchaser during the Pre-Closing Date Period and (ii) the deemed exchange of all outstanding Class B and C shares of Chesswood US Acquisitionco Ltd. for Chesswood Shares.

"Takeback Share Value" means the aggregate deemed issue price for all of the Takeback Shares.

- (ii) \$3,400,000 of the Base Price (the "**Holdback Amount**") will be placed in escrow with the escrow agent under the Escrow Agreement to be used to satisfy the indemnification obligations to the Purchaser pursuant to Sections 6.2 and 6.3 of this Agreement. To the extent not claimed by the Purchaser pursuant to Section 6.2 of this Agreement, the Purchaser will pay the Holdback Amount allocable to the Blue Chip Purchased Shares (the "**Blue Chip Holdback Amount**"), being \$2,832,200, or 83.3%, of the Holdback Amount, to the Vendor eighteen (18) months after the Closing Date in cash. To the extent not claimed by the Purchaser pursuant to Section 6.3 of this Agreement, the Purchaser will pay the Holdback Amount allocable to the EcoHome Purchased Shares (the "**EcoHome Holdback Amount**"), being \$567,800, or 16.7%, of the Holdback Amount, to the Vendor eighteen (18) months after the Closing Date in cash. For greater certainty, the Holdback Amount is not intended to reduce the amount of indemnification claims that may be made by the Purchaser under Sections 6.2 and 6.3 of this Agreement or the Purchaser's ability to enforce such claims (whether as to timing or otherwise); and

- (iii) the balance of the Base Price will be satisfied on the Closing Date by payment to the Vendor in cash.

(c) *Purchase Price Adjustment*

- (i) If the NIBT for the twelve months ending on December 31, 2015 is at least 92.5% of \$7,400,000, the Purchaser shall pay to the Vendor the amount of \$4,000,000, but if the NIBT for the twelve months ending on December 31, 2015 is less than 92.5% of \$7,400,000, the Purchaser shall pay to the Vendor the greater of (i) nil, and (ii) \$4,000,000 multiplied by a fraction the numerator of which is the NIBT for the twelve months ending on December 31, 2015 and the denominator of which is 92.5% of \$7,400,000.
- (ii) If the NIBT for the twelve months ending on December 31, 2016 is at least \$7,650,000, the Purchaser shall pay to the Vendor the amount of \$2,000,000, but if the NIBT for the twelve months ending on December 31, 2016 is less than \$7,650,000, the Purchaser shall pay to the Vendor the greater of (i) nil, and (ii) \$2,000,000 multiplied by a fraction the numerator of which is the NIBT for the twelve months ending on December 31, 2016 and the denominator of which is \$7,650,000.

(d) *Additional Purchase Price*

- (i) With respect to the twelve months ending on December 31, 2017, the Purchaser shall pay to the Vendor an amount equal to the aggregate amount determined in accordance with the following formula, up to a maximum of \$20,000,000:

(NIBT for the twelve months ending on December 31, 2017 - \$12,000,000) x 10 x 0.25.

- (ii) Provided that the following conditions are met, the Purchaser may satisfy up to 50% of the Additional Purchase Price through the issue of Chesswood Shares ("**Additional Shares**"), at a deemed issue price per share equal to the ten day volume weighted average trading price of the Chesswood Shares preceding the issue date:

- A. the Purchaser is not in breach of the terms of this Agreement;
- B. the Purchaser is a reporting issuer in good standing in the Province of Ontario and is not included on the list of defaulting issuers pursuant to applicable securities Laws;
- C. the Chesswood Shares are listed on the TSX; and
- D. the Purchaser is in compliance with and in good standing with the TSX.

(e) *APP Financial Statements; Satisfaction of Additional Purchase Price*

- (i) Within 90 days from the end of the applicable 12 month period referred to subsection (c) or (d) above, the Purchaser shall prepare and deliver to the Vendor audited financial statements of the Corporations, such financial statements to be audited by the Purchaser's auditors (each, an "**APP Financial Statement**"). Each APP Financial Statement shall be prepared in accordance with ASPE.
- (ii) If the Vendor objects to the determination of a Purchase Price Adjustment or Additional Purchase Price in respect of a twelve month period as provided in an APP Financial Statement prepared pursuant to subsection (e) above (the "**Disputed Period**"), the Vendor shall give notice to the Purchaser no later than 10 Business Days after receipt of the APP Financial Statement. Any notice given by the Vendor shall set forth in detail the particulars of such objection. The Vendor and the Purchaser shall then use reasonable efforts to resolve such objection for a period of 30 days following the giving of such notice. If the matter is not resolved by the end of such 30 day period, then the determination of the Purchase Price Adjustment or Additional Purchase Price in respect of the Disputed Period shall be submitted by the Vendor and the Purchaser to an independent chartered accountant associated with an accounting firm of recognized national standing in Canada, which is independent of the Vendor and the Purchaser and which is not the Purchaser's auditors (the "**Independent Accountant**"). If the Vendor and the Purchaser are unable to agree on the Independent Accountant within a further 10 day period, either party may apply under the *Arbitration Act*, 1991 (Ontario) to have a court appoint the Independent Accountant. The Independent Accountant shall, as promptly as practicable, make a determination of the Purchase Price Adjustment or Additional Purchase Price (as may be applicable) for the Disputed Period based on the APP Financial Statement and written submissions of the Vendor and the Purchaser given by them to the Independent Accountant. The submissions of each party shall be disclosed to the other party and each other party shall be afforded a reasonable opportunity to respond thereto. The decision of the Independent Accountant as to Purchase Price Adjustment or Additional Purchase Price for the Disputed Period shall be final and binding upon the Vendor and the Purchaser. The Purchaser, on the one hand, and the Vendor, on the other hand, shall each pay one-half of the fees and expenses of the Independent Accountant with respect to the resolution of the dispute. The Purchaser shall satisfy the Purchase Price Adjustment or Additional Purchase Price in respect of a twelve month period through payment and, if applicable, share issuance within 10 Business Days following the delivery of the applicable APP Financial Statement to the Vendor or, if the Vendor disputes the amount of the Purchase Price Adjustment or Additional Purchase Price, then within 10 Business Days following final resolution of the disputed amount.
- (iii) Notwithstanding the foregoing provisions of this subsection (e), if prior to December 31, 2016 there is a sale out of the ordinary course of business (whether through one transaction or a series of transactions) of assets representing a majority of the consolidated assets of the Corporations (a "**Triggering Sale**") then (i) the Purchase Price Adjustment under clauses

(i) and (ii) of subsection (c) of this section shall be deemed to have been fully earned and (ii) payment of such Purchase Price Adjustment shall be made within 10 Business Days following completion of the Triggering Sale.

- (f) For purposes of subsections (c) and (d) above "**NIBT**" means, for the relevant period, the Corporations' aggregate normalized income before taxes based on the applicable APP Financial Statement. For greater certainty, (i) NIBT shall be the actual income before income taxes per the APP Financial Statement, adjusted to eliminate the effects, if any, of adjustments or charges as a result of structuring and accounting for the Transactions and any intercompany charges for overhead and management fees; (ii) the income earned by the Corporations from the portfolio of Northstar Leasing existing as of the Closing Date and any expenses incurred on behalf of such Northstar Leasing portfolio, if any, shall be excluded from the determination of NIBT; (iii) other than for purposes of item (iv) of subsection (c) above, the remuneration and benefit costs in respect of a President of Blue Chip (other than Daniel) and the business development executive currently employed by Northstar and expected to be employed by the Corporations shall be excluded from the determination of NIBT; and (iv) any net profit earned by the Purchaser in a 12 month period in respect of which NIBT is to be calculated for purposes of determining Additional Purchase Price pursuant to any actions taken in breach of Section 2.7(a) shall be included in the NIBT for such 12 month period. For the purposes of subsections (c) and (d), the Vendor and the Purchaser agree to discuss and negotiate in good faith any adjustments to NIBT which may be appropriate from time to time having regard to all relevant circumstances (including, without limitation, changes in the Corporations' costs of capital or letter of credit fees and any additional expenses incurred by the Corporations to the extent resulting from or relating to the Corporations Subsidiaries of the Purchaser).
- (g) The entitlement of the Vendor to either a Purchase Price Adjustment or Additional Purchase Price is not conditional on any of the Vendor Principals remaining as an employee for a fixed period.

2.3 Purchase Price for the Shareholder Loans

The purchase price payable for the Blue Chip Loan will be \$6,747,005.34. The purchase price payable for the EcoHome Loan will be \$1,000,000.

2.4 Three Year Contractual Escrow

The Takeback Shares will be subject to a three year contractual escrow to be documented in an escrow agreement (the "**Escrow Agreement**") in the form attached to this Agreement as Schedule 2.3 and to be based upon the following release schedule:

- (a) 50% of the Takeback Shares issued pursuant to Sections 2.2(b)(i)A and 2.2(b)(i)B shall be released on the second anniversary of the Closing Date and the balance of such Takeback Shares shall be released on the third anniversary of the Closing Date; and

- (b) the Takeback Shares issued pursuant to Section 2.2(b)(i)C shall be released on the first anniversary of the Closing Date.

2.5 Section 85 Election

The Purchaser agrees that it will execute and return within 45 days after the Closing Date a joint election prepared in prescribed form under Section 85 of the Tax Act (and any equivalent provision of any applicable provincial statute) (a “**Tax Election**”). The agreed amount in respect of any Tax Election shall be an amount that is within the permissible range of amounts as prescribed by Section 85 of the Tax Act (or the equivalent provision of the applicable provincial statute) and shall be determined by the Vendor in its sole and absolute discretion.

2.6 Allocation of Share Purchase Price.

No portion of the Share Purchase Price shall be allocable to the non-compete agreements required to be executed and delivered pursuant to Section 5.3(q) of this Agreement.

2.7 Purchaser’s Covenants with respect to the business of the Corporations.

The Purchaser agrees and covenants that, during the period commencing on the Closing Date and until December 31, 2017, it shall:

- (a) carry on all business in Canada that is the same as or similar to the business of either Corporation, through on or both of the Corporations; and
- (b) cause the Corporations to provide the Vendor and its authorized representatives with information as reasonably requested by the Vendor from time to time concerning the Corporations’ business, financial information, assets, liabilities and affairs.

2.8 Economic Interests of Vendor’s Shareholders

Vendor and Daniel acknowledge that the Purchaser desires that each of Ed’s and [REDACTED] economic interests be sufficiently aligned with the Purchaser’s economic interest. Accordingly, each of the Vendor and Daniel covenants that they will, as soon as practicable following Closing, take reasonable steps to cause each of Ed’s and [REDACTED] voting and equity interest in the Vendor, whether direct or indirect, to exceed 10% of all voting and equity interests in the Vendor.

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Commercially
Sensitive
Information

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties with respect to Blue Chip

The Vendor and Daniel hereby severally and jointly represent and warrant to and in favour of the Purchaser as follows and acknowledge that the Purchaser is relying upon such representations and warranties in entering into this Agreement and the Transactions:

- (a) *Organization and Good Standing* – Blue Chip has been duly amalgamated under the laws of Ontario. Blue Chip is validly subsisting, has not been dissolved, has

full corporate authority and capacity to own and lease, rent or loan its assets and properties and conduct its business as currently owned and conducted and is in good standing and up-to-date in all corporate filings. The directors and officers of Blue Chip are as set out in Schedule 3.1(a) to this Agreement.

- (b) *Capacity to Carry on Business* – Except to the extent that non-compliance therewith could not reasonably be expected (whether individually or in the aggregate) to have a Material Adverse Effect, (i) Blue Chip is duly licensed, registered and qualified to do business and to own and lease, rent or loan its assets and properties in each of the provinces of Canada and is in good standing in each jurisdiction in which the nature of its current business make such licensing, registration or qualification, as the case may be, necessary, and (ii) all licences, registrations and qualifications that Blue Chip requires are valid and subsisting and in good standing.
- (c) *No Violation* – The approval of this Agreement, the execution and delivery by the Vendor of its obligations hereunder and the Transactions, will not:
 - (i) conflict with, result in a violation or breach of, or give rise to any termination rights or payment obligation under any provision of:
 - A. the Charter Documents of Blue Chip, including any shareholder agreement or any other agreement or understanding with any party holding an ownership interest in Blue Chip;
 - B. any Law; or
 - C. any material license issued by any Governmental Entity to Blue Chip or any Material Agreement of Blue Chip (provided that in respect of those Material Agreements described in Schedule 3.1(d) under which a consent is required, such consent has been obtained);
 - (ii) give rise to any right of termination or acceleration of Indebtedness or cause any third party Indebtedness owing by Blue Chip to come due before its stated maturity or cause any available credit, bulk leasing or securitization facility to cease to be available on terms no less favourable to Blue Chip than those currently existing;
 - (iii) result in the imposition of any Lien upon any of the assets of Blue Chip or restrict, hinder, impair or limit the ability of Blue Chip to carry on its business as and where it is now being carried on or as and where it is currently contemplated that it will be carried on in the future; or
 - (iv) result in any payment (including severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any advisor, consultant or other service provider to Blue Chip under any Contract or to any director, officer, shareholder or employee of Blue Chip or increase any benefits otherwise payable under any Employee Plan of Blue Chip or result in the acceleration of time of payment or vesting of any such benefits.

- (d) *Consents* – Except as disclosed in Schedule 3.1(d), no consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or any other Person (for such other Persons, in respect of a Contract) is required to be obtained by Blue Chip or the Vendor in connection with the execution and delivery of this Agreement by the Vendor or the consummation by the Vendor of the Transactions.
- (e) *No Defaults* – Blue Chip is not in default under, and to the knowledge of the Vendor, there exists no event, condition or occurrence which, after the giving of notice or lapse of time or both, would constitute such a default or would give rise to a right of termination under any of Blue Chip's Charter Documents, any Material Agreement or any material license from a Governmental Entity, or under any Contracts or licenses (with respect to such other Contracts or licenses other than defaults which could not individually or in the aggregate reasonably be expected to have a Material Adverse Effect on Blue Chip) because of any action or omission, lapse of time or other reasons.
- (f) *Solvency, etc.* – Blue Chip is Solvent. Blue Chip has not filed (or, to the Vendor's knowledge, had filed against it) a petition for relief under the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), or analogous laws, committed an act of bankruptcy, proposed a compromise or arrangement to its creditors, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself wound-up, taken any proceeding to have a receiver appointed, had any encumbrancer take possession of any of its property or assets, had an execution or distress issued against it, had any of its property or assets levied, had a custodian appointed for any of its property, or, to the Vendor's knowledge, had any insolvency or receivership proceedings instituted by or against it.
- (g) *Outstanding Shares* –
 - (i) As of the date hereof there are, and at the Closing Time there shall be, 1180 common shares of Blue Chip (and no other shares in the capital of Blue Chip) issued and outstanding. The Vendor is, and as at the Closing Time will be, the legal and beneficial owner of all of the issued and outstanding shares of Blue Chip with good and marketable title thereto, free and clear of Liens.
 - (ii) Each of the Blue Chip Purchased Shares has been duly authorized and is validly issued and outstanding as a fully paid and non-assessable share.
- (h) *Other Securities* –
 - (i) Except as disclosed in the Disclosure Letter, there is not, nor at the Closing Time will there be, any options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) regarding the right to acquire any shares of capital stock or other ownership interests in Blue Chip or obligating Blue Chip to issue or sell any shares of, or other ownership interests in, Blue Chip or obligations of any kind convertible into or exchangeable for any shares of Blue Chip.

- (ii) There is not, nor at the Closing Time will there be, any stock appreciation rights, phantom equity or similar rights agreements, arrangements or commitments based upon the book value, income or any other attribute of Blue Chip.
 - (iii) There are no outstanding bonds, debentures or other evidences of Indebtedness of Blue Chip having the right to vote (or that are convertible for, or exercisable into, securities having the right to vote) with the holders of the shares in the capital of Blue Chip on any matter.
 - (iv) There are no outstanding contractual obligations of Blue Chip to repurchase, redeem or otherwise acquire any of its outstanding securities or with respect to the voting or disposition of any outstanding securities of Blue Chip.
- (i) *No Obligation to Acquire Securities* – Blue Chip does not own or have any obligations or agreement of any nature to acquire, directly or indirectly, any securities in the capital of, or other equity or proprietary interest in, any Person except as disclosed in the Disclosure Letter.
- (j) *Absence of Certain Changes or Events* – Blue Chip has in all material respects conducted its business only in the ordinary course of business consistent with past practice and there has not occurred since September 30, 2014:
- (i) any Material Adverse Change;
 - (ii) any material damage, destruction or loss, to the property, assets or undertaking of Blue Chip, whether covered by insurance or not, including any material impairment on any material right, property, franchise or licence of Blue Chip;
 - (iii) any redemption, repurchase or other acquisition of shares in the capital of Blue Chip, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any shares in the capital of Blue Chip. Notwithstanding the foregoing, the Purchaser hereby acknowledges that, subject to Section 5.3(x), Blue Chip is permitted to declare and pay dividends of up to \$2,400,000 during the Pre-Closing Date Period;
 - (iv) any issuance or sale of any securities convertible into or exchangeable for its debt securities, or any issuance or sale of options or other rights to acquire from its debt securities or any securities convertible into or exchangeable for any such debt securities with respect to Blue Chip;
 - (v) any resolution to approve a split, combination or reclassification of any outstanding shares or ownership interests in Blue Chip;
 - (vi) any increase in or modification of the compensation payable or to become payable by Blue Chip to any of its directors, officers, employees (other than to non-management staff, in the ordinary course of business and in accordance with past practice), or a Referring Broker/Vendor (other than

- in the ordinary course of business), or any grant to any such director, officer or employee of any increase in severance or termination pay;
- (vii) any increase in or modification of any bonus, pension, insurance or benefit arrangement (including the granting of stock options, restricted stock awards, stock appreciation rights or performance units) made to, for or with any of the directors, officers or employees of Blue Chip;
 - (viii) any acquisition or sale, assignment or transfer of its property or assets aggregating 5% or more of Blue Chip's total tangible property and assets as at September 30, 2014, other than Financed Assets and Financing Contracts acquired upon the wind up of BCL Limited Partnership, Financed Assets acquired pursuant to arrangements with Finance Providers, Financed Assets leased or rented to or financed for an Obligor by Blue Chip, or Financed Assets repossessed from an Obligor by Blue Chip in the ordinary course of business;
 - (ix) other than in the ordinary course of business, any incurrence, assumption or guarantee by Blue Chip of Indebtedness;
 - (x) other than in the ordinary course of business, any creation or assumption by it of any Lien on any property or assets of Blue Chip;
 - (xi) any capital contribution to or investment in any Person or, other than in the ordinary course of business, the making of any loan, advance or capital contribution to any Person;
 - (xii) any entering into, amendment of, relinquishment, termination or non-renewal by it of any material license with any Governmental Entity or any Material Agreement save and except for those amendments described in Schedule 3.1(j);
 - (xiii) any change in the accounting methods, principles or practices of Blue Chip; or
 - (xiv) any agreement, arrangement or understanding to take any action which, if taken prior to the date hereof, would have made any representation or warranty set forth in this Agreement materially untrue or incorrect.
- (k) *Title to Assets* – Except as otherwise disclosed in the Blue Chip Cash Flow and Finance Summary (as such term is defined in subsection (u) of this section), Blue Chip owns all of the property and assets reflected in its Corporations' Financial Statements or used by it or required to be used by it in connection with the ordinary course of its business, with good and marketable title thereto, including the right to use the names "**Blue Chip Leasing**" and "**Enable Capital**" and any and all similar and other trade names used by Blue Chip in the conduct of its business, all computer programs (both licensed by or developed for Blue Chip), customer lists, and all other intellectual property of Blue Chip, as well as all agreements entered into by Blue Chip, including broker agreements, vendor agreements, customer agreements, leasing, loan, rental and conditional sales agreements, securitization and bulk lease facility agreements and banking and

finance agreements, free and clear of Liens other than (i) the properties or assets disposed of or consumed in the ordinary course of business since the date of its Corporations' Financial Statements, (ii) Permitted Liens, and (iii) personal or real property leased or licensed to Blue Chip.

All of the tangible personal property of Blue Chip used by it in connection with its business excluding Financed Assets has been maintained in accordance with generally accepted industry practice and is, in all material respects, in good operating condition and repair, ordinary wear and tear excepted. All personal property leased by Blue Chip as lessee is, in all material respects, in the condition required of such property by the terms of the lease applicable thereto during the term of the lease and upon expiration thereof. There are no material Claims currently proceeding, pending or, to the knowledge of the Vendor, threatened against or affecting any of the material properties owned or leased by Blue Chip or the occupancy or use thereof by Blue Chip in law or in equity, which could reasonably be expected to affect the title or rights of occupancy and enjoyment by Blue Chip to any such property or any part of such property or the value of any such property or leasehold rights. The Purchaser acknowledges that the representations in this subsection do not apply to the Financed Assets other than when in the physical possession of Blue Chip, as applicable or any agent thereof.

- (l) *Blue Chip Financial Statements* – The Corporations' Financial Statements relating to Blue Chip have been (and any financial statement of Blue Chip provided to the Purchaser by or on behalf of the Vendor during the Pre-Closing Date Period will have been) prepared in accordance with ASPE applied on a consistent basis (subject to, in the case of unaudited financial statements, the absence of notes and to usual recurring year-end adjustments, none of which, singularly or taken together, are material to Blue Chip) and the requirements of applicable Governmental Entities; such Corporations' Financial Statements present (and any such other financial statements will present) fairly, in all material respects, the financial position and results of operations of Blue Chip as of the respective dates thereof and for the respective period covered thereby and reflected (and will reflect) appropriate and adequate reserves in respect of contingent liabilities, if any, as reasonably determined by management of Blue Chip. The Purchaser acknowledges that the Corporations' Financial Statements in respect of Blue Chip do not reflect the \$120,000 distributed by it in order to fund the purchase of Murray Derraugh's beneficial interest in Blue Chip or Blue Chip's liability in respect of deferred Taxes.

- (m) *Absence of Undisclosed Liabilities* – Blue Chip does not have any obligations or liabilities of any nature (matured or unmatured, fixed or contingent) other than:
 - (i) future income Taxes;
 - (ii) those set forth or adequately provided for in its Corporations' Financial Statements; and
 - (iii) those incurred thereafter in the ordinary course of business.

- (n) *Material Agreements and Licenses* – True and complete copies of all licenses from Governmental Entities and all Material Agreements of Blue Chip or, where such Contracts or licenses are oral, true and complete written summaries of the terms thereof, have been furnished to the Purchaser including, without limitation, those Material Agreements described in Schedule 3.1(n) or as disclosed in the Disclosure Letter. Neither Blue Chip nor any other party thereto is in material default or breach of, in any respect, nor has Blue Chip received any notice of default or termination under, any such Contract or license, the termination of which could reasonably be expected to have a Material Adverse Effect or to constitute a Material Adverse Change and, to the knowledge of the Vendor, there exists no state of facts which after notice or lapse of time or both would constitute such a material default or breach or would give rise to a right of termination, revocation, suspension, cancellation, prevent the renewal of or limit any such Contract or licence. Blue Chip is not a party to any Contract not made in the ordinary course of business or which creates liabilities or obligations which are not in the ordinary course of business or which involves any obligation or entitlement in excess of \$50,000.
- (o) *Major Suppliers* – Schedule 3.1(o) sets forth a comprehensive listing, as of the date of this Agreement, of each supplier of goods and services to Blue Chip to whom or by whom Blue Chip paid or was billed in excess of \$100,000 in the aggregate during the twelve-month period ended September 30, 2014. Blue Chip has not received written notice that any such supplier has any intention to change its relationship or the terms upon which it conducts business with Blue Chip.
- (p) *Books and Records* – The books, records and accounts of Blue Chip (i) have been maintained in accordance with good business practices, (ii) are stated in reasonable detail and accurately and fairly reflect in all material respects the transactions (including leasing, rental or loan transactions) and dispositions of the assets of Blue Chip, and (iii) accurately and fairly reflect the basis for its Financial Information. Blue Chip has devised and maintains a system of internal accounting controls sufficient to provide reasonable assurances that (x) transactions are executed in accordance with management's general or specific authorization, and (y) transactions are recorded as necessary (A) to permit preparation of its financial statements in conformity with ASPE or any other criteria applicable to such statements, and (B) to maintain accountability for assets.
- (q) *Litigation, etc.* – There is no material Claim currently proceeding, pending or, to the knowledge of the Vendor, threatened against or relating to Blue Chip or affecting any of its properties, licenses or assets before any court or other Governmental Entity, nor to the knowledge of the Vendor is there any basis for any such Claim, action, proceeding or investigation. To the Vendor's knowledge, neither Blue Chip nor its respective assets and properties are subject to any outstanding judgment, order, writ, injunction or decree. There is no material Claim by Blue Chip against any Person, nor is any such material Claim pending or threatened.
- (r) *Intellectual Property Rights* –

- (i) Schedule 3.1(r) contains a list of all of the properties which form a part of Blue Chip's Intellectual Property.
 - (ii) Blue Chip does not have any registered trademarks.
 - (iii) The Intellectual Property of Blue Chip has not been used or enforced, or failed to be used or enforced, in a manner that would result in, or provide any basis for, a default by, or a material reduction or material dilution of the rights of, Blue Chip pursuant to any agreements or licences entered into by, or issued to, Blue Chip in respect of any of such Intellectual Property. Blue Chip has not taken any action it is prohibited from taking, or failed to take any action it is required to take, that would result in, or provide any basis for, a default by, or a material reduction or dilution of the rights of, Blue Chip pursuant to any agreements or licences entered into by Blue Chip, in respect of any of its respective Intellectual Property. The failure by Blue Chip to apply for or obtain registered trademarks in respect of its Intellectual Property shall not constitute a material reduction or dilution of Blue Chip's rights in respect of its Intellectual Property.
 - (iv) To the Vendor's knowledge, there has been no claim of any infringement or breach of any Intellectual Property of any other Person by Blue Chip, and Blue Chip has not received any notice that Blue Chip is infringing upon or breaching any Intellectual Property rights of any other Person. To the knowledge of the Vendor, there has been no infringement or violation of any of the Intellectual Property rights of Blue Chip by other Persons.
 - (v) Blue Chip owns all right, title and interest in and to the website domain names referred to in Schedule 3.1(r) and has effected all registrations and filings necessary to preserve and protect its rights in and to such website domain names.
 - (vi) Blue Chip has granted to one of its Referring Broker/Vendors the right to use the name "Blue Chip".
- (s) Tax Matters –
- (i) Blue Chip has filed, or caused to be filed, all Tax Returns required to be filed by it on a timely basis (all of which returns were correct and complete in all material respects), and has made adequate provision in its books and records for any Taxes accruing in respect of any period subsequent to the period covered by its Corporations' Financial Statements. Since the date of its Corporations' Financial Statements, no material Tax liability not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, including with respect to Tax credits or analogous rights or incentives previously claimed or utilized by Blue Chip other than in respect of Blue Chip's deferred Tax liability which is not reflected in the Corporations' Financial Statements.
 - (ii) All Taxes owed by Blue Chip (whether or not shown on any Tax Return) have been paid, other than Taxes the payment of which is not yet due or

which, if due, are not yet delinquent or are being contested in good faith or have not been finally determined and for which adequate reserves have been established in accordance with ASPE.

- (iii) Except as reserved in its Corporations' Financial Statements, Blue Chip has not received any written notification that any material issues have been raised by the Canada Revenue Agency or any other taxing authority in any jurisdiction, including any sales tax authority, in connection with any of its Tax Returns, including with respect to tax credits or other analogous rights or incentives previously claimed or utilized by Blue Chip, and no waivers of statutes of limitation have been given or requested with respect to Blue Chip. Except for Blue Chip's deferred Tax liability and as otherwise reserved in its Corporations' Financial Statements, there are no material proposed (but unassessed) additional Taxes relating to Blue Chip and none have been asserted. No Tax Liens have been filed against Blue Chip or any of its property or assets. To the knowledge of the Vendor, no Claim has ever been made by any Governmental Entity in a jurisdiction where Blue Chip does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.
- (iv) Blue Chip has properly withheld and timely paid all Taxes required to have been withheld and paid and has complied with all information reporting and backup withholding requirements.
- (v) The Vendor has delivered or made available to the Purchaser correct and complete copies of all Tax Returns, examination reports and statements of deficiencies assessed against, or agreed to, by Blue Chip since September 30, 2012.
- (vi) Blue Chip has not made any payments, is not obligated to make any payments, and is not a party to any agreement that will obligate it to make payments that would result in a non-deductible expense under the Tax Act as a result of the Transactions. Blue Chip has not agreed to and is not required to make by reason of a change in accounting method, and to the Vendor's knowledge, Blue Chip could not be required to make by reason of a proposed or threatened change in accounting method, any adjustment under the *Tax Act*. Blue Chip is not subject to any ruling from and has not entered into any agreement with a Governmental Entity in respect of Taxes. Blue Chip has no liability for the Taxes of another Person. Blue Chip will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period or portion thereof ending after the Closing Date as a result of any installment sale or prepaid amount received by Blue Chip. Blue Chip is not a party to any Tax allocation, Tax sharing, Tax indemnification or similar agreement.
- (vii) Blue Chip is not a party to any joint venture, partnership or other arrangement that is treated as a partnership for Tax purposes. Blue Chip does not have a permanent establishment in any foreign jurisdiction for purposes of any income Tax treaty.

(t) *Non-Arm's Length Transactions –*

- (i) Except for the Shareholder Loans and employment or management compensation/administration fees reflected in its Corporations' Financial Statements, Blue Chip has not made any payments or loaned to or borrowed any monies from or is otherwise indebted to, any Non-Arm's Length Party.
- (ii) Save and except as disclosed in the Blue Chip Financing Contracts Summary (as hereinafter in subsection (u) below) and payments made to Asset Services Inc. in the ordinary course of business and as further disclosed in the Disclosure Letter, Blue Chip is not a party to any Contract with any Non-Arm's Length Party.

(u) *Financing Contracts –*

For the purposes of this section:

"Blue Chip Closing Report" means the Blue Chip Financing Contracts Summary generated by Blue Chip and provided to the Purchaser on Closing for all active Financing Contracts of Blue Chip as of January 31, 2015; and

"Blue Chip Financing Contracts Summary" means with respect to Blue Chip's Financing Contracts, a summary of each of the following: (a) the date of the Financing Contract; (b) the legal name of the Obligor and any party who has provided Credit Enhancement for the obligations; (c) the term (with respect to certain Financing Contracts); (d) a general description of the Financed Assets; and (e) the original cost of the Financed Assets (with respect to certain Financing Contracts).

- (i) The Purchaser has been provided with accurate and complete copies of the current standard forms of Financing Documents and other material documentation (together with the standard forms used prior to the most recent major revision of such standard forms) maintained by Blue Chip. In all material respects, the Financing Documents entered into by Blue Chip with its Obligors utilize Blue Chip's standard forms as they were constituted on the dates such Financing Documents were executed and no others save and except for Financing Documents which are in form and content consistent with Blue Chip's contractual requirements for Financing Documents. Blue Chip is noted as lessor, lender or owner or assigned lessor, lender or owner on all such Financing Contracts, other than as disclosed in the Blue Chip Financing Contracts Summary. True and complete copies of all Financing Documents and agreements entered into in connection with the Financing Contracts of Blue Chip have been made available to the Purchaser.
- (ii) To the knowledge of the Vendor, (A) each Financing Contract of Blue Chip arises from a bona fide lease, rental, loan or sale of the Financed Assets described therein in the ordinary course of Blue Chip's business; (B) such Financing Contract is an operating lease, rental or loan or a finance lease, rental or loan by Blue Chip of Financed Assets described

therein (unless otherwise set out in the Blue Chip Financing Contracts Summary); and (C) other than in the ordinary course of business, none of the Obligors in respect of such Financing Contract has been released in whole or in part from its liability thereunder or is otherwise immune from any legal-action suit or proceeding. Such Financed Assets have been delivered to and accepted by the Obligors without qualifications and no further services with respect to the Financed Assets (other than manufacturer warranty claims) are incorporated as part of the Financing Contract. No continuing obligation arising under any agreement or applicable Law exists with respect to such Financed Assets (except for any obligation that has been fully and indefeasibly performed or discharged), whether by Blue Chip or any other Person affiliated with Blue Chip, that could either (1) render any agreement by any Obligor void or voidable, or otherwise limit or impair Blue Chip's rights or remedies under or with respect to such Financing Contract (including Blue Chip's absolute and unconditional right to receive, or its ability to collect, all rents and other payments provided for thereunder) or the related Financed Assets, or (2) give rise to any responsibility, duty or liability of Blue Chip to any Obligor or any other Person. By way of example, and not limitation, no services are to be provided, nor are any other undertakings to be performed or complied with by Blue Chip with respect to any of such Financed Assets, including any of the same that could have an impact on the value or utility of such Financed Assets or the enforceability of any Financing Contract related thereto.

- (iii) To the knowledge of the Vendor, such Financing Documents have been duly executed and delivered by all parties thereto and the parties have all the legal capacity, power and rights required for each such party to enter into such Financing Documents and any agreements supplemental thereto, and to perform each such party's respective obligations thereunder.
- (iv) To the knowledge of the Vendor, the Payment obligations of each Obligor to Blue Chip (after giving effect to the transactions contemplated herein) and Blue Chip's right to receive, pursuant to any Financing Contract and any related Financing Document, amounts constituting rent, principal, interest, late charges, insurance charges and other fees, casualty or other accelerated Payments or prepayments, liquidated or other damages or other Payments (mandatory or otherwise), in accordance with the applicable terms thereof, shall be absolute, irrevocable, independent, and unconditional and shall not be subject to any abatement, reduction, withholding, setoff, defense (including any immunity from suit), or recoupment for any reason or under any circumstance whatsoever; and with respect to each Financing Contract, and the related Obligor's Payment and other obligations thereunder, no such Financing Contract is cancellable or terminable by such Obligor, or otherwise permits voluntary prepayment by such Obligor. Blue Chip is not in breach of or default under any Financing Document to which it is a party.
- (v) To the knowledge of the Vendor, each such Financing Document is a genuine, valid and binding obligation of the parties thereto, enforceable in

accordance with its terms accurately describes the Financed Assets covered thereby and the payments due thereunder, and accurately reflects the terms of the arrangement with each Obligor.

- (vi) To the knowledge of the Vendor, Blue Chip has not done anything that might impair either the value of any of such Financing Contracts or any of the rights of the parties thereto or to the Financed Assets or the Payments other than in the ordinary course of business.
- (vii) Blue Chip has, in all material respects, complied with its policies, and the requirements of its Finance Providers, in respect of maintaining, or causing to be maintained, insurance on such Financed Assets.
- (viii) To the knowledge of the Vendor, except as set out in the Disclosure Letter, there exists no breach by an Obligor of any of its obligations under such Financing Documents to make payments in accordance with the Financing Contract (the "**Payment Obligations**") and to the knowledge of the Vendor, there has not been any breach by any Obligor of any obligations under such Financing Documents or of any event which with the passage of time or giving notice or both would become a default of the Payment Obligations under the terms of such Financing Documents other than in the ordinary course of business. The Vendor has no knowledge of any fact that may impair such Financing Documents' validity.
- (ix) With respect to each such Financing Contract, to the knowledge of the Vendor, (A) either (1) Blue Chip has good title to the related Financed Assets (save and except for Financed Assets which are leasehold improvements, fixtures or software), or (2) the Obligor named therein has agreed to provide Blue Chip with a security interest in such Financed Assets; (B) the related Financed Assets are free and clear of all Liens except for Permitted Liens (including the rights of Blue Chip and the named lessee thereof); and (C) Blue Chip has taken, at its expense, all necessary steps from time to time to preserve its good and unencumbered title to the related Financed Assets and file a financing statement under the PPSA in all applicable provinces for each Financing Contract in respect of which such filing is required to comply with the requirements of Finance Providers (and, in any event, whether or not required by the Finance Providers, where the Financed Assets have an original cost in excess of \$15,000 save and except for Financing Contracts in respect of leasehold improvements, fixtures or software).
- (x) To the knowledge of the Vendor, save and except for the rights of Finance Providers and revenue sharing arrangements with Referring Brokers/Vendors, Blue Chip possesses and has good and marketable title to (i) the full rights and benefits of any Payment due by an Obligor under each Financing Document; (ii) all present and future payments due or to become due under each Financing Document; (iii) all proceeds relating to each Financing Document and the Financed Assets relating thereto; (iv) the full benefit of all covenants and all waivers, releases, indemnities and other obligations of each Obligor under each Financing Document; (vi) all

other rights and remedies under each Financing Document; (vi) the full benefit of all Credit Enhancements relating to each Financing Contract; and (vii) the full benefit of all subsisting manufacturer's warranties and warranties of suppliers or maintenance, if any, and to the extent same are transferable by the Obligor to Blue Chip, related to the Financed Assets.

- (xi) To the knowledge of the Vendor, except for sale and leaseback arrangements, (A) Blue Chip has purchased the Financed Assets subject to Financing Contracts directly from the vendor of the Financed Assets, which purchase is evidenced by either an invoice or purchase order in the name of Blue Chip (or the Referring Broker/Vendor and assigned to Blue Chip) or a bill of sale noting Blue Chip (or the Referring Broker/Vendor and assigned to Blue Chip) as purchaser and (B) none of the vendors of the Financed Assets is the Obligor or an Affiliate or the Obligor. To the knowledge of the Vendor, with respect to sale and leaseback arrangements, the lessee did not purchase the Financial Assets subject to the Financing Contract directly from any Non-Arm's Length Party.
- (xii) To the knowledge of the Vendor, except for leasehold improvements, all of the Financed Assets are personal property and do not constitute a fixture or an accession under the applicable Laws of any jurisdiction where such Financed Assets are or may be located.
- (xiii) To the knowledge of the Vendor, except as modified under limited circumstances for purposes of facilitating collection efforts, in all material respects the Financing Contracts require the Obligor to make payment to Blue Chip utilizing Preauthorized Payments (PAP).
- (xiv) The Blue Chip Financing Contracts Summary sets out the payments required to be made under each Financing Contract on the dates shown thereon, and the timing. The Blue Chip Financing Contracts Summary is accurate and complete in all material respects and the payment histories maintained in respect of each Financing Contract reflect therein are materially correct and accurate. Other than partial prepayments, the aggregate value of which is not material, made in the ordinary course of business, or except as set out in the Blue Chip Financing Contracts Summary, no amounts have been prepaid on the Financing Contracts reflected therein. All such payment histories have been made available to the Purchaser.
- (xv) Blue Chip's files in respect of its Financing Contracts accurately reflect the status thereof, as represented in this Agreement, including with respect to (A) all amounts payable thereunder, (B) any notices received from any Obligor or sent to any Obligor and (C) any and all other matters pertaining to (1) the collectability by Blue Chip of rents or other Payments under, or the enforceability of, such Financing Documents in accordance with their respective terms, (2) Blue Chip's ownership free and clear of Liens of Blue Chip (other than Permitted Liens) in any of the related Financed Assets, (3) insurance of any such Financed Assets or (4) any other event or circumstance that could impair any of Blue Chip's rights or protections relating thereto, or result in any liability, responsibility or risk to

Blue Chip with respect thereto, and such files are otherwise complete in all material respects.

- (xvi) With respect to the Financing Documents relating to a Financing Contract of Blue Chip, to the knowledge of the Vendor, the entire agreement between any and all Obligor thereunder and Blue Chip, and except with respect to collection efforts or other arrangements made with Obligor in the ordinary course, Blue Chip has not made any agreement, amendment, modification or waiver, or reached any understanding or pursued any course of conduct or servicing policy with any of the Obligor in respect of such Financing Contract with respect to, or which would reasonably be expected to lead to, any variation from the terms of such Financing Documents relating to (A) a release of any Obligor from its Payment obligations thereunder or limiting the recourse of Blue Chip to such Obligor with respect to such Payment obligations, (B) the scheduled rental and other Payment dates and amounts in respect of such Financing Contract, (C) the term of such Financing Contract, (D) the release of, exchange, or upgrade of any Financed Assets that are subject to such Financing Contract or (E) any other term or condition in a manner (including regarding the insurance or leasing of any Financed Assets) which materially and adversely affects Blue Chip's ability to enforce, collect or realize upon such Financing Contract or the Financed Assets or other property subject to such Financing Contract or materially increases any obligation, burden or risk of Blue Chip under or with respect to such Financing Contract or the related Financing Documents or Financed Assets.
- (xvii) Except as otherwise disclosed in the Blue Chip Financing Contracts Summary, to the knowledge of the Vendor, no Financing Contract of Blue Chip (i) is in excess of \$100,000, (ii) is with a party who is not a resident of Canada, or (iii) has an original term in excess of 66 months.
- (xviii) To the knowledge of the Vendor, no Financing Contract of Blue Chip is with an Affiliate of Blue Chip or a director, officer, employee or agent of Blue Chip save and except with respect to Financing Contracts with Equilease Corporation. Each Financing Contract entered into by Blue Chip complies in all material respects, and Blue Chip has complied in all material respects, with the required terms and procedures in respect thereof mandated by the Finance Providers. In addition, and whether or not so required by the Finance Providers, Blue Chip has filed a financing statement under the applicable provisions of the PPSA where the original cost of the Financed Assets exceeds \$15,000 (except for Financing Contracts in respect of leasehold improvements and software), and has obtained and documented its acceptance and delivery confirmations.
- (xix) Under the terms of Blue Chip's Financing Contract:
 - A. except as otherwise provided in the Blue Chip Financing Contracts Summary, no Obligor has any options with respect to the Financed Assets under the Financing Contract or, other than Financing Contracts structured as a loan (which are open for

prepayment at any time without penalty), other rights to terminate the Financing Contract prior to the expiry of its term;

- B. in all material respects, the governing Law of the Financing Contracts and the related Financing Documents, as expressly acknowledged and agreed to by all parties thereto, are the Laws of Ontario, and the stipulated exclusive choice of forum in each such Financing Document includes the applicable courts in Ontario;
 - C. the rights and benefits thereof may be freely assigned by Blue Chip;
 - D. Blue Chip has no material obligations other than to provide quiet enjoyment and convey title on the exercise of a purchase option;
 - E. Blue Chip has not made to any Obligor any representations or warranties, express or implied, as to the condition of the Financed Asset, its merchantability, its fitness or suitability for any particular purpose, its design, its capacity, its quality or with respect to any characteristics of the Financed Asset that is the subject of a Financing Contract;
 - F. each Obligor that is an individual has given all required consents for the disclosure of such Obligor's personal information; and
 - G. each Obligor has consented to the disclosure of such Obligor's confidential information as deemed necessary by Blue Chip for purposes of considering the Obligor's application and thereafter to monitor and enforce compliance with Financing Documents.
- (xx) No Obligor, or group of Obligors who are not at arm's length (as such term is used in the Tax Act), has Financing Contracts reflecting in aggregate more than \$1,500,000 of gross lease receivables.
- (xxi) Blue Chip does not have any knowledge of the intention of any of Blue Chip's Referring Brokers/Vendors to either discontinue, or change in any material way adverse to Blue Chip, such Person's relationship with Blue Chip (including through referring less business or only referring more restrictive types of Financing Contract opportunities to Blue Chip).
- (xxii) With respect to Blue Chip's conduct of its equipment finance business, to the knowledge of the Vendor, Blue Chip has, in all material respects, complied with all Laws, including (i) privacy laws, (ii) usury laws and (iii) all Laws requiring disclosures, limiting or prohibiting any fees, interest or other charges, or notices to any credit applicant or any Governmental Entity, and any and all other Laws relating to Blue Chip's business.
- (v) *Employees, etc.* – The Disclosure Letter includes a complete and accurate list of:

- (i) the names, titles and annual compensation entitlements and other compensation entitlements (including non-cash fringe benefits in excess of \$500 per annum) of all individuals who are employed or engaged by Blue Chip on a full or part-time basis and all Persons (other than lawyers and external chartered accountants) who provide consulting or other services to Blue Chip on a full or part-time basis, including all individuals who may be considered to be employees of Blue Chip pursuant to applicable Law or equity, notwithstanding that they may have been laid off or terminated or on a short term, long term or parental leave, together with the location of their employment; and
- (ii) the date each such Person was hired or retained by Blue Chip.

The Purchaser has been provided with copies of any Contracts for the employment or engagement of any officer, director, consultant or employee of Blue Chip.

- (w) *Continued Services* – Blue Chip has not entered into any agreement or made any arrangements with any of its employees or service providers which could reasonably be expected to have the effect of depriving Blue Chip of the continued services of any such Persons following the Closing Date. To the knowledge of the Vendor, none of the employees of Blue Chip currently intends to resign their employment.
- (x) *Termination Rights* – The employment of all employees of Blue Chip may be terminated at any time without the payment of any consideration, except as may be required by applicable Law.
- (y) *Employee Payments* – Blue Chip has paid to the date of this Agreement all amounts due and payable on account of salary, fees, bonus payments, commissions and all other remuneration and other payment obligations to or on behalf of any and all of their respective employees, and the Financial Information properly reflects all required accruals, whether for vacation pay or otherwise.
- (z) *Labour Matters* –
 - (i) Blue Chip is not a party to any collective bargaining agreement nor subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement nor are there any current, pending or, to the knowledge of the Vendor, threatened strikes or lockouts at Blue Chip or any charge of unfair labour practice (other than routine individual grievances). Blue Chip has not experienced during the last three years any work stoppage.
 - (ii) There are no material Claims for wrongful dismissal, constructive dismissal or any other material Claim, actual, pending or, to the knowledge of the Vendor, threatened, or any litigation, actual or, to the knowledge of the Vendor, pending or threatened, relating to employment or termination of employment of employees or independent contractors.

- (iii) Blue Chip has, in all material respects, operated in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, pay equity, workers' compensation, human rights and labour relations and there are no current, pending or, to the knowledge of the Vendor, threatened proceedings before any Governmental Entity with respect to any employment or labour matters.
- (aa) *Employee Plans* – Blue Chip does not maintain any Employee Plans other than as set out in Schedule 3.1(aa).
- (bb) *Compliance with Laws; Investigations* – To the knowledge of the Vendor, Blue Chip has not been in violation of any applicable Laws, injunctions, orders, arbitral awards, judgments or decrees, except to the extent that non-compliance, whether alone or all taken together, does not and could not reasonably be expected to have a Material Adverse Effect. Neither Blue Chip nor any of its current directors, officers, or employees, nor to the knowledge of the Vendor, any former director, officer or employee has been charged, or to the knowledge of the Vendor, have been under active investigation in the last twelve months by any Governmental Entity (including the Canada Revenue Agency or any taxing authority in any jurisdiction, including any sales tax authority) in connection with any actual or alleged violation of any Law that may directly or indirectly relate to or adversely upon Blue Chip.
- (cc) *Guarantees* – Except as disclosed in Schedule 3.1(cc), Blue Chip has not given or agreed to give, nor is it a party to or bound by, any guarantee of Indebtedness, indemnity or suretyship of other obligations of any Person, nor is it contingently responsible for such indemnity, suretyship or obligation.
- (dd) *Restrictions on Business Activities* – There is no Contract, and there is no arbitral award, judgment, injunction, order or decree, binding upon Blue Chip that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of Blue Chip, any acquisition or disposition of property by Blue Chip or the conduct of business by Blue Chip as currently conducted.
- (ee) *Rights of Other Persons* – Except for the rights of Obligors under a Financing Contract and revenue sharing arrangements with Referring Broker/Vendors or as disclosed in the Disclosure Letter, no Person has any right of first refusal or option to purchase or any other right of participation in any of the material properties owned by Blue Chip, or any part thereof, nor is any Person entitled to any material rebate, refund, payment, credit or other benefit in the event that any product or service provided by Blue Chip fails to achieve specified results, a specified level of performance or other criteria.
- (ff) *Payment of Liabilities* – Blue Chip at all times has paid, satisfied and discharged its obligations and liabilities in the ordinary course of business.
- (gg) *Insurance* – Blue Chip maintains such policies of insurance, issued by responsible insurers, as are, to the Vendor's knowledge, appropriate to its business, property and assets (including liability insurance), in such amounts and

against such risks and subject to such deductibles as are, to the Vendor's knowledge, customarily carried and insured against by owners of comparable businesses, properties and assets. The proceeds of such policies are fully payable to Blue Chip (except as such proceeds may have been assigned by way of security to Finance Providers, in their capacities as such). The Purchaser has been provided with a true and complete list setting forth all insurance policies now in full force and effect (specifying the insurer, the amount of the coverage, the type of insurance, the amount of deductible, if any, the policy number and any pending claims thereunder) maintained by Blue Chip and true and complete copies of the most recent inspection reports, if any, received from insurance underwriters as to the condition of the assets of Blue Chip. All such policies of insurance are in full force and effect and in good standing, and will continue to be so until the Closing Time. Blue Chip is not in default, whether as to the payment of premium or otherwise, under the terms of any such policy, nor has Blue Chip (i) failed to give any notice or present any claim under any such insurance policy in due and timely fashion or (ii) received notice or otherwise became aware of any intent of an insurer to either claim any default on the part of Blue Chip or not to renew any policy of insurance on its expiry or to materially increase any deductible or cost. There is no reason to believe that any such policies would not continue to be renewed in the ordinary course and at consistent premiums after completion of transactions contemplated by this Agreement.

(hh) *Real Property* –

- (i) Blue Chip does not own any real property.
- (ii) Disclosed in Schedule 3.1(hh) is a complete and accurate list of all Leases of Blue Chip which are now in force and any amendments, extensions and additions thereto to which Blue Chip is a party, by which it is bound, or in respect of which it is entitled to benefit. Accurate and complete copies of all of such Leases and of any and all material amendments, extensions and additions thereto have been delivered to the Purchaser. Such Leases are valid, binding and enforceable in accordance with their terms subject to bankruptcy and equitable remedies and such Leases are in good standing on the part of Blue Chip. Such Lease is in full force and effect and has not been assigned, modified, supplemented or amended, and neither Blue Chip nor, to the knowledge of the Vendor, the landlord under any such Lease is in default under any such Lease.

- (ii) *Expropriation* – No part of the property or assets of Blue Chip (whether leased or owned) has been taken, condemned or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor does the Vendor have any knowledge of any intent or proposal to give such notice or commence any such proceedings.

- (jj) *Minute Books* – The minute books of Blue Chip contain complete copies of its Charter Documents. To the knowledge of the Vendor (i) there are no applications or filings outstanding or intended to be made which would alter in any way the Charter Documents or corporate status of Blue Chip; (ii) no resolutions or by-laws have been passed, enacted, consented to or adopted by the directors (or

any committee thereof) or shareholders of Blue Chip, except those contained in such minute books and all resolutions and by-laws have been authorized as required by applicable Law, (iii) all present and former directors and officers were duly elected or appointed; (iv) the corporate records of Blue Chip have been maintained in accordance with all applicable Laws and are complete and accurate in all respects; and (v) all share certificate books, registers of shareholders and registers of transfers are complete and accurate in all respects.

(kk) *Adequacy of Assets* – The assets (including the Intellectual Property) owned, licensed and leased by Blue Chip include all of the assets reasonably necessary to conduct its business. Blue Chip does not require any additional fixed assets, consents, waivers or rights in order to enable it to continue carry on its respective business immediately after the Closing Time in the same manner and in each of the jurisdictions as currently carried on by it.

(ll) *Environmental* –

(i) Blue Chip

- A. has obtained and currently holds all material approvals and authorizations from all Governmental Entities which are required under all Environmental Laws;
- B. is in material compliance with all Environmental Laws and all terms and conditions of all material approvals from all Governmental Entities;
- C. has not received any order, request or notice from any Person alleging a material violation of any Environmental Laws; and
- D. is not a party to any litigation or administrative proceeding, nor so far as the Vendor is aware, is any litigation or administrative proceeding threatened against it or its property or assets, which in either case (1) asserts or alleges that it violated any Environmental Law, (2) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the Release of any hazardous substances, or (3) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Release of any hazardous substances.

(ii) The Vendor has no knowledge of any conditions existing currently or likely to exist which could reasonably be expected to subject Blue Chip to damages, penalties, injunctive relief or cleanup costs under any Environmental Law or which require or are likely to require cleanup, removal, remedial action or other response pursuant to applicable Environmental Law by it.

(iii) Blue Chip is not subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Law and has not been

named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Law.

- (iv) To the knowledge of the Vendor, Blue Chip (A) has not used, owned, operated, occupied or managed, had charge of or control over, now or in the past, any real property that is not free of contamination from any Hazardous Material except for such contamination that could not reasonably be expected to adversely impact the value or marketability of such real property and which could not reasonably be expected to result in Environmental Liabilities, (B) has not caused, suffered or permitted to occur any Release of Hazardous Materials on, at, in, under, above, to, from or about any of the real property used, owned, operated, occupied or managed by it or over which it had charge of or control now or in the past by it, (C) is not involved in operations or knows of any facts, circumstances or conditions, including any Release of Hazardous Material, that could reasonably be expected to result in any Environmental Liabilities; and (D) has delivered to the Purchaser complete and accurate copies of all environmental reports, studies, notices, assessments, audits, information, evaluations and tests (collectively, "**Reports**") relating to any real property, used, owned, operated, occupied or managed by it or over which it had charge of or control now or in the past which Reports are now, or with the exercise of reasonable efforts by Blue Chip, as applicable, would be, in the possession or control of Blue Chip, as applicable.
- (mm) *Computer Systems and Software* – The computer systems and software of Blue Chip, including personal computers and special purpose systems, are fully operational and have the appropriate licensing and documentation. All hardware and software operates in material compliance with written specifications.
- (nn) *Finder's Fees* – No broker, finder or investment banker is entitled to any fee or commission from Blue Chip for services rendered on behalf of Blue Chip in connection with the Transactions.
- (oo) *No Shareholders' Agreements* – On Closing, there will be no shareholder agreement, voting agreement, voting trust agreement, pooling agreement or other agreement to which any of the shareholders of Blue Chip is a party in respect of any of the shares in the capital of Blue Chip, respectively.
- (pp) *Proprietary Information of Third Parties* – To the knowledge of the Vendor, no third party has claimed or has reason to claim that any Person now or previously employed or engaged as a consultant by Blue Chip has (i) violated or may be violating any of the terms or conditions of their employment, non-competition or non-disclosure agreement with such third party, (ii) disclosed or may be disclosing or utilized or may be utilizing any trade secret or proprietary information or documentation of such third party or violated any confidential relationship which such Person may have had with such third party in connection with the development or sale of any service, product or proposed service or product of Blue Chip, or (iii) interfered or may be interfering in the employment relationship between such third party and any of its present or former employees.

- (qq) *Certain Payments* – To the knowledge of the Vendor, none of the directors, officers, employees, agents or Affiliates of Blue Chip, or any other Person acting for or on behalf of Blue Chip, has, in violation of any Law, directly or indirectly, (i) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to any Person, private or public, regardless of form, whether in money, property or services (A) to obtain favourable treatment in securing business, (B) to pay for favourable treatment for business secured, or (C) to obtain special concessions or for special concessions already obtained, for or in respect of Blue Chip, or (ii) established or maintained any fund or asset that has not been properly recorded and described on the books and records of Blue Chip.
- (rr) *Shareholder Loans* –
- (i) The Blue Chip Loan is a bona fide loan, and is a genuine, valid and binding obligation of Blue Chip, enforceable in accordance with its terms and accurately described in the Corporations' Financial Statements.
 - (ii) The Vendor is, and as at the Closing Time will be, the legal and beneficial owner of the Blue Chip Loan, with good and marketable title and unconditional rights of assignment, free and clean of Liens.
- (ss) *No Misrepresentation* – No information contained in this Agreement, in the schedules hereto, in the Financial Information or other reports in respect of Blue Chip delivered by or on behalf of Blue Chip or the Vendor to the Purchaser or any other written statement in respect of Blue Chip furnished by or on behalf of the Vendor to the Purchaser contains a Misrepresentation.

3.2 Representations and Warranties with respect to EcoHome

The Vendor, Daniel and Ed hereby severally and jointly represent and warrant to and in favour of the Purchaser as follows and acknowledges that the Purchaser is relying upon such representations and warranties in entering into this Agreement and the Transactions:

- (a) *Organization and Good Standing* – EcoHome has been duly incorporated under the laws of Ontario. EcoHome is validly subsisting, has not been dissolved, has full corporate authority and capacity to own, lease rent or loan its assets and properties and conduct its business as currently owned and conducted and is in good standing and up-to-date in all corporate filings. The directors and officers of the EcoHome are as set out in Schedule 3.2(a) to this Agreement.
- (b) *Capacity to Carry on Business* – Except to the extent that non-compliance therewith could not reasonably be expected (whether individually or in the aggregate) to have a Material Adverse Effect, (i) EcoHome is duly licensed, registered and qualified to do business and to own, lease, rent or own its assets and properties in each of the provinces of Canada and is in good standing in each jurisdiction in which the nature of its current business make such licensing, registration or qualification, as the case may be, necessary, and (ii) all licences, registrations and qualifications that EcoHome requires are valid and subsisting and in good standing.

- (c) *No Violation* – The approval of this Agreement, the execution and delivery by the Vendor of its obligations hereunder and the Transactions, will not:
- (i) conflict with, result in a violation or breach of, or give rise to any termination rights or payment obligation under any provision of:
 - A. the Charter Documents of EcoHome, including any shareholder agreement or any other agreement or understanding with any party holding an ownership interest in EcoHome;
 - B. any Law; or
 - C. any material license issued by any Governmental Entity to EcoHome or any Material Agreement of EcoHome (provided that in respect of those Material Agreements described in Schedule 3.2(d) under which a consent is required, such consent has been obtained);
 - (ii) give rise to any right of termination or acceleration of Indebtedness or cause any third party Indebtedness owing by EcoHome to come due before its stated maturity or cause any available credit, bulk leasing or securitization facility to cease to be available on terms no less favourable to EcoHome than those currently existing;
 - (iii) result in the imposition of any Lien upon any of the assets of EcoHome or restrict, hinder, impair or limit the ability of EcoHome to carry on its business as and where it is now being carried on or as and where it is currently contemplated that it will be carried on in the future; or
 - (iv) result in any payment (including severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any advisor, consultant or other service provider to EcoHome under any Contract or to any director, officer, shareholder or employee of EcoHome or increase any benefits otherwise payable under any Employee Plan of EcoHome or result in the acceleration of time of payment or vesting of any such benefits.
- (d) *Consents* – Except as otherwise disclosed in Schedule 3.2(d), no consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or any other Person (for such other Persons, in respect of a Contract) is required to be obtained by EcoHome or the Vendor in connection with the execution and delivery of this Agreement by the Vendor or the consummation by the Vendor of the Transactions.
- (e) *No Defaults* – EcoHome is not in default under, and to the knowledge of the Vendor, there exists no event, condition or occurrence which, after the giving of notice or lapse of time or both, would constitute such a default or would give rise to a right of termination under any of EcoHome's Charter Documents, any Material Agreement or any material license from a Governmental Entity, or under any Contracts or licenses (with respect to such other Contracts or licenses other than defaults which could not individually or in the aggregate reasonably be

expected to have a Material Adverse Effect on EcoHome) because of any action or omission, lapse of time or other reasons.

- (f) *Solvency, etc.* – EcoHome is Solvent. EcoHome has not filed (or, to the Vendor's knowledge, had filed against it) a petition for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), or analogous laws, committed an act of bankruptcy, proposed a compromise or arrangement to its creditors, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself wound-up, taken any proceeding to have a receiver appointed, had any encumbrancer take possession of any of its property or assets, had an execution or distress issued against it, had any of its property or assets levied, had a custodian appointed for any of its property, or had, to the Vendor's knowledge, any insolvency or receivership proceedings instituted by or against it.

- (g) *Outstanding Shares* –
 - (i) As of the date hereof there are, and at the Closing Time there shall be, 125 common shares of EcoHome (and no other shares in the capital of EcoHome) issued and outstanding. The Vendor will be, as at the Closing Time, the legal and beneficial owner of all of the issued and outstanding shares of EcoHome with good and marketable title thereto, free and clear of Liens.

 - (ii) Each of the EcoHome Purchased Shares has been duly authorized and is validly issued and outstanding as a fully paid and non-assessable share.

- (h) *Other Securities* –
 - (i) There is not, nor at the Closing Time will there be, any options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) regarding the right to acquire any shares of capital stock or other ownership interests in EcoHome or obligating EcoHome to issue or sell any shares of, or other ownership interests in, EcoHome or obligations of any kind convertible into or exchangeable for any shares of EcoHome.

 - (ii) There is not, nor at the Closing Time will there be, any stock appreciation rights, phantom equity or similar rights agreements, arrangements or commitments based upon the book value, income or any other attribute of EcoHome.

 - (iii) There are no outstanding bonds, debentures or other evidences of Indebtedness of EcoHome having the right to vote (or that are convertible for, or exercisable into, securities having the right to vote) with the holders of the shares in the capital of EcoHome on any matter.

 - (iv) There are no outstanding contractual obligations of EcoHome to repurchase, redeem or otherwise acquire any of its outstanding securities or with respect to the voting or disposition of any outstanding securities of EcoHome.

- (i) *No Obligation to Acquire Securities* – EcoHome does not own or have any obligations or agreement of any nature to acquire, directly or indirectly, any securities in the capital of, or other equity or proprietary interest in, any Person.
- (j) *Absence of Certain Changes or Events* – EcoHome has in all material respects conducted its business only in the ordinary course of business consistent with past practice and there has not occurred since July 31, 2014:
 - (i) any Material Adverse Change;
 - (ii) any material damage, destruction or loss, to the property, assets or undertaking of EcoHome, whether covered by insurance or not, including any material impairment on any material right, property, franchise or licence of EcoHome;
 - (iii) any redemption, repurchase or other acquisition of shares in the capital of EcoHome, or any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any shares in the capital of EcoHome;
 - (iv) any issuance or sale of any securities convertible into or exchangeable for its debt securities, or any issuance or sale of options or other rights to acquire from its debt securities or any securities convertible into or exchangeable for any such debt securities with respect to EcoHome;
 - (v) any resolution to approve a split, combination or reclassification of any outstanding shares or ownership interests in EcoHome;
 - (vi) any increase in or modification of the compensation payable or to become payable by EcoHome to any of its directors, officers, employees (other than to non-management staff, in the ordinary course of business and in accordance with past practice), or a Referring Broker/Vendors (other than in the ordinary course of business) or agents, or any grant to any such director, officer or employee of any increase in severance or termination pay;
 - (vii) any increase in or modification of any bonus, pension, insurance or benefit arrangement (including the granting of stock options, restricted stock awards, stock appreciation rights or performance units) made to, for or with any of the directors, officers or employees of EcoHome;
 - (viii) any acquisition or sale, assignment or transfer of its property or assets aggregating 5% or more of EcoHome's total tangible property and assets as at July 31, 2014, other than Financed Assets leased or rented to, or financed for, an Obligor by EcoHome or Financed Assets repossessed from an Obligor by EcoHome in the ordinary course of business;
 - (ix) other than in the ordinary course of business, any incurrence, assumption or guarantee by EcoHome of Indebtedness;

- (x) other than in the ordinary course of business, any creation or assumption by it of any Lien on any property or assets of EcoHome;
 - (xi) any capital contribution to or investment in any Person or, other than in the ordinary course of business, the making of any loan, advance or capital contribution to any Person;
 - (xii) any entering into, amendment of, relinquishment, termination or non-renewal by it of any material license with any Governmental Entity or any Material Agreement save and except for those amendments described in Schedule 3.2(j);
 - (xiii) any change in the accounting methods, principles or practices of EcoHome; or
 - (xiv) any agreement, arrangement or understanding to take any action which, if taken prior to the date hereof, would have made any representation or warranty set forth in this Agreement materially untrue or incorrect.
- (k) *Title to Assets* – EcoHome owns all of the property and assets reflected in its Corporations' Financial Statements (as such term is defined in subsection (u) of this section) or used by it or required to be used by it in connection with its business, with good and marketable title thereto, including the right to use the name "**EcoHome Financial**" and any and all similar and other trade names used by EcoHome in the conduct of its business, all computer programs (both licensed by or developed for EcoHome), customer lists, and all other intellectual property of EcoHome, as well as all agreements entered into by EcoHome, including broker agreements, vendor agreements, customer agreements, leasing, loan, rental and conditional sales agreements, securitization and bulk lease facility agreements and banking and finance agreements, free and clear of Liens other than (i) the properties or assets disposed of or consumed in the ordinary course of business since the date of its Corporations' Financial Statements, (ii) Permitted Liens, and (iii) personal or real property leased or licensed to EcoHome.

All of the tangible personal property of EcoHome used by it in connection with its business excluding Financed Assets has been maintained in accordance with generally accepted industry practice and is, in all material respects, in good operating condition and repair, ordinary wear and tear excepted. All personal property leased by EcoHome as lessee is, in all material respects, in the condition required of such property by the terms of the lease applicable thereto during the term of the lease and upon expiration thereof. There are no material Claims currently proceeding, pending or, to the knowledge of the Vendor, threatened against or affecting any of the material properties owned or leased by EcoHome or the occupancy or use thereof by EcoHome in law or in equity, which could reasonably be expected to affect the title or rights of occupancy and enjoyment by EcoHome to any such property or any part of such property or the value of any such property or leasehold rights. The Purchaser acknowledges that the representations in this subsection do not apply to the Financed Assets other than when in the physical possession of EcoHome, as applicable or any agent thereof.

- (l) *EcoHome Financial Statements* – The Corporations’ Financial Statements relating to EcoHome have been (and any financial statement of EcoHome provided to the Purchaser by or on behalf of the Vendor during the Pre-Closing Date Period will have been) prepared in accordance with ASPE applied on a consistent basis (subject to, in the case of unaudited financial statements, the absence of notes and to usual recurring year-end adjustments, none of which, singularly or taken together, are material to EcoHome) and the requirements of applicable Governmental Entities; such Corporations’ Financial Statements present (and any such other financial statements will present) fairly, in all material respects, the financial position and results of operations of EcoHome as of the respective dates thereof and for the respective period covered thereby and reflected appropriate and adequate reserves in respect of contingent liabilities, if any, as reasonably determined by management of EcoHome. The Purchaser acknowledges that the Corporations’ Financial Statements do not reflect EcoHome’s liability with respect to deferred Taxes.

- (m) *Absence of Undisclosed Liabilities* – EcoHome does not have any obligations or liabilities of any nature (matured or unmatured, fixed or contingent) other than for:
 - (i) EcoHome’s deferred Tax liability;
 - (ii) those set forth or adequately provided for in its Corporations’ Financial Statements; and
 - (iii) those incurred thereafter in the ordinary course of business.

- (n) *Material Agreements and Licenses* – True and complete copies of all licenses from Governmental Entities and all Material Agreements of EcoHome or, where such Contracts or licenses are oral, true and complete written summaries of the terms thereof, have been furnished to the Purchaser including without limitation, those Material Agreements described in Schedule 3.2(n). Neither EcoHome nor any other party thereto is in material default or breach of, in any respect, nor has EcoHome received any notice of default or termination under, any such Contract or license, the termination of which could reasonably be expected to have a Material Adverse Effect or to constitute a Material Adverse Change and, to the knowledge of the Vendor, there exists no state of facts which after notice or lapse of time or both would constitute such a material default or breach or would give rise to a right of termination, revocation, suspension, cancellation, prevent the renewal of or limit any such Contract or licence. EcoHome is not a party to any Contract not made in the ordinary course of business or which creates liabilities or obligations which are not in the ordinary course of business or which involves any obligation or entitlement in excess of \$25,000.

- (o) *Major Suppliers and Customers* – Schedule 3.2(o) sets forth a comprehensive listing, as of the date of this Agreement, of each supplier of goods and services to EcoHome to whom or by whom EcoHome paid or was billed in excess of \$50,000 in the aggregate during the twelve-month period ended July 31, 2014. EcoHome has not received written notice that any such supplier has any intention to change its relationship or the terms upon which it conducts business with EcoHome.

- (p) *Books and Records* – The books, records and accounts of EcoHome (i) have been maintained in accordance with good business practices, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions (including leasing, rental or loan transactions) and dispositions of the assets of EcoHome, and (iii) accurately and fairly reflect the basis for its Financial Information. EcoHome has devised and maintains a system of internal accounting controls sufficient to provide reasonable assurances that (x) transactions are executed in accordance with management's general or specific authorization, and (y) transactions are recorded as necessary (A) to permit preparation of its financial statements in conformity with ASPE or any other criteria applicable to such statements, and (B) to maintain accountability for assets.
- (q) *Litigation, etc.* – There is no material Claim currently proceeding, pending or, to the knowledge of the Vendor, threatened against or relating to EcoHome or affecting any of its properties, licenses or assets before any court or other Governmental Entity, nor to the knowledge of the Vendor is there any basis for any such Claim, action, proceeding or investigation. To the Vendor's knowledge, neither EcoHome nor its assets and properties are subject to any outstanding judgment, order, writ, injunction or decree. There is no material Claim by EcoHome against any Person, nor is any such material Claim pending or threatened.
- (r) *Intellectual Property Rights* –
- (i) Schedule 3.2(r) contains a list of all of the properties which form a part of EcoHome's Intellectual Property.
 - (ii) EcoHome does not have any registered trademarks.
 - (iii) The Intellectual Property of EcoHome has not been used or enforced, or failed to be used or enforced, in a manner that would result in, or provide any basis for, a default by, or a material reduction or material dilution of the rights of, EcoHome pursuant to any agreements or licences entered into by, or issued to, EcoHome in respect of any of such Intellectual Property. EcoHome has not taken any action it is prohibited from taking, or failed to take any action it is required to take, that would result in, or provide any basis for, a default by, or a material reduction or dilution of the rights of, EcoHome pursuant to any agreements or licences entered into by EcoHome, in respect of any of its Intellectual Property. The failure of EcoHome to make application for or obtain a registered trademark in respect of such Intellectual Property shall not constitute a material reduction or dilution of EcoHome's rights in respect of its Intellectual Property.
 - (iv) To the Vendor's knowledge, there has been no claim of any infringement or breach of any Intellectual Property of any other Person by EcoHome, and EcoHome has not received any notice that EcoHome is infringing upon or breaching any Intellectual Property rights of any other Person. To the Vendor's knowledge, there has been no infringement or violation of any of the Intellectual Property rights of EcoHome by other Persons.

- (v) EcoHome owns all right, title and interest in and to the website domain names referred to in Schedule 3.2(r) and has effected all registrations and filings necessary to preserve and protect its rights in and to such website domain names.

- (s) *Tax Matters* –
 - (i) EcoHome has filed, or caused to be filed, all Tax Returns required to be filed by it on a timely basis (all of which returns were correct and complete in all material respects), and has made adequate provision in its books and records for any Taxes accruing in respect of any period subsequent to the period covered by its Corporations' Financial Statements. Since the date of its Corporations' Financial Statements, no material Tax liability not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, including with respect to Tax credits or analogous rights or incentives previously claimed or utilized by EcoHome other than in respect of EcoHome's deferred Tax liability which is not reflected on the Corporations' Financial Statements.

 - (ii) All Taxes owed by EcoHome (whether or not shown on any Tax Return) have been paid, other than Taxes the payment of which is not yet due or which, if due, are not yet delinquent or are being contested in good faith or have not been finally determined and for which adequate reserves have been established in accordance with ASPE.

 - (iii) Except as reserved in its Corporations' Financial Statements, EcoHome has not received any written notification that any material issues have been raised by the Canada Revenue Agency or any other taxing authority in any jurisdiction, including any sales tax authority, in connection with any of its Tax Returns, including with respect to tax credits or other analogous rights or incentives previously claimed or utilized by EcoHome, and no waivers of statutes of limitation have been given or requested with respect to EcoHome. Except for EcoHome deferred Tax liability or as reserved in its Corporations' Financial Statements, there are no material proposed (but unassessed) additional Taxes relating to EcoHome and none have been asserted. No Tax Liens have been filed against EcoHome or any of its property or assets. To the knowledge of the Vendor, no Claim has ever been made by any Governmental Entity in a jurisdiction where EcoHome does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

 - (iv) EcoHome has properly withheld and timely paid all Taxes required to have been withheld and paid and has complied with all information reporting and backup withholding requirements.

 - (v) The Vendor has delivered or made available to the Purchaser correct and complete copies of all Tax Returns, examination reports and statements of deficiencies assessed against or agreed to since July 31, 2012.

- (vi) EcoHome has not made any payments, is not obligated to make any payments, and is not a party to any agreement that will obligate it to make payments that would result in a non-deductible expense under the Tax Act as a result of the Transactions. EcoHome has not agreed to and is not required to make by reason of a change in accounting method, and to the knowledge of the Vendor, EcoHome could not be required to make by reason of a proposed or threatened change in accounting method, any adjustment under the Tax Act. EcoHome is not subject to any ruling from and has not entered into any agreement with a Governmental Entity in respect of Taxes. EcoHome has no liability for the Taxes of another Person. EcoHome will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period or portion thereof ending after the Closing Date as a result of any installment sale or prepaid amount received by EcoHome. EcoHome is not a party to any Tax allocation, Tax sharing, Tax indemnification or similar agreement.
- (vii) EcoHome is not a party to any joint venture, partnership or other arrangement that is treated as a partnership for Tax purposes. EcoHome does not have a permanent establishment in any foreign jurisdiction for purposes of any income Tax treaty.
- (t) *Non-Arm's Length Transactions* –
 - (i) Except for the Shareholder Loan and employment or management compensation/administration fees reflected in its Corporations' Financial Statements, EcoHome has not made any payments or loaned to or borrowed by any monies from or is otherwise indebted to, any Non-Arm's Length Party.
 - (ii) Except as disclosed in the Disclosure Letter, EcoHome is not a party to any Contract with any Non-Arm's Length Party.
- (u) *Financing Contracts* –

For the purposes of this section:

"EcoHome Closing Report" means the EcoHome Finance Summary generated by EcoHome and provided to the Purchaser for all active Financing Contracts of EcoHome as of January 31, 2015; and

"EcoHome Financing Contracts Summary" means with respect to EcoHome's Financing Contracts, a summary of each of the following: (a) the date of the Financing Contract; (b) the legal name of the Obligor and any party who has provided Credit Enhancement for the obligations; (c) the term (with respect to certain Financing Contracts); (d) a general description of the Financed Assets; and (e) the original cost of the Financed Assets (with respect to certain Financing Contracts).

- (i) The Purchaser has been provided with accurate and complete copies of the current forms of Financing Documents and other material

documentation (together with the standard forms used prior to the most recent major revision of such standard forms) maintained by EcoHome. In all material respects, the Financing Documents entered into by EcoHome with its Obligor utilize EcoHome's standard forms as they were constituted on the dates such Financing Documents were executed and no others save and except for Financing Documents which are in form and content consistent with EcoHome's contractual requirements for Financing Contracts. EcoHome is noted as lessor, lender or owner or assigned lessor, lender or owner on all such Financing Contracts. True and complete copies of all Financing Documents and agreements entered into in connection with the Financing Contracts have been made available to the Purchaser.

- (ii) To the knowledge of the Vendor, (A) each Financing Contract of EcoHome arises from a bona fide lease, rental, loan or sale of the Financed Assets described therein in the ordinary course of EcoHome's business; (B) such Financing Contract is an operating lease, rental or loan or a finance lease, rental or loan by EcoHome of Financed Assets described therein (unless otherwise set out in the EcoHome Financing Contracts Summary); and (C) other than in the ordinary course of business, none of the Obligor in respect of such Financing Contract has been released in whole or in part from its liability thereunder or is otherwise immune from any legal-action suit or proceeding. Except as otherwise provided below, such Financed Assets have been delivered to and accepted by the Obligor without qualifications and no further services with respect to the Financed Assets (other than manufacturer warranty claims) are incorporated as part of the Financing Contract. Except as otherwise provided below in this clause (ii), no continuing obligation arising under any agreement or applicable Law exists with respect to such Financed Assets (except for any obligation that has been fully and indefeasibly performed or discharged), whether by EcoHome or any other Person affiliated with EcoHome, that could either (1) render any agreement by any Obligor void or voidable, or otherwise limit or impair EcoHome's rights or remedies under or with respect to such Financing Contract (including EcoHome's absolute and unconditional right to receive, or its ability to collect, all rents and other payments provided for thereunder) or the related Financed Assets, or (2) give rise to any responsibility, duty or liability of EcoHome to any Obligor or any other Person. By way of example, and not limitation, no services are to be provided, nor are any other undertakings to be performed or complied with by EcoHome, or any other Person, with respect to any of such Financed Assets, including any of the same that could have an impact on the value or utility of such Financed Assets or the enforceability of any Financing Contract related thereto, other than in the normal course of the HVAC and hot water tank rental industry, which by its nature contains contingent servicing obligations.
- (iii) To the knowledge of the Vendor, such Financing Documents have been duly executed and delivered by all parties thereto and the parties have all the legal capacity, power and rights required for each such party to enter into such Financing Documents and any agreements supplemental

thereto, and to perform each such party's respective obligations thereunder. Further, to the Vendor's knowledge, all Financing Documents comply, in all material respects, with all applicable consumer finance and consumer protection laws.

- (iv) To the knowledge of the Vendor, the Payment obligations of each Obligor to EcoHome (after giving effect to the transactions contemplated herein) and EcoHome's right to receive, pursuant to any Financing Contract and any related Financing Document, amounts constituting rent, principal, interest, late charges, insurance charges and other fees, casualty or other accelerated Payments or prepayments, liquidated or other damages or other Payments (mandatory or otherwise), in accordance with the applicable terms thereof, shall be absolute, irrevocable, independent, and unconditional and shall not be subject to any abatement, reduction, withholding, setoff, defense (including any immunity from suit), or recoupment for any reason or under any circumstance whatsoever; and with respect to each Financing Contract, and the related Obligor's Payment and other obligations thereunder, no such Financing Contract is cancellable or terminable by such Obligor, or otherwise permits voluntary prepayment by such Obligor. EcoHome is not in breach of or default under any Financing Document to which it is a party.
- (v) To the knowledge of the Vendor, each such Financing Document is a genuine, valid and binding obligation of the parties thereto, enforceable in accordance with its terms, accurately describes the Financed Assets covered thereby and the payments due thereunder, and accurately reflects the terms of the arrangement with each Obligor.
- (vi) To the knowledge of the Vendor, EcoHome has not done anything that might impair either the value of any such Financing Contracts or any of the rights of the parties thereto or to the Financed Assets or the Payments other than in the ordinary course of business.
- (vii) EcoHome has, in all material respects, complied with its policies, and the requirements of its Finance Providers, in respect of maintaining, or causing to be maintained, insurance on such Financed Assets.
- (viii) To the knowledge of the Vendor, except as set out in Schedule 3.2(u), there exists no breach by an Obligor of any of its obligations under such Financing Documents to make payments in accordance with the Financing Contract (the "**Payment Obligations**") and to the knowledge of the Vendor, there has not been any breach by any Obligor of any obligations under such Financing Contracts or of any event which with the passage of time or giving notice or both would become a default of the Payment Obligations under the terms of such Financing Contracts other than in ordinary course of business. The Vendor has no knowledge of any fact that may impair such Financing Contracts' validity.
- (ix) With respect to each Financing Contract, to the knowledge of the Vendor, (A) either (1) EcoHome has good title to the related Financed Assets, or (2) the Obligor named therein has agreed to provide EcoHome with a

security interest in such Financed Assets; and (B) to the Vendor's knowledge, the related Financed Assets are free and clear of all Liens except for Permitted Liens (including the rights of EcoHome and the named lessee or borrower thereof).

- (x) To the knowledge of the Vendor, save and except for the rights of Finance Providers and revenue sharing arrangements with Referring Broker/Vendors, EcoHome possesses and has good and marketable title to (i) the full rights and benefits of any payment due by an Obligor under each Financing Document; (ii) all present and future payments due or to become due under each Financing Contract; (iii) all proceeds relating to each Financing Contract and the Financed Assets relating thereto; (iv) the full benefit of all covenants and all waivers, releases, indemnities and other obligations of each Obligor under each Financing Document; (v) all other rights and remedies under each Financing Contract; (vi) the full benefit of all Credit Enhancements relating to each Financing Contract; and (vii) the full benefit of all subsisting manufacturer's warranties and warranties of suppliers or maintenance, if any, and to the extent same are transferable by the Obligor to EcoHome, related to the Financed Assets.
- (xi) To the knowledge of the Vendor, except for sale and leaseback arrangements, (A) EcoHome or the Obligor has purchased the Financed Assets subject to Financing Contracts directly from the vendor of the Financed Assets which purchase is evidenced by either an invoice or purchase order in the name of EcoHome (or the Referring Broker/Vendor and assigned to EcoHome) or the Obligor, as applicable, or a bill of sale noting EcoHome (or the Referring Broker/Vendor and assigned to EcoHome) or the Obligor, as applicable as purchaser, and (B) to the Vendor's knowledge, none of the vendors of the Financed Assets is the Obligor or an Affiliate or the Obligor. To the knowledge of the Vendor, with respect to sale and leaseback arrangements, the lessee did not purchase the Financial Assets subject to the Financing Contract directly from any Non-Arm's Length Party.
- (xii) To the knowledge of the Vendor, in all material respects, the Financed Assets are personal property or chattels and, except for HVAC equipment, hot tubs, water heaters, doors and windows, roofs or other similar home improvements, do not constitute a fixture or an accession under the applicable Laws of any jurisdiction where such Financed Assets are or may be located.
- (xiii) To the knowledge of the Vendor, except as modified for purposes of facilitating collection efforts, each Financing Contract requires the Obligor to make payment to EcoHome utilizing the Preauthorized Payments (PAP) or through Enbridge's billing and collections system.
- (xiv) The EcoHome Financing Contracts Summary sets out the payments required to be made under each Financing Contract on the dates shown thereon, and the timing. The EcoHome Financing Contracts Summary is accurate and complete in all material respects and the payment histories maintained in respect of each Financing Contract reflected therein are

materially correct and accurate. Other than partial prepayments, the aggregate value of which is not material, made in the ordinary course of business, or except as set out in the EcoHome Financing Contracts Summary, no amounts have been prepaid on the Financing Contracts reflected therein. All such payment histories have been made available to the Purchaser. The Purchaser acknowledges that EcoHome loan contracts provide for early prepayment provisions based on the outstanding principal amount of the loan.

- (xv) EcoHome's files in respect of its Financing Contracts accurately reflect the status thereof, as represented in this Agreement, including with respect to (A) all amounts payable thereunder, (B) any notices received from any Obligor or sent to any Obligor and (C) any and all other matters pertaining to (1) the collectability by EcoHome of rents or other Payments under, or the enforceability of, such Financing Documents in accordance with their respective terms, (2) EcoHome's ownership free and clear of Liens of EcoHome (other than Permitted Liens) in any of the related Financed Assets, (3) the operation, maintenance, legal compliance or insurance of any such Financed Assets or (4) any other event or circumstance that could impair any of EcoHome's rights or protections relating thereto or result in any liability, responsibility or risk to EcoHome with respect thereto; and such files are otherwise complete in all material respects.
- (xvi) With respect to the Financing Documents relating to a Financing Contract of EcoHome, to the knowledge of the Vendor, the entire agreement between any and all Obligors thereunder and EcoHome, and except with respect to collection efforts or other arrangements with Obligors in the ordinary course, EcoHome has not made any agreement, amendment, modification or waiver, or reached any understanding or pursued any course of conduct or servicing policy with any of the Obligors in respect of such Financing Contract with respect to, or which would reasonably be expected to lead to, any variation from the terms of such Financing Documents relating to (A) a release of any Obligor from its Payment obligations thereunder or limiting the recourse of EcoHome to such Obligor with respect to such Payment obligations, (B) the scheduled rental and other Payment dates and amounts in respect of such Financing Contract, (C) the term of such Financing Contract, (D) the release of, exchange, or upgrade of any Financed Assets that are subject to such Financing Contract or (E) any other term or condition in a manner (including regarding the manner of operation, insurance, maintenance, or leasing of any Financed Assets) which materially and adversely affects EcoHome's ability to enforce, collect or realize upon such Financing Contract or the Financed Assets or other property subject to such Financing Contract or materially increases any obligation, burden or risk of EcoHome under or with respect to such Financing Contract or the related Financing Documents or Financed Assets.
- (xvii) Except as otherwise disclosed in the EcoHome Financing Contracts Summary, to the knowledge of the Vendor, no Financing Contract of

EcoHome (i) is in excess of \$100,000 or (ii) is with a party who is not a resident of Canada.

- (xviii) (A) in all material respects, EcoHome's Referring Brokers/Vendors have entered into a Consumer Lease Program Agreement or a similar agreement substantially in the form of the Contract(s) provided to the Purchaser and as set out in Schedule 3.2(u), and EcoHome has no knowledge of any Referring Broker/Vendor being in default of any of its obligations under such agreement or any event with the passage of time that would be a breach of the agreement or having taken any action inconsistent with the terms of such agreement in any material way; and (B) EcoHome has received no notice from any Person that an active Referring Broker/Vendor has acted in a manner inconsistent with the terms of such agreement or that would cause EcoHome's goodwill to be reduced.
- (xix) To the knowledge of the Vendor, no Financing Contract of EcoHome is with an Affiliate of EcoHome or a director, officer, employee or agent of EcoHome. Each Financing Contract entered into by EcoHome complies in all material respects, and EcoHome has complied in all material respects, with the required terms and procedures in respect thereof mandated by the Finance Providers.
- (xx) Under the terms of EcoHome's standard form Financing Contracts:
 - A. except as otherwise provided in the EcoHome Financing Contracts Summary, no Obligor has any options with respect to the Financed Assets under the Financing Contract or, other than Financing Contracts structured as a loan (which are open for prepayment at any time without penalty), other rights to terminate the Financing Contract prior to the expiry of its term;
 - B. in all material respects, the governing Law of the Financing Contracts and the related Financing Documents, as expressly acknowledged and agreed to by all parties thereto, are the Laws of Ontario, and the stipulated exclusive choice of forum in each such Financing Document includes the applicable courts in Ontario;
 - C. the rights and benefits thereof may be freely assigned by EcoHome;
 - D. other than in the normal course of the HVAC and hot water tank rental industry which by its nature contains contingent servicing obligations, EcoHome has no material obligations other than to provide quiet enjoyment and convey title on the exercise of a purchase option;
 - E. EcoHome has not made to any Obligor any representations or warranties, express or implied, as to the condition of the Financed Asset, its merchantability, its fitness or suitability for any particular

purpose, its design, its capacity, its quality or with respect to any characteristics of the Financed Asset that is the subject of a Financing Contract;

- F. each Obligor that is an individual has given all required consents for the disclosure of such Obligor's personal information; and
 - G. each Obligor has consented to the disclosure of such Obligor's confidential information as deemed necessary by EcoHome for purposes of considering the Obligor's application and thereafter to monitor and enforce compliance with Financing Documents.
- (xxi) No Obligor, or group of Obligors who are not at arm's length (as such term is used in the Tax Act), has Financing Contracts reflecting in aggregate more than \$250,000 of gross receivables.
- (xxii) EcoHome does not have any knowledge of the intention of any of EcoHome's Referring Brokers/Vendors to either discontinue, or change in any material way adverse to EcoHome, such Person's relationship with EcoHome (including through referring less business or only referring more restrictive types of Financing Contract opportunities to EcoHome).
- (xxiii) With respect to EcoHome's conduct of its consumer finance business, to the knowledge of the Vendor, EcoHome has, in all material respects, complied with all Laws, including (i) privacy laws, (ii) usury laws and (iii) all Laws requiring disclosures, limiting or prohibiting any fees, interest or other charges, or notices to any credit applicant or any Governmental Entity, and any and all other Laws relating to EcoHome's business.
- (v) *Employees, etc.* – The Disclosure Letter includes a complete and accurate list of:
- (i) the names, titles and annual compensation entitlements and other compensation entitlements (including non-cash fringe benefits in excess of \$500 per annum) of all individuals who are employed or engaged by EcoHome on a full or part-time basis and all Persons (other than lawyers and external chartered accountants) who provide consulting or other services to EcoHome on a full or part-time basis, including all individuals who may be considered to be employees of EcoHome pursuant to applicable Law or equity, notwithstanding that they may have been laid off or terminated or on a short term, long term or parental leave, together with the location of their employment; and
 - (ii) the date each such Person was hired or retained by EcoHome.
- The Purchaser has been provided with copies of any Contracts for the employment or engagement of any officer, director, consultant or employee of EcoHome.
- (w) *Continued Services* – EcoHome has not entered into any agreement or made any arrangements with any of its employees or service providers which could reasonably be expected to have the effect of depriving EcoHome of the

continued services of any such Persons following the Closing Date. To the knowledge of the Vendor, none of the employees of EcoHome currently intends to resign their employment.

- (x) *Termination Rights* – The employment of all employees of EcoHome may be terminated at any time without the payment of any consideration, except as may be required by applicable Law.
- (y) *Employee Payments* – EcoHome has paid to the date of this Agreement all amounts due and payable on account of salary, fees, bonus payments, commissions and all other remuneration and other payment obligations to or on behalf of any and all of their respective employees, and the Financial Information properly reflects all required accruals, whether for vacation pay or otherwise.
- (z) *Labour Matters* –
 - (i) EcoHome is not a party to any collective bargaining agreement nor subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement nor are there any current, pending or, to the knowledge of the Vendor, threatened strikes or lockouts at EcoHome or any charge of unfair labour practice (other than routine individual grievances). EcoHome has not experienced during the last three years any work stoppage.
 - (ii) There are no material Claims for wrongful dismissal, constructive dismissal or any other material Claim, actual, pending or, to the knowledge of the Vendor, threatened, or any litigation, actual or, to the knowledge of the Vendor, pending or threatened, relating to employment or termination of employment of employees or independent contractors.
 - (iii) EcoHome has, in all material respects, operated in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, pay equity, workers' compensation, human rights and labour relations and there are no current, pending or, to the knowledge of the Vendor, threatened proceedings before any Governmental Entity with respect to any employment or labour matters.
- (aa) *Employee Plans* – EcoHome does not maintain any Employee Plans other than as set out in Schedule 3.2(aa).
- (bb) *Compliance with Laws; Investigations* – To the knowledge of the Vendor, EcoHome has not been in violation of any applicable Laws (whether consumer finance or consumer protection laws or otherwise), injunctions, orders, arbitral awards, judgments or decrees, except to the extent that non-compliance, whether alone or all taken together, does not and could not reasonably be expected to have a Material Adverse Effect. Neither EcoHome nor any of its current directors, officers, or employees, nor to the knowledge of the Vendor, any former director, officer or employee has been charged, or, to the knowledge of the Vendor, have been under active investigation in the last twelve months by

any Governmental Entity (including the Canada Revenue Agency or any taxing authority in any jurisdiction, including any sales tax authority) in connection with any actual or alleged violation of any Law that may directly or indirectly relate to or adversely upon EcoHome.

- (cc) *Guarantees* – Except as disclosed in Schedule 3.2(cc), EcoHome has not given or agreed to give, nor is it a party to or bound by, any guarantee of Indebtedness, indemnity or suretyship of other obligations of any Person, nor is it contingently responsible for such indemnity, suretyship or obligation.
- (dd) *Restrictions on Business Activities* – There is no Contract, and there is no arbitral award, judgment, injunction, order or decree, binding upon EcoHome that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of EcoHome, any acquisition or disposition of property by EcoHome or the conduct of business by EcoHome as currently conducted.
- (ee) *Rights of Other Persons* – Except for the rights of Obligors under a Financing Contract and revenue sharing arrangements with Referring Broker/Vendors in the ordinary course, no Person has any right of first refusal or option to purchase or any other right of participation in any of the material properties owned by EcoHome, or any part thereof, nor is any Person entitled to any material rebate, refund, payment, credit or other benefit in the event that any product or service provided by EcoHome fails to achieve specified results, a specified level of performance or other criteria.
- (ff) *Payment of Liabilities* – EcoHome at all times has paid, satisfied and discharged its obligations and liabilities in the ordinary course of business.
- (gg) *Insurance* – EcoHome maintains such policies of insurance, issued by responsible insurers, as are, to the Vendor's knowledge, appropriate to its business, property and assets (including liability insurance), in such amounts and against such risks and subject to such deductibles as are, to the Vendor's knowledge, customarily carried and insured against by owners of comparable businesses, properties and assets. The proceeds of such policies are fully payable to EcoHome (except as such proceeds may have been assigned by way of security to Finance Providers, in their capacities as such). The Purchaser has been provided with a true and complete list setting forth all insurance policies now in full force and effect (specifying the insurer, the amount of the coverage, the type of insurance, the amount of deductible, if any, the policy number and any pending claims thereunder) maintained by EcoHome and true and complete copies of the most recent inspection reports, if any, received from insurance underwriters as to the condition of the assets of EcoHome. All such policies of insurance are in full force and effect and in good standing, and will continue to be so until the Closing Time. EcoHome is not in default, whether as to the payment of premium or otherwise, under the terms of any such policy, nor has EcoHome (i) failed to give any notice or present any claim under any such insurance policy in due and timely fashion or (ii) received notice or otherwise became aware of any intent of an insurer to either claim any default on the part of EcoHome or not to renew any policy of insurance on its expiry or to materially increase any deductible or cost. There is no reason to believe that any such policies would not

continue to be renewed in the ordinary course and at consistent premiums after completion of transactions contemplated by this Agreement.

(hh) *Real Property* –

- (i) EcoHome does not own any real property.
- (ii) Disclosed in Schedule 3.2(hh) is a complete and accurate list of all Leases of EcoHome which are now in force and any amendments, extensions and additions thereto to which EcoHome is a party, by which it is bound, or in respect of which it is entitled to benefit. Accurate and complete copies of all such Leases and of any and all material amendments, extensions and additions thereto have been delivered to the Purchaser. Such Leases are valid, binding and enforceable in accordance with their terms subject to bankruptcy and equitable remedies and the Leases are in good standing on the part of EcoHome. Each such Lease is in full force and effect and has not been assigned, modified, supplemented or amended, and neither EcoHome nor, to the knowledge of EcoHome, the landlord under any such Lease is in default under any such Lease.

- (ii) *Expropriation* – No part of the property or assets of EcoHome (whether leased or owned) has been taken, condemned or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor does the Vendor have any knowledge of any intent or proposal to give such notice or commence any such proceedings.

- (jj) *Minute Books* – The minute books of EcoHome contain complete copies of its Charter Documents. To the knowledge of the Vendor (i) there are no applications or filings outstanding or intended to be made which would alter in any way the Charter Documents or corporate status of EcoHome; (ii) no resolutions or by-laws have been passed, enacted, consented to or adopted by the directors (or any committee thereof) or shareholders of EcoHome, except those contained in such minute books and all resolutions and by-laws have been authorized as required by applicable Law, (iii) all present and former directors and officers were duly elected or appointed; (iv) the corporate records of EcoHome have been maintained in accordance with all applicable Laws and are complete and accurate in all respects; and (v) all share certificate books, registers of shareholders and registers of transfers are complete and accurate in all respects.

- (kk) *Adequacy of Assets* – The assets (including the Intellectual Property) owned, licensed and leased by EcoHome include all of the assets reasonably necessary to conduct its business. EcoHome does not require any additional fixed assets, consents, waivers or rights in order to enable it to continue carry on its respective business immediately after the Closing Time in the same manner and in each of the jurisdictions as currently carried on by it.

(II) *Environmental* –

(i) EcoHome

- A. has obtained and currently holds all material approvals and authorizations from all Governmental Entities which are required under all Environmental Laws;
- B. is in material compliance with all Environmental Laws and all terms and conditions of all material approvals from all Governmental Entities;
- C. has not received any order, request or notice from any Person alleging a material violation of any Environmental Laws; and
- D. is not a party to any litigation or administrative proceeding, nor so far as the Vendor is aware, is any litigation or administrative proceeding threatened against it or its property or assets, which in either case (1) asserts or alleges that it violated any Environmental Law, (2) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the Release of any hazardous substances, or (3) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Release of any hazardous substances.

- (ii) The Vendor has no knowledge of any conditions existing currently or likely to exist which could reasonably be expected to subject EcoHome to damages, penalties, injunctive relief or cleanup costs under any Environmental Law or which require or are likely to require cleanup, removal, remedial action or other response pursuant to applicable Environmental Law by it.
- (iii) EcoHome is not subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Law and has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Law.
- (iv) To the knowledge of the Vendor, EcoHome (A) has not used, owned, operated, occupied or managed, had charge of or control over, now or in the past, any real property that is not free of contamination from any Hazardous Material except for such contamination that could not reasonably be expected to adversely impact the value or marketability of such real property and which could not reasonably be expected to result in Environmental Liabilities, (B) has not caused, suffered or permitted to occur any Release of Hazardous Materials on, at, in, under, above, to, from or about any of the real property used, owned, operated, occupied or managed by it or over which it had charge of or control now or in the past by it, (C) is not involved in operations or knows of any facts, circumstances or conditions, including any Release of Hazardous

Material, that could reasonably be expected to result in any Environmental Liabilities; and (D) has delivered to the Purchaser complete and accurate copies of all Reports relating to any real property, used, owned, operated, occupied or managed by it or over which it had charge of or control now or in the past which Reports are now, or with the exercise of reasonable efforts by EcoHome would be, in the possession or control of EcoHome.

- (mm) *Computer Systems and Software* – The computer systems and software of EcoHome, including personal computers and special purpose systems, are fully operational and have the appropriate licensing and documentation. All hardware and software operates in material compliance with written specifications.
- (nn) *Finder's Fees* – No broker, finder or investment banker is entitled to any fee or commission from EcoHome for services rendered in connection with the Transactions.
- (oo) *No Shareholders' Agreements* – On Closing, there will be no shareholder agreement, voting agreement, voting trust agreement, pooling agreement or other agreement to which any of the shareholders of EcoHome is a party in respect of any of the shares in the capital of EcoHome.
- (pp) *Proprietary Information of Third Parties* – To the knowledge of the Vendor, no third party has claimed or has reason to claim that any Person now or previously employed or engaged as a consultant by EcoHome has (i) violated or may be violating any of the terms or conditions of their employment, non-competition or non-disclosure agreement with such third party, (ii) disclosed or may be disclosing or utilized or may be utilizing any trade secret or proprietary information or documentation of such third party or violated any confidential relationship which such Person may have had with such third party in connection with the development or sale of any service, product or proposed service or product of EcoHome, or (iii) interfered or may be interfering in the employment relationship between such third party and any of its present or former employees.
- (qq) *Certain Payments* – To the knowledge of the Vendor, none of the directors, officers, employees, agents or Affiliates of EcoHome, or any other Person acting for or on behalf of EcoHome, has, in violation of any Law, directly or indirectly, (i) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to any Person, private or public, regardless of form, whether in money, property or services (A) to obtain favourable treatment in securing business, (B) to pay for favourable treatment for business secured, or (C) to obtain special concessions or for special concessions already obtained, for or in respect of EcoHome, or (ii) established or maintained any fund or asset that has not been properly recorded and described on the books and records of EcoHome.
- (rr) *Shareholder Loans* –
 - (i) The EcoHome Loan is a bona fide loan, and is a genuine, valid and binding obligation of EcoHome, enforceable in accordance with its terms and accurately described in the Corporations' Financial Statements.

- (ii) As at the Closing Time, the Vendor will be, the legal and beneficial owner of the EcoHome Loan, with good and marketable title and unconditional rights of assignment, free and clear of Liens.
- (ss) *No Misrepresentation* – No information contained in this Agreement, in the schedules hereto, in the Financial Information or other reports in respect of EcoHome delivered by or on behalf of the Vendor to the Purchaser or any other written statement in respect of EcoHome furnished by or on behalf of the Vendor to the Purchaser contains a Misrepresentation.

3.3 Representations and Warranties in respect of the Vendor

The Vendor, Daniel and Ed hereby further severally and jointly represent and warrant 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:

- (a) *Organization and Good Standing* – The Vendor is duly existing under the laws of the province of Ontario, has not been dissolved, has full corporate authority and capacity to own and lease its assets and properties and conduct its business as currently owned and conducted and is in good standing and up-to-date in all corporate filings.
- (b) *Solvency, etc.* – The Vendor is Solvent. The Vendor has not committed an act of bankruptcy, proposed a compromise or arrangement to its creditors, had any petition for a receiving order in bankruptcy filed against it, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound-up, taken any proceeding to have a receiver appointed, had any encumbrancer take possession of any of its property or assets, had an execution or distress become enforceable or become levied upon any of its property or assets or had any insolvency or receivership proceedings instituted *against it which have not been cured or remedied.*
- (c) *Authority* – The Vendor has the requisite power and authority to enter into this Agreement and the execution and delivery of this Agreement by it and the consummation of the Transactions have been duly authorized, and no other proceedings on the Vendor's part is necessary to authorize this Agreement or the Transactions.
- (d) *Due Execution and Enforceability* – This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms, subject to the Enforceability Qualifications.
- (e) *No Other Agreement to Purchase* – No Person has any written or oral agreement or option or any right or privilege (whether by law, pre-emptive or contractually) capable of becoming an agreement or option for the purchase or acquisition from the Vendor of any of the Purchased Shares.
- (f) *No Violation* – The approval of this Agreement, the execution and delivery by it of this Agreement and the performance by the Vendor of its obligations hereunder, will not result in a violation or breach of, require any consent to be obtained

under or give rise to any termination rights or payment obligation under any provision of

- (i) the Vendor's Charter Documents, including any shareholder agreements with any party holding a minority interest in the Vendor;
 - (ii) any Laws; or
 - (iii) any Contract to which the Vendor is party or by which the Vendor is bound or affected.
- (g) *No Consent* – No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by the Vendor in connection with the execution and delivery of this Agreement or the consummation by it of the Transactions.
- (h) *Non-Resident* – The Vendor is not a non-resident of Canada within the meaning of the *Tax Act*.

3.4 Representations and Warranties of Daniel and Ed

Each of Daniel and Ed hereby severally represents and warrants to the Purchaser as follows solely with respect to himself and acknowledges that the Purchaser is relying on these representations and warranties in entering into this Agreement and the Transactions:

- (a) *Solvency, etc.* – He is Solvent. He has not committed an act of bankruptcy, proposed a compromise or arrangement to his creditors, had any petition for a receiving order in bankruptcy filed against him, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have himself declared bankrupt, taken any proceeding to have a receiver appointed, had any encumbrancer take possession of any of his property or assets, had an execution or distress become enforceable or become levied upon any of his property or assets or had any insolvency or receivership proceeding instituted against him which has not been cured or remedied.
- (b) *Capacity* – He has the legal capacity to execute and deliver this Agreement.
- (c) *Due Execution and Enforceability* – This Agreement has been duly executed and delivered by him and constitutes his legal, valid and binding obligations enforceable against him in accordance with its terms, subject to the Enforceability Qualifications.
- (d) *No Consent* – No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by him in connection with the execution and delivery of this Agreement or the consummation by him of the Transactions.
- (e) *Non-Resident* – He is not a non-resident within the meaning of the *Tax Act*.

3.5 Representations and Warranties of the Purchaser

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

- (a) *Organization and Good Standing* – The Purchaser has been duly incorporated under the applicable Laws of its jurisdiction of incorporation, is validly organized and subsisting, has not been dissolved, has full corporate power, authority and capacity to own and lease its assets and properties and conduct its businesses as currently owned and conducted and is in good standing and up-to-date in all corporate filings.
- (b) *Authority* – The Purchaser has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Purchaser and the consummation by the Purchaser of the Transactions have been duly authorized by its board of directors, and no other corporate proceedings or other similar proceedings on their part is necessary to authorize this Agreement or the Transactions.
- (c) *Due Execution and Enforceability* – This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Enforceability Qualifications.
- (d) *No Violation* – Neither the entering into nor the delivery of this Agreement nor the completion of the Transactions by the Purchaser will result in a violation of:
 - (i) any of the provisions of the Charter Documents of the Purchaser;
 - (ii) any agreement or other instrument to which the Purchaser is a party or by which the Purchaser is bound; or
 - (iii) any Law.
- (e) *No Consent* – No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or the consummation by the Purchaser of the Transactions.
- (f) *Issued and Outstanding Shares* – As of the date of this Agreement, there are 10,420,354 Chesswood Shares issued and outstanding and 1,478,537 special voting shares issued and outstanding that accompany securities convertible into or exchangeable for Chesswood Shares on a one-for-one basis. Except as disclosed in the Purchaser’s audited financial statements for the year ended December 31, 2013 (the “**Chesswood Financial Statements**”) and options and restricted units issued thereafter in accordance with the Purchaser’s existing equity incentive plan, there are no outstanding warrants, options, rights, agreements, convertible securities or other commitments under which the Purchaser is or may be obligated to issue securities.

- (g) *Reports* – The Purchaser is a reporting issuer (or equivalent) not in default in each of the provinces and territories of Canada, and has filed with the applicable Canadian securities regulators true and complete copies of all forms, reports, schedules, statements and other documents required to be filed by it under applicable securities Laws since initially becoming a reporting issuer (each such form, report, schedule, statement, management’s discussion and analysis, annual information form and other document, including any financial statements or other document, including any schedules included therein, is referred to as the “**Chesswood Reporting Issuer Documents**” and collectively as a “**Chesswood Information Record**”). Each Purchaser Reporting Issuer Document, at the time filed, (i) did not contain any Misrepresentation, and (ii) complied in all material respects with the requirements of applicable securities Laws. The Purchaser has not filed any confidential material change report with applicable Canadian securities regulators which at the date hereof remains confidential.
- (h) *Chesswood Financial Statements* – The financial statements contained in the Chesswood Information Record (i) were, in all material respects, prepared in accordance with generally accepted accounting principles (as established by the Canadian Institute of Chartered Accountants) applied on a consistent basis throughout the period indicated and on a basis consistent with prior periods; and (ii) fairly and accurately presented, in all materials respects, the consolidated financial position, assets and liabilities of the Purchaser as at the date specified therein, and fairly and accurately presented, in all material respects, the results of operations for the period covered by the statements of income, comprehensive income (loss), shareholders’ equity and cash flows for the year then ended.
- (i) *Cease Trade Orders* – No securities commission or other similar regulatory authority has issued an order preventing or suspending trading in any securities of the Purchaser and there is currently no reasonable basis for such order.
- (j) *Shares to be Issued to the Vendor* – The Takeback Shares and the Additional Shares, if and when issued, will be duly authorized, validly issued, fully paid and non-assessable, and except as provided for in this Agreement, free and clear of any Liens.
- (k) *Freely Tradable* – The issuance of the Takeback Shares and the Additional Shares are exempt from the prospectus and registration requirements of the *Securities Act* (Ontario) and, subject to the contractual restrictions set forth in the Escrow Agreement, the Takeback Shares and the Additional Shares will be freely tradable and (assuming that the Vendor is not, and does not become, a “control person” of the Purchaser) not subject to any statutory hold period or other restriction on transfer, other than a four-month hold period from the date of issuance of such Takeback Shares or the Additional Shares, as applicable.
- (l) *Investment Canada* – The Purchaser is not a non-Canadian under the Investment Canada Act.

3.6 Non-Waiver

No investigations made by or on behalf of any party, at any time, shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made to such party herein or pursuant hereto.

3.7 Survival

The covenants, representations and warranties of the Vendor and the Purchaser contained in this Agreement, and any agreement, instrument, certificate or other document executed or delivered pursuant hereto or thereto shall survive the closing of the Transactions for a period of 30 months from the Closing Date, except that:

- (a) other than the representations in Sections 3.1(u) and 3.2(u) (which shall only survive the closing of the Transaction for a period of 30 months), the Fundamental Blue Chip Representations and Fundamental EcoHome Representations (and the corresponding representations and warranties set out in the certificates to be delivered pursuant to Article 5 (the “**Closing Certificates**”)) shall survive and continue in full force and effect without limitation of time;
- (b) the representations and warranties set out in Sections 3.1(s) and 3.2(s) (and the corresponding representations and warranties set out in the Closing Certificates) shall survive until the expiration of 15 days following the end of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for Tax, interest or penalties under applicable Tax legislation in respect of any taxation year to which such representations and warranties extend could be issued or appealed under such tax legislation to the Corporations, provided that the Corporations did not file any waiver or other document extending such period; and
- (c) a Claim for any breach of any of the representations and warranties contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant hereto or thereto involving fraud or fraudulent misrepresentation may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Law.

3.8 No Guarantee of Performance

Notwithstanding any of the representations and warranties contained in Sections 3.1 or 3.2, neither the Vendor nor any of the Vendor Principals is in any way representing, warranting or guaranteeing the future performance of the Corporations’ leasing portfolios.

ARTICLE 4 COVENANTS

4.1 Material Commitments

During the Pre-Closing Date Period, the Purchaser will consult on an ongoing basis with the Vendor in order that the representatives of the Purchaser will become more familiar with the management, staff, philosophy and techniques of the Corporations, as well as with their

business and financial affairs and in order to provide experience as a basis for ongoing relationships in connection with the acquisition of the Corporations as of the Closing Date. These consultations will include any commitments, arrangements or transactions proposed to be entered into that could reasonably be expected to give rise to a material liability or commitment of any kind and will allow sufficient time for the Purchaser to give reasonable consideration to the same. The Vendor and the Purchaser will develop procedures such that these consultations will be carried out quickly and effectively without detracting from the ability of the Corporations to arrive at decisions in a timely manner and manage their businesses in the ordinary course. In addition, the Vendor shall provide to the Purchaser copies of any interim financial statements, including monthly financial results with cash flow analysis, (and any management reviewed drafts thereof) of either Corporation which may be prepared from time to time during the Pre-Closing Date Period.

4.2 Covenants of the Vendor and Vendor Principals

The Vendor and each of the Vendor Principals severally and jointly covenants and agrees that, during the Pre-Closing Date Period, except (i) with the prior written consent of the Purchaser or (ii) as contemplated by this Agreement, each Corporation shall:

- (a) carry on its business in, and only in, the ordinary course in substantially the same manner as heretofore conducted and, to the extent consistent with such business, use all reasonable efforts to preserve intact its present business organization and keep available the services of its present officers and employees and others having business dealings with it to the end that its goodwill and business shall be maintained and at all times maintain, preserve and protect all of its material assets and properties and keep the same in good repair, working order and condition in all material respects and in compliance with the terms of any Material Agreement and material license binding it or its assets and property (taking into consideration ordinary wear and tear) and from time to time make, or cause to be made, all necessary or appropriate routine and ordinary repairs, replacements and improvements thereto consistent with industry practices;
- (b) not commence to undertake a substantial or unusual expansion of its business facilities or an expansion that is out of the ordinary and regular course of business consistent with prior practice in light of current industry and economic conditions;
- (c) not commit to any capital expenditures in excess of an aggregate for both of the Corporations of \$25,000;
- (d) not amend the terms upon and manner in which it enters into Financing Contracts and enforces payment obligations owed by Obligor;
- (e) not split, combine or reclassify any capital shares, and not declare or pay any dividends on or make any other distributions on or in respect of the outstanding capital shares;
- (f) not make any loans to any Non-Arm's Length Parties;
- (g) not amend its Charter Documents;

- (h) not allot, reserve, set aside or issue, authorize or propose the allotment, reservation, setting aside or issuance of, or purchase or redeem or propose the purchase or redemption of, any shares or any class or securities convertible or exchangeable into, or rights, warrants or options to acquire, any such shares or other convertible or exchangeable securities, or any stock appreciation rights or other compensatory right or interest with respect to it;
- (i) not dispose of or agree or make any commitment to sell or otherwise dispose of assets, except in the ordinary course of business;
- (j) other than ordinary course trade payables, not guarantee the payment of Indebtedness or incur Indebtedness or issue or sell any debt securities;
- (k) not change the extent or manner in which it utilizes its various securitization, bulk lease and credit facilities and the outstanding amounts under such facilities will not have changed materially from the outstanding amounts on the most recent Corporations' Financial Statements, except for any draw downs in the ordinary course and consistent with past practise required for growth in its Financing Contracts portfolios;
- (l) continue to provide the Purchaser and its officers, employees, legal counsel, accountants, financiers (and their legal counsel) and other authorized representatives and advisors with information as reasonably requested by them from time to time concerning its business, assets, liabilities and affairs, and with access to its management, employees, legal counsel and external auditors;
- (m) use its reasonable efforts to comply promptly with all requirements which applicable Laws may impose with respect to the Transactions;
- (n) except as contemplated in subsection (w) below, not reorganize, consolidate, amalgamate or merge with any other Person;
- (o) not (i) satisfy or settle any Claims out of the ordinary course prior to the same being due, (ii) relinquish any contractual rights; (iii) enter into any interest rate, currency or commodity swaps, hedges or other similar financial instruments; or (iv) commence any Claim out of the ordinary course of business or amend or otherwise vary any existing Claim out of the ordinary course of business;
- (p) not commit an event of default or act which with the passage of time or notice would result in an event of default under any Material Agreement;
- (q) not enter into any transactions with any Non-Arm's Length Party, or grant any employee any increase in compensation (other than non-management staff in the ordinary course of business and consistent with past practice), or pay any severance or termination amounts whether or not such compensation, payment or amount is payable in cash, or enter into any employment arrangements or Contract with any Person (whether with an existing employee or a new employee) or any agreement to pay severance amounts for termination or termination packages (or enter into any commitment for such payment), or to make any payments to any officer, director, shareholder, employee, consultant,

salesperson or agent, except in the ordinary course of business and at the regular rates of salary or other remuneration;

- (r) not amend, vary or modify (or agree to amend, vary or modify) any arrangements with any of its Referring Brokers/Vendors;
- (s) not enter into any Contract that might adversely affect its business, affairs or prospects;
- (t) promptly advise the Purchaser in writing:
 - (i) of any event occurring subsequent to the date of this Agreement that would render any representation or warranty relating to it contained in this Agreement, if made on or as of the date of such event or the Closing Date, untrue, inaccurate or incomplete in any material respect (for any representation or warranty which expressly speaks solely of a specific date, if it would have been untrue, inaccurate or incomplete in respect of such date);
 - (ii) of any Material Adverse Change, or any materially adverse change in prospects; or
 - (iii) of any death, disability, resignation, termination of employment or other departure of any officer or senior employee;
- (u) defend all lawsuits or other legal, regulatory or other proceedings to which it is a party challenging or affecting this Agreement or the consummation of the Transactions;
- (v) use all reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to it that may materially adversely affect the ability of the parties to consummate the Transactions; and
- (w) with the Vendor, complete a reorganization, in form and on a basis acceptable to the Purchaser, acting reasonably, which results in the EcoHome Purchased Shares and the EcoHome Loan being legally and beneficially owned by the Vendor with good and marketable title and unconditional rights of assignment, free and clear of Liens (the “**Proposed Reorganization**”).

4.3 Closing Matters

Each party shall deliver or cause to be delivered at the Closing Time such customary certificates, resolutions and other closing documents as may be required by any other party hereto, acting reasonably.

4.4 Actions to Satisfy Conditions

Each party agrees to take all such actions as are within its power to control, and to use commercially reasonable 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 5 that are for the benefit of any other party.

ARTICLE 5 CONDITIONS

5.1 Mutual Conditions Precedent

The respective obligations of each party to complete the Transactions shall be subject to the satisfaction, at or before the Closing Time, of the following conditions precedent and the parties shall use commercially reasonable efforts to cause such conditions to be fulfilled insofar as they relate to matters within their respective control:

- (a) *Governmental Approvals, etc.* – Any consents, orders, authorizations, approvals and waivers of or from Governmental Entities, including regulatory and judicial approvals and orders, required or reasonably considered to be necessary or desirable for the completion of the Transactions shall have been obtained or received from applicable Governmental Entities having jurisdiction in the circumstances, and all other applicable regulatory requirements and conditions shall have been complied with.
- (b) *Governmental Orders, Decrees, etc.* – There shall not be in force any order or decree restraining or enjoining the consummation of the Transactions, and there shall be no proceeding, whether of a judicial or administrative nature or otherwise brought by a Governmental Entity, that related to or results from the Transactions that would, if successful, result in an order or ruling that would preclude completion of the Transaction in accordance with the terms and conditions hereof or thereof or which would otherwise be inconsistent with any approvals which have been obtained. No Claim shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, provincial, local, or foreign jurisdiction or before any arbitrator wherein an unfavourable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the Transactions, (B) cause any of the Transactions to be rescinded following consummation, (C) materially and adversely impact upon the right of the Purchaser, directly or through a Subsidiary, to own the Purchased Securities, or (D) have a Material Adverse Effect on the right of either Corporation to own its respective assets and to operate its business (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect).
- (c) *Approval of the TSX* - The TSX shall have approved the Transactions including conditional approval for the listing and posting for trading of the Takeback Shares and the Additional Shares on the TSX.

5.2 Additional Conditions Precedent to the Obligations of the Vendor

The obligation of the Vendor to complete the Transactions is also subject to the satisfaction, on or before the Closing Time of the following conditions precedent (each of which is for the Vendor's exclusive benefit and may be waived by them and any one of more of which, if not satisfied or waived, will relieve the Vendor of any obligation under this Agreement):

- (a) *Acts, Undertakings, etc.* – Each of the acts, undertakings, covenants, obligations and agreements of the Purchaser to be performed at or before the Closing Time pursuant to the terms of this Agreement or under agreements contemplated hereby shall have been duly performed by it, and the Vendor shall have received

a certificate of a senior officer of the Purchaser to that effect, dated as of the Closing Date.

- (b) *Truth and Accuracy of Representations of the Purchaser* – All of the representations and warranties of the Purchaser made in or under this Agreement, including the representations and warranties made by the Purchaser set forth in Section 3.5, shall be true and correct (for representations or warranties qualified as to materiality, true and correct in all respects, and for all other representations and warranties, 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 to the extent such representations and warranties speak solely of an earlier date, in which event such representations and warranties shall have been true and correct (for representations or warranties qualified as to materiality, true and correct in all respects, and for all other representations and warranties, true and correct in all material respects) as of such earlier date), and 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 Vendor shall have received a certificate of a senior officer of the Purchaser to that effect, dated as of the Closing Date.
- (c) *Actions and Proceedings* – All actions and proceedings taken at or prior to the Closing Time in connection with the performance by the Purchaser of its obligations under this Agreement shall be satisfactory to the Vendor and Vendor's Counsel, acting reasonably, and the Vendor shall have received copies of all such documentation or other evidence as they may reasonably request in order to establish the consummation of the Transactions and the taking of all proceedings in connection with those transactions, in form and substance satisfactory to the Vendor and Vendor's Counsel, acting reasonably.
- (d) *Legal Matters* – All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, shall have been approved as to the form and legality by Vendor's Counsel, acting reasonably.
- (e) *Consents to Assignment* – All consents, authorizations, waivers, orders, licenses and approvals from or notifications to any Persons required under the terms of any of the Contracts with respect to the acquisition of control of the Corporations by the Purchaser, or otherwise required in connection with the consummation of the Transactions, in form and substance satisfactory to the Vendor, acting reasonably, shall have been duly obtained or given, as the case may be, at or before the Closing Time, including for greater certainty, the consent of the Finance Providers.
- (f) *Legal Opinion* – The Purchaser shall have delivered to the Vendor the opinion of the Purchaser's Counsel in the form attached to this Agreement as Schedule 5.2(f).
- (g) *Release of Finance Party Guarantees* – All guarantees or indemnities provided by Daniel to Finance Parties for the benefit of the Corporations shall have been released prior to, or are to be released concurrently with, the Closing.

- (h) *No Material Adverse Change* – There shall not have been a Material Adverse Change with respect to the Purchaser.

The Vendor may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by any of them with their obligations under this Agreement if the condition precedent would have been satisfied but for a default by the Vendor in complying with their obligations hereunder.

5.3 **Additional Conditions Precedent to the Obligations of the Purchaser**

The obligation of the Purchaser to complete the Transactions is also subject to the satisfaction, at or before the Closing Time of the following conditions precedent (each of which is for the Purchaser's exclusive benefit and may be waived by the Purchaser and any one or more of which, if not satisfied or waived, will relieve the Purchaser of any obligation under this Agreement):

- (a) *Acts, Undertakings, etc.* – Each of the acts, undertakings, covenants, obligations and agreements of the Vendor and the Vendor Principals to be performed at or before the Closing Time pursuant to the terms of this Agreement or under agreements contemplated hereby shall have been duly performed by all of them, and the Purchaser shall have received a certificate of a senior officer of the Vendor to that effect, dated as of the Closing Date.
- (b) *Truth and Accuracy of Representations of the Vendor* – All of the representations and warranties of the Vendor and the Vendor Principals made in or under this Agreement, including the representations and warranties made by them and set forth in Article 3, shall be true and correct (for representations or warranties qualified as to materiality, true and correct in all respects, and for all other representations and warranties, true and correct in all material respects) as at the Closing Time and, and with the same effect as if made at and as of the Closing Time (except to the extent such representations and warranties speak solely of an earlier date, in which event such representations and warranties shall have been true and correct (for representations or warranties qualified as to materiality, true and correct in all respects, and for all other representations and warranties, true and correct in all material respects) as of such earlier date), and 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 certificate of a senior officer of the Vendor to that effect, dated as of the Closing Date.
- (c) *Actions and Proceedings* – All actions and proceedings taken at or prior to the Closing Time in connection with the performance by the Vendor and the Vendor Principals of their obligations under this Agreement shall be satisfactory to the Purchaser and the Purchaser's 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 and the taking of all corporate proceedings in connection with those transactions, in form and substance satisfactory to the Purchaser and the Purchaser's Counsel, acting reasonably.

- (d) *Businesses of the Corporations* – The businesses of the Corporations shall have been carried on in the ordinary course between the date of the LOI and the Closing Date and, other than as agreed to by the Purchaser or otherwise expressly contemplated by this Agreement, no dividends or other distributions shall have been declared, paid or authorized on any shares or other securities of the Corporations.
- (e) *Taxes* – Each Corporation shall have paid all corporate income Taxes payable, and properly accrued all Taxes owing but not yet payable, in respect of all periods up to the Closing Date.
- (f) *Share Capital of the Corporations* – There shall have been no change in the outstanding share capital of either Corporation as of the Closing Date, all of such shares being fully paid and non-assessable, and no shares (or convertible securities) in excess of such amounts will have been allotted, reserved, set aside or issued or agreed to be issued and there not being any option, right to purchase or issuance relating to any issued or unissued shares of either Corporation or in any other Person the result of which would be to dilute any actual or contingent economic interests of either Corporation.
- (g) *No Disposition of Assets* – Neither Corporation shall have disposed of, or agreed or made any commitment to sell or otherwise dispose of, assets, except in the ordinary course of business or as shall have been approved in writing by the Purchaser or required by the terms of this Agreement, and neither Corporation shall have entered into any Contract that in the opinion of the Purchaser, acting reasonably, might adversely affect a Corporation or its prospects.
- (h) *No Event of Default* – Neither Corporation shall have committed an event of default or an act that with the passage of time or notice would result in an event of default, under any Material Agreement, or permit any other party to a Material Agreement to terminate such Contract.
- (i) *No Payments* – No payment shall have been made or authorized from and after the date of the LOI by either Corporation to any of its current or former officers, directors, shareholders, employees, consultants, salespersons, agents or other service providers, except employment compensation or analogous compensation in the ordinary course of business and at the regular rates of remuneration or as otherwise contemplated in this Agreement.
- (j) *Consents to Assignment* – All consents, authorizations, waivers, orders, licenses and approvals from or notifications to any Persons required under the terms of any of the Contracts with respect to the acquisition of control of the Corporations by the Purchaser, or otherwise required in connection with the consummation of the Transactions, in form and substance satisfactory to the Purchaser, acting reasonably, shall have been duly obtained or given, as the case may be, at or before the Closing Time, including for greater certainty, the consent of the Finance Providers, lenders and agent/bulk leasing partners.
- (k) *Release of Debenture Guarantee* – All guarantees and other financial assistance provided by Blue Chip to Return On Innovation Advisors Ltd. shall have been released prior to, or are to be released concurrently, with Closing.

- (l) *No Material Adverse Change* – There shall not have been a Material Adverse Change with respect to the Corporations, taken as a whole.
- (m) *Relationship with Finance Providers* – Neither Corporation shall be in default under the terms of any credit facilities or bulk leasing facility with a Finance Provider. In addition, each of their respective Finance Providers other than The Toronto-Dominion Bank shall have confirmed that their relationship with the subject Corporation is in good standing and agreed to continue their existing financing and bulk leasing facilities with the subject Corporation after the completion of the Transactions on terms no less favourable than those currently existing (and for greater certainty, without being required to provide a personal guarantee of any individual to replace any guarantees of Daniel to be released as contemplated in Section 5.2(g)).
- (n) *Legal Matters* – All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, shall have been approved as to the form and legality by the Purchaser's Counsel, acting reasonably.
- (o) *No Litigation* – There will be no litigation or governmental/regulatory proceedings in progress or threatened against, or which could materially and adversely impact upon, either of the Corporations.
- (p) *Executive Employment Agreements* – Daniel shall have executed and delivered the Wittlin Executive Employment Agreement and Ed shall have executed and delivered the Dias Executive Employment Agreement.
- (q) *Non-Compete Agreements* – Each of Daniel and Ed shall have executed and delivered a non-compete agreement in the form set out as Schedule 5.3(q).
- (r) *Right of First Refusal Agreement* – [REDACTED] shall have executed and delivered a right of first refusal agreement in favour of Blue Chip in the form attached to this Agreement as Schedule 5.3(r).
- (s) *Legal Opinion* – There shall have been delivered to the Purchaser the opinion of the Vendor's Counsel in the form attached to this Agreement as Schedule 5.3(s).
- (t) *Resignation of Directors* – Such directors of the Corporations as the Purchaser may specify shall have resigned in favour of nominees of the Purchaser effective as of the Closing Time.
- (u) *Release by the Vendor, Directors and Officers* – The Vendor and such directors and officers of the Corporations as the Purchaser may specify shall have executed and delivered, at the Closing Time, releases in favour of Blue Chip and EcoHome, as applicable, in form acceptable to the Purchaser, acting reasonably.

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Commercially
Sensitive
Information

The Purchaser may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by the Purchaser with its obligations under this Agreement if the condition precedent would have been satisfied but for a default by the Purchaser in complying with its obligations hereunder.

5.4 Notice and Cure Provisions

The Purchaser, on the one hand, and the Vendor, on the other hand, will give prompt notice to the other(s) of the occurrence, or failure to occur, at any time from the date hereof until the Closing Date of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) cause any of the representations or warranties of the other(s) contained herein to be untrue or inaccurate in any material respect on the date hereof or on the Closing Date; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the other hereunder at or prior to the Closing Time.

Subject to Section 7.3, neither the Purchaser nor the Vendor may elect not to complete the Transactions pursuant to the conditions precedent contained in this Article 5, or exercise any termination right arising therefrom, unless forthwith and in any event prior to the Closing Time, the Purchaser or the Vendor, as the case may be, has delivered a written notice to each other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Purchaser or the Vendor, as the case may be, is asserting as the basis for the non-fulfilment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that the Purchaser or the Vendor, as the case may be, is proceeding diligently to cure such matter, if such matter is capable of being cured, the other(s) may not terminate this Agreement until the expiration of a period of 30 days (or such other period of time as is reasonably required to cure such matter, as the parties may agree) from such notice, unless the breach or matter relates to non-compliance by the Vendor of its obligations under Section 4.2 (in respect of which the cure period shall be five Business Days). For greater certainty, in the event that such matter is cured within the time period referred to herein (and provided further that such matter is so cured without a Material Adverse Effect), this Agreement may not be terminated as a result of the cured breach.

ARTICLE 6 INDEMNIFICATION

6.1 Definition of Losses

For the purposes of this Article 6, "Losses" means any and all losses, liabilities, costs, claims, damages, penalties, interest and expenses (including legal fees and expenses on a substantial indemnity basis and reasonable costs of investigation and litigation), but, except as hereinafter in this section provided excluding lost profits and consequential damages after giving effect to (i) any insurance proceeds received by or on behalf of an Indemnified Party (as defined in Section 6.6) in respect of any Losses, (ii) any tax benefit realized by an Indemnified Party arising from the facts or circumstances giving rise to any Losses. In the event any of the foregoing are indemnifiable hereunder, the terms "**Losses**" shall include any and all reasonable legal fees and expenses and reasonable costs of investigation and litigation incurred by the Indemnified Party in enforcing such indemnity.

6.2 Indemnification by the Vendor and Daniel relating to Blue Chip

- (a) The Vendor and Daniel jointly and severally agree to indemnify and save harmless the Purchaser and its directors, officers, employees, agents, professional advisors and representatives (each, a “**Purchaser Indemnified Party**” and collectively the “**Purchaser Indemnified Parties**”) from all Losses suffered or incurred by the Purchaser Indemnified Parties as a result of or arising directly or indirectly out of or in connection with:
- (i) any breach by the Vendor or Daniel of or any inaccuracy of any representation or warranty of the Vendor or Daniel contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto which relates to Blue Chip, the Vendor or Daniel (provided that neither the Vendor nor Daniel shall be required to indemnify or save harmless any of the Purchaser Indemnified Parties in respect of any breach or inaccuracy of any representation or warranty unless notice has been provided to the Vendor in accordance with Section 6.7 on or prior to the expiration of the applicable time period related to such representation and warranty set out in Article 3); or
 - (ii) any breach or non-performance by the Vendor or Daniel of any covenant to be performed by it that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto;

(collectively, “**Blue Chip Indemnification Matters**”).

For purposes of item (i) above, Section 3.1(u)(ii) shall be read as if such section was not qualified as being to the knowledge of the Vendor.

- (b) The Vendor, Daniel and the Purchaser acknowledge and agree that to the extent any Purchaser Indemnified Party is not a party to this Agreement, each Purchaser Indemnified Party that is (or becomes through assumption of rights as contemplated in Section 10.3) a party to this Agreement shall obtain and hold the right and benefit of the indemnity provisions hereunder in trust for and on behalf of such Purchaser Indemnified Party.
- (c) All claims by the Purchaser for indemnification pursuant to this Section 6.2 will be satisfied first from the Blue Chip Holdback Amount and made in accordance with the holdback procedures set forth in Section 6.6 until such time as the entire Blue Chip Holdback Amount has been claimed by the Purchaser. The Purchaser will not deduct from or release the Blue Chip Holdback Amount except in accordance with the terms and conditions of this Agreement and Section 6.6.

6.3 Indemnification by the Vendor and the Vendor Principals relating to EcoHome

- (a) The Vendor and the Vendor Principals jointly and severally agree to indemnify and save harmless the Purchaser Indemnified Parties from all Losses suffered or incurred by the Purchaser Indemnified Parties as a result of or arising directly or indirectly out of or in connection with:

- (i) any breach by the Vendor or Vendor Principals of or any inaccuracy of any representation or warranty of the Vendor or the Vendor Principals contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto with relates to EcoHome, the Vendor or the Vendor Principals (provided that neither the Vendor nor the Vendor Principals shall be required to indemnify or save harmless any the Purchaser Indemnified Parties in respect of any breach or inaccuracy of any representation or warranty unless notice has been provided to the Vendor in accordance with Section 6.7 on or prior to the expiration of the applicable time period related to such representation and warranty set out in Article 3); or
- (ii) any breach or non-performance by the Vendor or the Vendor Principals any covenant to be performed by any of them that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto;

(collectively, "**EcoHome Indemnification Matters**").

For purposes of item (i) above, Section 3.2(u)(ii) shall be read as if such section was not qualified as being to the knowledge of the Vendor.

- (b) The Vendor, the Vendor Principals and the Purchaser acknowledge and agree that to the extent any Purchaser Indemnified Party is not a party to this Agreement, each Purchaser Indemnified Party that is (or becomes through assumption of rights as contemplated in Section 10.3) a party to this Agreement shall obtain and hold the right and benefit of the indemnity provisions hereunder in trust for and on behalf of such Purchaser Indemnified Party.
- (c) All claims by the Purchaser for indemnification pursuant to this Section 6.3 will be satisfied first from the EcoHome Holdback Amount and made in accordance with the holdback procedures set forth in Section 6.6 until such time as the entire EcoHome Holdback Amount has been claimed by the Purchaser. The Purchaser will not deduct from or release the EcoHome Holdback Amount except in accordance with the terms and conditions of this Agreement and Section 6.6.

6.4 **Indemnification by the Purchaser**

The Purchaser agrees to indemnify and save harmless the Vendor and its agents, professional advisors and representatives (each, a "**Vendor Indemnified Party**" and collectively, the "**Vendor Indemnified Parties**") from all Losses suffered or incurred by the Vendor as a result of or arising directly or indirectly out of or in connection with:

- (a) any breach by the Purchaser of or any inaccuracy of any representation or warranty of the Purchaser contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto (provided that the Purchaser shall not be required to indemnify or save harmless any Vendor Indemnified Party in respect of any breach or inaccuracy of any representation or warranty unless notice has been provided to the Purchaser in accordance with Section 6.7 on or prior to the expiration of the applicable time period related to such representation and warranty set out in Article 3); or

- (b) any breach or non-performance by the Purchaser of any covenant to be performed by it that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto.

The Vendor and the Purchaser acknowledge and agree that to the extent any Vendor Indemnified Party is not a party to this Agreement, the Vendor shall obtain and hold the right and benefit of the indemnity provisions hereunder in trust for and on behalf of such Vendor Indemnified Party.

6.5 Limit on Indemnification

Notwithstanding anything to the contrary contained in this Agreement:

- (a) Except as provided in the next sentence, the aggregate amount of Losses payable by the Vendor and Daniel with respect to Blue Chip Indemnification Matters shall be limited to 50% of the Blue Chip Allocation (including any amount thereof withheld as part of the Blue Chip Holdback Amount) actually paid to the Vendor. The aggregate amount of Losses payable by the Vendor and Daniel with respect to Blue Chip Indemnification Matters for any Claims for any breach of any of the representations or warranties contained in Article 3 involving fraud by Daniel, the Vendor or Blue Chip or fraudulent misrepresentation or any Fundamental Blue Chip Representation shall be limited to 100% of the Blue Chip Allocation (including any amount thereof withheld as part of the Blue Chip Holdback Amount) actually paid to the Vendor. Notwithstanding the foregoing, and for the avoidance of doubt, the aggregate amount of Losses payable by the Vendor and Daniel pursuant to Section 6.2 shall in no circumstances exceed the Blue Chip Allocation Amount actually paid to the Vendor.
- (b) Except as provided in the next sentence, the aggregate amount of Losses payable by the Vendor and the Vendor Principals with respect to EcoHome Indemnification Matters shall be limited to 50% of the EcoHome Allocation (including any amount thereof withheld as part of the EcoHome Holdback Amount) actually paid to the Vendor. The aggregate amount of Losses payable by the Vendor and the Vendor Principals with respect to EcoHome Indemnification Matters for any Claims for any breach of any of the representations or warranties contained in Article 3 involving fraud by Daniel, Ed, the Vendor or EcoHome or fraudulent misrepresentation or any Fundamental EcoHome Representation shall be limited to 100% of the EcoHome Allocation (including any amount thereof withheld as part of the EcoHome Holdback Amounts) actually paid to the Vendor. Notwithstanding the foregoing, and for the avoidance of doubt, the aggregate amount of Losses payable by the Vendor and the Vendor Principals pursuant to Section 6.3 shall in no circumstances exceed the EcoHome Allocation actually paid to the Vendor.
- (c) With respect to Claims under Section 6.3, (i) the aggregate amount of Losses payable by Daniel with respect to the EcoHome Indemnification Matters shall be limited to 70% of the aggregate amount of Losses payable having regard to the limitations in section (b) of this section and (ii) the aggregate amount of Losses payable by Ed with respect to the EcoHome Indemnification Matters shall be limited to 30% of the aggregate amount of Losses payable having regard to the limitations in section (b) of this section.

- (d) Subject to subsection (e) below, no Claim may be made under Section 6.2 or 6.3 until the aggregate of all Losses suffered or incurred by the Purchaser in respect of all matters which are subject to indemnification under Sections 6.2 and 6.3 exceed \$350,000 (the “**Vendor Threshold**”); provided that if aggregate Claims pursuant to such sections meet the Vendor Threshold, the indemnification obligations under such sections shall be subject to an aggregate deductible such that the Purchaser Indemnified Parties may only seek recovery of Losses to the extent the aggregate Losses exceed the Vendor Threshold. For greater certainty, such deductible is a life of indemnity, and not a per Claim, deductible.

Upon it being definitively determined that the NIBT for the 12 months ending on December 31, 2015 was at least 92.5% of \$7,400,000 or the NIBT for the 12 months ending on December 31, 2016 was at least \$7,650,000, the Vendor Threshold for the purposes of applying this subsection (d) thereafter shall be \$500,000.

- (e) No Claim may be made under Section 6.2 related to a breach or inaccuracy of the representation and warranty in Section 3.1(u)(ii) or under Section 6.3 related to a breach or inaccuracy of the representation in Section 3.2(u)(ii) (with such sections being read in the manner contemplated in Sections 6.2 and 6.3) for write-offs in respect of a calendar year if the NIBT for such calendar year was at least \$6,000,000. Further, the Purchaser Indemnified Parties may only seek recovery of Losses in such regard to the extent that the aggregate Claims for breaches or inaccuracies under such sections in respect of such calendar year exceed \$500,000. For greater certainty, this subsection, and not subsection (d) above, shall apply to Claims related to Sections 3.1(u)(ii) and 3.2(u)(ii).

6.6 Holdback Procedures

- (a) *Indemnification Claims* – The Purchaser will notify the Vendor and Daniel in writing of each Claim for indemnification with respect to Blue Chip Indemnification Matters. The Purchaser will notify the Vendor and the Vendor Principals in writing of each Claim for indemnification with respect to EcoHome Indemnification Matters.
- (b) The notice of such Claim delivered pursuant to the preceding subsection will indicate the provision(s) of this Agreement giving rise to the Claim (or portion thereof). If the Purchaser has not received a written objection to the Purchaser’s Claim for indemnification within 30 days following the date on which such notice was given to the Vendor and or the Vendor Principals, as applicable, in accordance with Section 10.2, then on the first Business Day following the expiration of such 30-day period the Purchaser will deduct from the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, the amount of such indemnification Claim.
- (c) *Disputes and Unresolved Claims* – If the Vendor or Daniel with respect to Blue Chip Indemnification Matters, or the Vendor or a Vendor Principal with respect to EcoHome Indemnification Matters in good faith and on reasonable grounds deliver to the Purchaser a written objection (a “**Dispute Notice**”) to any Claim against the Blue Chip Holdback Amount (or portion thereof) or the EcoHome Holdback Amount (or a portion thereof), as applicable, (a “**Claim Notice**”) within

30 days following the delivery of such Claim Notice in accordance with Section 10.2, then, except as otherwise provided in subsection (d) of this section, the Purchaser will not deduct from the Blue Chip Holdback Amount or the EcoHome Holdback Amount, as applicable, any amounts that are the subject of the Dispute Notice until either (i) the Purchaser and the Vendor or the Vendor Principals, as applicable, have agreed in writing to the deduction from the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, of an amount equal to the amount that is the subject of the Dispute Notice or (ii) an arbitrator selected in accordance with Article 9 issues a final, non-appealable decision directing the Purchaser to deduct from the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, an amount equal to the amount that is the subject of the Dispute Notice. Promptly upon the occurrence of either (i) or (ii) above, the Purchaser will deduct from the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, the amount provided for in such final determination. In the event that the Vendor is, or the Vendor Principals are, as applicable, the prevailing party in whole or in part in connection with any such dispute, the portion of the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, that was the subject of such Dispute Notice and that was not deducted by the Purchaser as provided in the immediately preceding sentence will remain part of the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, and will be available to satisfy subsequent indemnification Claims until released as provided in subsection (e) or (f) of this section. The Vendor will not object to a Claim Notice unless it in good faith and on reasonable grounds believe that all or a portion (as the case may be) of such Claim is not payable to the Purchaser pursuant to this Agreement. Any Dispute Notice will describe in reasonable detail the basis for any objection to the matters set forth in the Claim Notice and the portion of such Claim (if less than all) which is the subject of such Dispute Notice.

- (d) *Partial Deduction* – If any Dispute Notice includes an objection to only a portion of a Claim, the Purchaser will be entitled to deduct from the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, an amount equal to the portion of the Claim for which there is no objection; provided, however, that no such partial deduction by the Purchaser will terminate or otherwise prejudice the Purchaser's rights with respect to amounts claimed in any Claim Notice that are in excess of the amount so deducted.
- (e) *Release of Remaining Blue Chip Holdback Amount* – Subject to subsection (g) of this section, the Purchaser will release the Blue Chip Holdback Amount to the Vendor as follows:
 - (i) eighteen months following the Closing Date (the “**Release Date**”), all of the Blue Chip Holdback Amount in excess of the sum of (A) any Blue Chip Holdback Amount previously deducted by the Purchaser pursuant to this Agreement (“**Prior Blue Chip Deductions**”), whether pursuant to Section 2.2(b)(ii) or this section or otherwise, (B) any amounts that the Purchaser has in good faith asserted a Claim for, but not yet received authorization to deduct from, the Blue Chip Holdback Amount pursuant to this Agreement and (C) any unresolved Claims of the Purchaser for indemnification by in respect of Blue Chip Indemnification Matters under

this Agreement (all such Claims in items (B) and (C) being hereinafter referred to as “**Pending Blue Chip Claims**”); and

- (ii) promptly upon resolution pursuant to subsection (c) of this section of each Pending Blue Chip Claim existing as of the Release Date, all of the remaining Blue Chip Holdback Amount that is the subject of such Pending Blue Chip Claim and is not deductible by the Purchaser pursuant to such resolution.
- (f) *Release of Remaining EcoHome Holdback Amount* – Subject to subsection (g) of this section, the Purchaser will release the EcoHome Holdback Amount to the Vendor as follows:
 - (i) eighteen months following the Closing Date (the “**Release Date**”), all of the EcoHome Holdback Amount in excess of the sum of (A) any EcoHome Holdback Amount previously deducted by the Purchaser pursuant to this Agreement (“**Prior EcoHome Deductions**”), whether pursuant to Section 2.2(b)(ii) or this section or otherwise, (B) any amounts that the Purchaser has in good faith asserted a Claim for, but not yet received authorization to deduct from, the EcoHome Holdback Amount pursuant to this Agreement and (C) any unresolved Claims of the Purchaser for indemnification by in respect of EcoHome Indemnification Matters under this Agreement (all such Claims in items (B) and (C) being hereinafter referred to as “**Pending EcoHome Claims**”); and
 - (ii) promptly upon resolution pursuant to subsection (c) of this section of each Pending EcoHome Claim existing as of the Release Date, all of the remaining EcoHome Holdback Amount that is the subject of such Pending EcoHome Claim and is not deductible by the Purchaser pursuant to such resolution.
- (g) *Deductions from Holdback Amount* – Notwithstanding any provision in this Agreement to the contrary, (i) the aggregate amount released to the Vendor from the Blue Chip Holdback Amount pursuant to subsection (e) of this section will be reduced by the aggregate amount of Prior Blue Chip Deductions and Pending Blue Chip Claims, if any, and (ii) the aggregate amount released to the Vendor from the EcoHome Holdback Amount pursuant to subsection (f) of this section will be reduced by the aggregate amount of Prior EcoHome Deductions and Pending EcoHome Claims, if any.
- (h) *No Limitation of Remedies* – The deduction of the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, by the Purchaser will not limit or otherwise affect any right of indemnification that the Purchaser may otherwise have pursuant to Sections 6.2 and 6.3, and the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, does not constitute an exclusive remedy for the recovery of Claims or Losses by the Purchaser pursuant to this Agreement.
- (i) *Limitations on Rights to Holdback Amount* – the Vendor will not have any right, title or interest in or to, or possession of, the Blue Chip Holdback Amount or EcoHome Holdback Amount, respectively, and will not have the ability to pledge,

convey, hypothecate or grant as security all or any portion of the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, unless and until the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, has been released pursuant to subsection (e) or (f) of this section, as applicable. Accordingly, no creditor of the Vendor will have any right to have or to hold or otherwise attach or seize all or any portion of the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, as collateral for any obligation and will not be able to obtain a security interest in the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, unless and until the Blue Chip Holdback Amount or EcoHome Holdback Amount, as applicable, has been released pursuant to subsection (e) or (f) of this section, as applicable.

6.7 Notice of Claim

Subject to the holdback procedures in Section 6.5, in the event that a party (the **"Indemnified Party"**) shall become aware of any Claim in respect of which another party (the **"Indemnifying Party"**) agreed to indemnify the Indemnified Party pursuant to this Agreement, the Indemnified Party shall promptly give written notice thereof to the Indemnifying Party. Such notice shall specify whether the Claim arises as a result of a claim by a Person against the Indemnified Party (a **"Third Party Claim"**) or whether the Claim does not so arise (a **"Direct Claim"**), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Claim and the amount of the Claim, if known (or if an amount is not then determinable, an estimate of the amount of the Claim, if an estimate is feasible in the circumstances).

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive notice of any Claim in time to contest effectively the determination of any liability susceptible of being contested, the Indemnifying Party shall be entitled to set off against the amount claimed by the Indemnified Party the amount of any Losses incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give such notice on a timely basis.

6.8 Direct Claims

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have sixty (60) days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree at or prior to the expiration of such sixty (60) day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be referred to binding arbitration in such manner as the parties may agree or shall be determined by a court of competent jurisdiction.

6.9 Third-Party Claims

With respect to any Third-Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Claim; provided that in each such case the Indemnifying Party notifies the Indemnified Party in writing prior thereto that the Indemnifying Party does not dispute the Indemnifying Party's

obligation to indemnify hereunder, and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party's out of pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third-Party Claim and to retain counsel to act on its behalf; provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding (including any third or implicated party) include both the Indemnifying Party and the Indemnified Party and representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential conflicting interests between them (such as the availability of different defences) in which event such fees and disbursements shall be paid by the Indemnifying Party to the extent that they have been reasonably incurred. If the Indemnifying Party, having elected to assume such control, thereafter fails to diligently defend the Third-Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control, and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third-Party Claim. If any Third-Party Claim is of a nature such that the Indemnified Party is required by applicable Law to make a payment to any person (a "**Third Party**") with respect to the Third-Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under the Third-Party Claim in respect of which such payment was made, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party.

If at any time, in the reasonable opinion of the Indemnified Party, notice of which shall be given in writing to the Indemnifying Party, any such claim or demand seeks material prospective relief which could have a material and adverse effect in respect of such Indemnified Party, the Indemnified Party shall have the right to control or assume (as the case may be) the defense of any such claim or demand and the amount of any judgment or settlement and the reasonable costs and expenses of defense shall be included as part of the indemnification obligations of the Indemnifying Party hereunder. If the Indemnified Party should elect to exercise such right, the Indemnifying Party shall have the right to participate in, but not control, the defense of such claim or demand at the sole cost and expense of the Indemnifying Party.

6.10 Settlement of Third-Party Claims

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if any such consent was unreasonably withheld or delayed. Unless the Indemnified Party otherwise agrees in writing, (i) any such settlement shall include a complete and unconditional release of the Indemnified Party, and (ii) the Indemnifying Party may not settle or compromise any such Third Party Claim if, in connection with any such settlement or compromise, there is any admission or statement of wrongdoing, negligence or violation of law by, or on the part of, or otherwise attributable to, the Indemnified Party.

6.11 Co-operation

The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available). Without limiting the generality of the foregoing, in connection with any Third Party Claim, (a) each shall provide the other with such assistance as may be reasonably requested by the other in connection with any audit or other examination of any Governmental Entity, or any judicial or administrative proceedings related to either Blue Chip or EcoHome; and (b) each shall mutually co-operate with each other in relation to any third party Tax liability, shall provide each other with copies of all relevant documentation as it becomes available and shall provide each other with access to all records and files relating to the defence of any third party Tax liability.

6.12 Mitigation and Exclusivity

Nothing contained in this Agreement shall affect the obligation of a party seeking indemnification to take commercially reasonable steps to mitigate its losses. The provision of this Article 6 shall apply to any Claim for breach of any covenant, representation, warranty or other provision of this Agreement or any agreement, certificate or other document delivered pursuant hereto (other than a claim for specific performance or injunctive relief) with the intent that all such Claims shall be subject to the limitations and other provisions contained in this Article 6.

ARTICLE 7 AMENDMENT AND TERMINATION

7.1 Amendment

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. Without limiting the generality of the foregoing, any such amendment may:

- (a) change the time for the performance of any of the obligations or acts of the parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document to be delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants contained herein or waive or modify the performance of any of the obligations of the parties; and
- (d) waive compliance with and modify any conditions precedent herein contained.

7.2 Mutual Understanding Regarding Amendments

The parties agree that if the Purchaser or the Vendor, as the case may be, proposes any amendment or amendments to this Agreement, the other(s) will act reasonably in considering such amendment and if the other(s) and its shareholders (in the case of the Purchaser) are not prejudiced by reason of any such amendment the other(s) will co-operate in a reasonable fashion with the Purchaser or the Vendor, as the case may be, so that such amendment can be effected subject to applicable Laws and the rights of the shareholders.

7.3 Termination

If the Closing does not occur on or prior to the Closing Date, then this Agreement shall terminate unless the Purchaser and the Vendor have mutually agreed in writing to extend such date.

ARTICLE 8 CLOSING ARRANGEMENTS

8.1 Closing Place and Time

The Closing shall take place at the Closing Time at the offices of Purchaser's Counsel in Toronto, Ontario.

If Closing does not occur as a result of the condition in Section 5.1(a) or (b) or any of the conditions in Section 5.3(b), (j), (l), (m) or (o) not being satisfied as of April 3, 2015 (other than as a result of the action or failure to act of the Vendor) but such conditions were satisfied as at March 13, 2015, the Purchaser shall pay to the Vendor, within 10 days after the Closing Date, an amount equal to (i) the reasonable fees and expenses incurred to such date by the Vendor in connection with the Transactions; plus (ii) the amount of \$1,000,000 (the "**Special Termination Fee**"). The Vendor hereby acknowledges and agrees that, under circumstances where the Vendor is entitled to the Special Termination Fee and such Special Termination Fee is paid in full to the Vendor, the Vendor shall be precluded from any other remedy against the Purchaser at law or in equity or otherwise and in any such case it shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the Purchaser or any of its subsidiaries or any of their respective directors, officers, employees, partners, managers, members, shareholders or Affiliates in connection with this Agreement or the transactions contemplated hereby.

8.2 Further Assurances

Each party to this Agreement covenants and agrees that, from time to time subsequent to the Closing Date, it will at the request and expense of the requesting party, execute and deliver all such documents, including, without limitation, all such additional conveyance, transfers, consents and other assurances and do all such other acts and things as any other party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

ARTICLE 9 ARBITRATION

9.1 Scope of Arbitration

All questions, differences, Claims and disputes arising out of or in connection with this Agreement or the breach, termination or invalidity of this Agreement (collectively, a "**Dispute**") shall be resolved by arbitration.

9.2 **Composition of Arbitration Panel**

The arbitration will be conducted by a single arbitrator.

9.3 **Initiation and Appointment of Arbitrator**

Any party to this Agreement (the “**Complainant**”) may initiate arbitration by giving written notice in the manner provided for in Section 10.2 to the other(s) (the “**Respondent**”) of the Complainant's desire to submit a Dispute to arbitration in accordance with this Article 9 (the “**Complaint**”). The Complainant shall describe with reasonable particularity the subject matter of the Dispute and shall nominate an arbitrator (the “**Proposed Arbitrator**”). The Proposed Arbitrator shall determine the Dispute unless, within ten (10) calendar days of receipt of the Complaint (the “**Response Period**”), the Respondent, by written notice to the Complainant, objects to the appointment of the Proposed Arbitrator. If, within the Response Period, the Respondent objects to the appointment of the Proposed Arbitrator and the Complainant and the Respondent do not otherwise agree or the appointment of an arbitrator, the arbitrator may be appointed by a judge of the Superior Court of Justice sitting in Toronto upon application of either party.

9.4 **Locations and Language of Arbitration**

The arbitration will take place in Toronto, Ontario and will be conducted in English.

9.5 **Arbitration Conducted in Accordance with *Arbitration Act, 1991 (Ontario)***

Except as otherwise provided in this Article 9, the arbitration will be governed by the *Arbitration Act, 1991 (Ontario)*.

9.6 **Fees of the Arbitrator, Costs and Expenses**

Unless the arbitrator otherwise determines, the fees of the arbitrator and the costs and expenses of the arbitration will be borne and paid equally by the Purchaser on the one hand and the Vendor, on the other hand.

9.7 **Procedure**

To the extent not otherwise provided for in this Article 9, the procedure to be followed will be as agreed to by the parties, or, in default of such agreement, as determined by the arbitrator.

9.8 **Award Final and Binding and No Right of Appeal**

The decision of the arbitrator shall be final and binding as between the parties to this Agreement and there shall be no rights of appeal of any kind.

9.9 **Judgment May Be Entered In Any Court Having Jurisdiction**

Judgment upon the award, including any interim award, rendered by the arbitrator may be entered in any court having jurisdiction.

9.10 Confidentiality

The arbitration shall be kept confidential and the existence of the arbitration proceeding and any element of it (including but not limited to any pleadings, briefs or other documents submitted and exchanged and testimony or other oral submissions and any awards made) shall not be disclosed beyond the arbitrator, the parties to this Agreement, their counsel and any Person to whom disclosure is necessary to the conduct of the proceeding, except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

ARTICLE 10 GENERAL

10.1 Expenses

The Purchaser and the Vendor shall be responsible for and bear all of its (or their) own fees, costs and expenses (including the fees and disbursements of counsel, financial advisors, accountants, actuaries, consultants and brokers, expenses of advisors, agents and other representatives) incurred at any time in connection with pursuing or consummating this Agreement and the Transactions. The provisions of this section shall survive the termination of this Agreement.

10.2 Notices

All notices which may or are required to be given pursuant to any provisions of this Agreement shall be given or made in writing as follows:

- (a) in the case of the Purchaser:

4077 Chesswood Drive
Toronto, Ontario M3J 2R8

Attention: Barry Shafran
Facsimile No.: (416) 386-3085
email: bshafran@chesswoodgroup.com

with a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP
Box 48, Suite 5300
Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E6

Attention: Gary Litwack
Facsimile No.: (416) 868-0673
email: glitwack@mccarthy.ca

- (b) in the case of the Vendor:

10 Browside Avenue
Toronto, Ontario M5P 2V1

Email: daniel@bluechipleasing.com

with a copy (which shall not constitute notice) to:

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Richard Epstein
Facsimile No.: (416) 863-1515
Email: repstein@airdberlis.com

(c) in the case of Daniel:

[REDACTED]

Email: [REDACTED]

Redacted - Address
and Email

(d) in the case of Ed:

[REDACTED]

Email: [REDACTED]

The parties may change their respective addresses for notices by notice given in the manner set out in this section. Any such notice or other communication shall be in writing and, unless delivered personally to the addressee, or to a responsible officer of the addressee, as applicable, shall be given by facsimile or other recorded electronic means (email) and shall be deemed to have been given when: (i) in the case of a notice delivered personally to the addressee, or to a responsible officer of the addressee, as applicable, when so delivered; and (ii) in the case of a notice delivered or given by facsimile or other recorded electronic means (email), on the first Business Day following the day on which it is sent.

10.3 Assignment

This Agreement may not be assigned by the Vendor without the written consent of the Purchaser, but may be assigned by the Purchaser in whole or in part without the consent of the Vendor to an Affiliate, provided that such Affiliate enters into a written agreement with the Vendor to be bound by the provisions of this Agreement in all respects and to the same extent as the Purchaser is bound, and provided further that the Purchaser will continue to be bound by all of its obligations under this Agreement as if such assignment had not occurred and perform such obligations to the extent such Affiliate fails to do so. Notwithstanding the foregoing, the Vendor and the Vendor Principals hereby consent to: (a) the assignment by way of security by the Purchaser of all of its rights under this Agreement to Royal Bank of Canada, in its capacity as collateral agent (together with its successors and assigns, the “**Collateral Agent**”) under the credit agreement of the Purchaser dated as of December 8, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) for and on behalf of itself and the lenders under the Credit Agreement (the “**Lenders**”) and (b) the

assignment by the Purchaser of all of its rights and obligations under this Agreement to the Collateral Agent and the Lenders or one or more third parties upon exercise by the Collateral Agent of its rights in respect of the assignment by way of security of this Agreement.

10.4 Binding Effect

This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors, administrators and personal representatives, as applicable.

10.5 Waiver and Modification

Any party hereto may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to it hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants herein contained for its benefit or waive or consent to the modification of any of the obligations of the other party hereto. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

10.6 Counterparts

This Agreement may be executed in one or more counterparts by original, PDF or facsimile signature, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

10.7 Public Disclosure

Any public or other announcement with respect to this Agreement, except as may be required by applicable Law, will be made only upon the mutual agreement of Daniel, on behalf of the Vendor, and the Purchaser; provided, however, that in the event of a request by any regulatory body for disclosure by any party or in the event of a legal requirement to make disclosure, the party making such disclosure shall consult with the other party (or parties) prior to making any statement or press release and each party shall use all reasonable efforts, acting in good faith, to agree upon the text for such statement or press release. If a party is subject to a legal requirement to make disclosure, that party shall have the final determination as to the timing and content of such disclosure but shall make only such disclosure as it, acting reasonably, believes to be necessary to comply with the legal requirement or as is otherwise agreed to by each of the parties. Information respecting this Agreement and any of the Transactions contemplated hereby or thereby, including any subsequent negotiations and procedures relating thereto, shall otherwise be kept in the strictest of confidence by the Vendor and the Purchaser and their respective authorized representatives.

The Purchaser agrees to provide drafts of any proposed disclosure to the Vendor and to make any changes reasonably requested by the Vendor.

10.8 Time of Essence

Time is of the essence of this Agreement.

10.9 **Specific Performance**

The Transactions are unique transactions and any failure on the part of the Vendor, on the one hand, and the Purchaser, on the other hand, to complete the Transactions on the terms of this Agreement will not be fully compensable in damages and the breach or threatened breach of the provisions of this Agreement would cause the Purchaser and the Vendor, respectively, irreparable harm. Accordingly, in addition to and not in limitation of any other remedies available to the Purchaser, on the one hand, and the Vendor, on the other hand, for a breach or threatened breach of this Agreement, the Purchaser and the Vendor, respectively, will be entitled to specific performance of this Agreement upon any breach by the Vendor or the Purchaser, as applicable, and to an injunction restraining any such party from such breach or threatened breach.

10.10 **Invalidity of Provisions**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or equity, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereinbefore written.

CHESSWOOD GROUP LIMITED

Per:

"Barry Shafran"

Name: Barry Shafran

Title: President & CEO

CB LEASECO HOLDINGS INC.

Per:

"Daniel Wittlin"

Name: Daniel Wittlin

Title: President

"Witness"

Witness

"Daniel Wittlin"

DANIEL WITTLIN

"Witness"

Witness

"Edmund Dias"

EDMUND DIAS

**Schedule 2.3
Escrow Agreement**

ESCROW AGREEMENT

THIS AGREEMENT is made ●, 2015

BETWEEN

CHESSWOOD GROUP LIMITED, a corporation existing under the laws of Ontario (hereinafter called the "**Purchaser**")

- and -

CB LEASECO HOLDINGS INC., a corporation existing under the laws of Ontario (hereinafter called the "**Vendor**")

- and -

EQUITY FINANCIAL TRUST COMPANY, a trust company existing under the laws of Canada (the "**Escrow Agent**")

WHEREAS, pursuant to sections 2.2(b)(ii) and 2.4 of the Purchase Agreement (as defined below), the Purchaser is to withhold the Blue Chip Holdback Amount, the EcoHome Holdback Amount and the Takeback Shares from the Base Price;

AND WHEREAS the Purchase Agreement provides that the Blue Chip Holdback Amount, the EcoHome Holdback Amount and the Takeback Shares will be deposited in escrow and held pursuant to the terms of this Agreement;

AND WHEREAS the Escrow Agent has agreed to hold the Blue Chip Holdback Amount, the EcoHome Holdback Amount and the Takeback Shares in escrow in accordance with this Agreement;

AND WHEREAS the foregoing recitals are made as representations of fact by the Purchaser and Vendor and not by the Escrow Agent;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith, all capitalized terms used herein that are defined in the Purchase Agreement and not otherwise defined herein have the same meaning herein as in the Purchase Agreement. In addition:

"**Agreement**" means this agreement, including its recitals and schedule, as amended from time to time.

"**Business Day**" means any day, other than a Saturday, Sunday or any other day on which the principal banks located in Toronto, Ontario are not open for business during normal banking hours;

“Change of Control” means any of the following:

- (a) an amalgamation, merger or business combination (within the meaning ascribed to such term in Multilateral Instrument 61-101) of Chesswood with another entity, other than a wholly-owned subsidiary, or an arrangement pursuant to the *Business Corporations Act* (Ontario) involving Chesswood or another transaction pursuant to which a person acquires all of the issued and outstanding Chesswood Shares;
- (b) the sale, lease or other disposition of all or substantially all of the assets or undertaking of Chesswood; or
- (c) the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction over an aggregate of 50% or more of the outstanding Chesswood Shares, by take-over bid or otherwise.

“Disbursement Instructions” has the meaning ascribed to it in section 4.01.

“Escrow Deposit” means at any time and from time to time the funds and securities held in escrow by the Escrow Agent, being initially the Blue Chip Holdback Amount, the EcoHome Holdback Amount and the Takeback Shares deposited therein pursuant to the Purchase Agreement, and any interest earned thereon.

“Purchase Agreement” means the share purchase agreement dated February 25, 2015 between the Purchaser, the Vendor, Daniel Wittlin and Edmund Dias.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.03 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

1.04 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

1.05 **Schedules**

The following is the Schedule to this Agreement:

Schedule A - Disbursement Instructions

ARTICLE 2 - APPOINTMENT

2.01 **Appointment of Escrow Agent**

The Vendor and the Purchaser hereby appoint the Escrow Agent to act as escrow agent hereunder and the Escrow Agent accepts such appointment.

ARTICLE 3 - ESCROW DEPOSIT

3.01 **Purpose**

This Agreement has been executed and delivered, and the Escrow Deposit is being established, to facilitate the obligations of sections 2.2(b)(ii), 2.4, 6.2 and 6.3 of the Purchase Agreement.

3.02 **Establishment of Escrow**

The Escrow Agent agrees to act as escrow agent in accordance with the terms hereof and hereby acknowledges it will hold the Escrow Deposit as escrow agent on behalf of the parties hereto.

3.03 **Escrow Deposit**

(1) The Escrow Agent acknowledges receipt of the Blue Chip Holdback Amount, the EcoHome Holdback Amount and the Takeback Shares from the Purchaser, which have been delivered to and will be held in escrow by the Escrow Agent and disbursed by the Escrow Agent in accordance with the terms of this Agreement.

(2) If reasonably practicable to do so, the Blue Chip Holdback Amount and the EcoHome Holdback Amount shall be invested and reinvested by the Escrow Agent in an interest-bearing account of a bank listed in Schedule I of the *Bank Act* (Canada) or a trust company registered under the *Trust and Loan Companies Act* (Canada) in which the principal amount invested is protected. For greater certainty, the Blue Chip Holdback Amount and the EcoHome Holdback Amount can be invested in an interest-bearing account of the Escrow Agent if it is a bank or trust company which meets the criteria in the preceding sentence of this subsection.

(3) Neither the Escrow Agent, nor any officers, directors, employees, agents, representatives, attorneys, successors or assigns of the Escrow Agent, shall have any responsibility or liability for any failure to invest or reinvest the Blue Chip Holdback Amount or EcoHome Holdback Amount, or any diminution in value of the Blue Chip Holdback Amount or EcoHome Holdback Amount or any assets held hereunder which may result from any investment or reinvestment made in accordance with the terms hereof, except in the case of gross negligence, bad faith, fraud or wilful misconduct of the Escrow Agent.

3.04 Dividends

For greater certainty, the Vendor shall be entitled to receive dividends declared on the Takeback Shares as and when declared by the board of directors of Chesswood and paid by Chesswood, and any such dividends will be paid to the Vendor and not paid to or held by the Escrow Agent.

3.05 Tax Matters

The parties agree that the Escrow Agent does not have any interest in the Escrow Deposit, but is serving only as escrow holder hereunder. All taxes in respect of income earned on the Escrow Deposit will be the obligation of and will be paid when due by the beneficial owner of such income, who shall indemnify and hold the Escrow Agent harmless from and against any liability arising from such taxes, including the failure to pay such taxes. To the extent required by law, the Escrow Agent will perform its withholding, remittance and reporting obligations under the *Income Tax Act (Canada)*, as amended, and the regulations promulgated thereunder and any applicable provincial legislation.

ARTICLE 4 - RELEASE OF THE ESCROW DEPOSIT

4.01 Release of the Blue Chip Holdback Amount and EcoHome Holdback Amount

(1) Any disbursement or release of the Blue Chip Holdback Amount or the EcoHome Holdback Amount from the Escrow Deposit shall be made in accordance with section 2.2(b)(ii) and section 6.2 or 6.3, as applicable, of the Purchase Agreement and in accordance with prior authorization in the form of (a) disbursement instructions in the form attached hereto as Schedule A ("**Disbursement Instructions**") signed by both the Vendor and the Purchaser or (b) a final and non-appealable decision from an arbitrator selected in accordance with Article 9 of the Purchase Agreement.

(2) To the extent not claimed by the Purchaser pursuant to section 6.2 or 6.3 of the Purchase Agreement, as applicable, the Escrow Agent shall on ●, 2016, being 18 months after the Closing Date, pay to the Vendor, in cash, the remaining Blue Chip Holdback Amount (together with all interest accrued thereon) and the remaining EcoHome Holdback Amount (together with all interest accrued thereon).

(3) The Escrow Agent shall process the disbursement or release within three Business Days from the date of the Disbursement Instructions.

4.02 Release of Takeback Shares

(1) Subject to subsections (2), (3) and **Error! Reference source not found.** of this section, the Escrow Agent will release the Takeback Shares to the Vendor as follows:

- (a) ● Takeback Shares on ●, 2016, being the first anniversary of the Closing Date; **[NTD: Insert the number of shares issuable pursuant to section 2.2(b)(i)C of the Purchase Agreement.]**
- (b) 500,000 Takeback Shares on ●, 2017, being the second anniversary of the Closing Date; and

(c) 500,000 Takeback Shares on ●, 2018, being the third anniversary of the Closing Date.

(2) Upon the occurrence of a Change of Control and notice is provided to the Escrow Agent in writing, the Escrow Agent shall release to the Vendor, and the Vendor shall be permitted to tender the Takeback Shares not previously released in accordance with this section to the Change of Control transaction.

(3) In the event that Daniel Wittlin is terminated without cause by either Blue Chip, Chesswood or EcoHome and notice is provided to the Escrow Agent in writing, then all of the Takeback Shares then held in escrow shall be released by the Escrow Agent to the Vendor immediately thereafter.

ARTICLE 5 - ESCROW DUTIES

5.01 Responsibilities of the Escrow Agent

(1) In the exercise and discharge of its rights and duties hereunder, the Escrow Agent will act honestly and in good faith, and will exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(2) The Escrow Agent will be obligated to perform only such duties as are expressly set forth in this Agreement. No implied covenants or obligations will be inferred from this Agreement against the Escrow Agent, nor will the Escrow Agent be bound by the provisions of any agreement between the other parties hereto beyond the specific terms hereof.

(3) The Escrow Agent will be entitled to rely upon any reasonable order, judgment, certification, instruction, notice (including Disbursement Instructions) or other writing delivered to it in compliance with the provisions of this Agreement without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity thereof. The Escrow Agent may act in reliance upon any instrument or signature reasonably believed by it to be genuine and complying with the provisions of this Agreement and may assume that any person purporting to give notice or receipt or advice or make any statement or execute any document in accordance with the provisions hereof has been duly authorized to do so.

(4) The Escrow Agent will not be liable hereunder, except for its own gross negligence, bad faith or wilful misconduct.

(5) The Escrow Agent may consult with, and obtain advice from, legal counsel in the event of any question as to any of the provisions of this Agreement or the duties hereunder, and the Escrow Agent will, except in the case of its own negligence, bad faith or wilful misconduct, incur no liability and will be fully protected in acting in good faith in accordance with the written opinion and instructions of such counsel.

(6) The Escrow Agent may employ such experts, advisors, agent or agencies as it may reasonably require for the purpose of discharging its duties hereunder and will not be responsible for the negligent action or misconduct of such parties or any of them.

(7) In the event of any disagreement between the parties resulting in adverse claims or demands with respect to the Escrow Deposit, the Escrow Agent shall be entitled, at its option, to refuse to comply with any claims or demands on it with respect thereto as long as such

disagreement shall continue, and in so refusing, the Escrow Agent shall not be or become liable in any way to the Parties for its failure or refusal to comply with such claims or demands. The Escrow Agent shall be entitled to refrain from acting or refusing to act until such claims or demands shall have been fully settled by agreement and the Escrow Agent shall have been notified thereof by the Vendor and Purchaser in writing or by order of an arbitrator or by appropriate court order.

(8) The Escrow Agent is not required to effect and partial or full release unless its fees and expenses are paid in full.

5.02 Expenses of the Escrow Agent

The fees and expenses of the Escrow Agent hereunder will be paid by the Purchaser.

5.03 Indemnity in Favour of the Escrow Agent

Except as set forth in section 5.02 above, the Vendor and the Purchaser jointly and severally covenant and undertake to indemnify and save harmless the Escrow Agent from any and all claims, suits, demands, actions and liabilities ("**Claims**") arising out of or in connection with the Escrow Agent acting as escrow agent hereunder, including but not limited to costs of litigation and legal fees (on a lawyer and its own client basis), excluding Claims arising from the wilful misconduct, gross negligence, or lack of good faith of the Escrow Agent.

The provisions of this section 5.3 shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement, Notwithstanding the foregoing, the Escrow Agent shall not be liable for special, indirect, or consequential loss or damage of any kind whatsoever, even if the Escrow Agent has been advised of such loss or damage, except to the extent that the Escrow Agent has acted in bad faith or engaged in wilful misconduct or gross negligence.

5.04 Resignation or Removal

(1) The Escrow Agent may, at any time and for any reason or for no reason, in its sole discretion, resign as escrow agent under this Agreement by giving the Purchaser and the Vendor at least fifteen (15) Business Days' notice in writing of its intention to resign, or such shorter notice as the Purchaser and the Vendor may accept as sufficient. The Purchaser and the Vendor, acting together, may, at any time and for any reason or for no reason, in their sole discretion, remove the Escrow Agent as escrow agent under this Agreement by giving the Escrow Agent at least fifteen (15) Business Days' notice in writing of their intention to remove, or such shorter notice as the Escrow Agent may accept as sufficient. Each of the Purchaser and the Vendor agrees that they shall forthwith, upon receipt of such notice from the Escrow Agent or upon the giving of such notice to the Escrow Agent, as applicable, work diligently to find and appoint a new escrow agent to act in the place and stead of the Escrow Agent and if they fail to agree on such appointment, any of the Purchaser, the Vendor or the Escrow Agent may apply to a court of competent jurisdiction, upon such notice as such judge may direct, for the appointment of a new escrow agent. Upon any such appointment, the new escrow agent shall be vested with the same powers, rights, duties and obligations as if it had been originally named herein as escrow agent and such new escrow agent shall enter into an agreement with the Purchaser and the Vendor with respect to such replacement escrow arrangement. If at any time or for any reason the Escrow Agent is authorized or directed to release and deliver the

Escrow Deposit to a new escrow agent or to any other person, the Escrow Agent shall, prior to effecting such release and transfer, be paid all of its unpaid fees, non-reimbursed expenses and costs arising pursuant to this Agreement.

(2) Any corporation into which the Escrow Agent is amalgamated or with which it is consolidated or to which all or substantially all of its corporate trust business is sold or is otherwise transferred or any corporation resulting from any consolidation or amalgamation to which the Escrow Agent is a party, shall become the successor escrow agent under this Agreement, without the execution of any document or any further act.

5.05 Compliance with Legal Orders

If any funds comprising the Escrow Deposit are attached, garnished or levied upon under any court order, or the delivery thereof is stayed or enjoined by any court order, or any other order, judgment or decree is made or entered into by a court affecting the Escrow Deposit or any part thereof or any act of the Escrow Agent, the Escrow Agent is expressly authorized, in its sole discretion, to obey and comply with all writs, orders, judgments or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it. If the Escrow Agent obeys and complies with any such writ, order, judgment or decree, it will not be liable to any of the other parties hereto or to any other person by reason of such compliance notwithstanding that such writ, order, judgment or decree is subsequently revised, modified, annulled, set aside or vacated.

5.06 Interpleader

Notwithstanding any other provision of this Agreement, the Escrow Agent has the right at any time to interplead the parties and deposit the Escrow Deposit or any other document or cash deposited with it with any court of competent jurisdiction in the event of any dispute as to, or if the Escrow Agent in its sole discretion concludes that there is, a *bona fide* question, confusion or dispute in respect of or as to any matter under this Agreement including the holding or delivery of the Escrow Deposit, the duties of the Escrow Agent in respect of any other matter arising hereunder or the validity, enforceability, extent of enforceability or meaning of any provision of this Agreement.

5.07 Right Not to Act

The Escrow Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Escrow Agent, in its sole and reasonable judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Escrow Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Buyer and the Seller, provided that: (i) the Escrow Agent's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Escrow Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

5.08 Third Party Interests

The Vendor and Purchaser represents to the Escrow Agent that any account to be opened by, or interest to held by the Escrow Agent in connection with this Agreement, for or to the credit of such party, either: (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Escrow Agent's prescribed form as to the particulars of such third party.

ARTICLE 6 - GENERAL

6.01 Further Assurances

Each of the parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as any other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

6.02 Benefits and Assignment

Nothing in this Agreement, expressed or implied, will give or be construed to give any person, other than the parties hereto and their successors and permitted assigns, any legal claim under any covenant, condition or provision hereof, all the covenants, conditions and provisions contained in this Agreement being for the sole benefit of the parties hereto and their successors and permitted assigns.

6.03 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the parties hereto and the respective successors and permitted assigns of the parties.

6.04 Entire Agreement

This Agreement and the Purchase Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and cancel and supersede any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

6.05 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

6.06 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication as follows:

- (1) in the case of the Purchaser:

4077 Chesswood Drive
Toronto, Ontario M3J 2R8

Attention: Barry Shafran
Facsimile No.: (416) 386-3085
email: bshafran@chesswoodgroup.com

with a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP
Box 48, Suite 5300
Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E6

Attention: Gary Litwack
Facsimile No.: (416) 868-0673
email: glitwack@mccarthy.ca

- (2) in the case of the Vendor:

Redacted - address and email

[Redacted]

Email: [Redacted]

with a copy (which shall not constitute notice) to:

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Richard Epstein
Facsimile No.: (416) 863-1515
Email: repstein@airdberlis.com

- (3) in the case of the Escrow Agent:

Equity Financial Trust Company
200 University Avenue, Suite 300
Toronto, Ontario M5H 4H1

Attention: Kathy Thorpe
Facsimile No.: (416) 361-0470

or to such other street address, individual or electronic communication number or address as may be designated by notice given by any party to the others. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours of the recipient next occur if not given during such hours on any day.

6.07 Remedies Cumulative

The rights and remedies of the parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

6.08 Governing Law

This Agreement is governed by and will be construed in accordance with the internal laws of the Province of Ontario and the laws of Canada applicable therein, without reference to conflicts of law rules.

6.09 Attornment

Each of the parties hereby agrees to resolve all questions, differences, claims and disputes arising out of or in connection with this Agreement or the breach, termination or invalidity of this Agreement by arbitration in accordance with the provisions of Article 9 of the Purchase Agreement.

6.10 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

6.11 Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHESSWOOD GROUP LIMITED

Per: _____
Name: Barry Shafran
Title: President and CEO

CB LEASECO HOLDINGS INC.

Per: _____
Name:
Title:

EQUITY FINANCIAL TRUST COMPANY

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE A

DISBURSEMENT INSTRUCTIONS

TO: **EQUITY FINANCIAL TRUST COMPANY**

Pursuant to the Escrow Agreement dated ●, 2015 between Chesswood Group Limited (the "**Purchaser**"), CB Leaseco Holdings Inc. and Equity Financial Trust Company (the "**Escrow Agent**"), the Purchaser and the Vendor hereby jointly authorize and direct the Escrow Agent to make the following payment(s):

PAYEE	AMOUNT	ACCOUNT	REASON

DATED ●, 20●

CHESSWOOD GROUP LIMITED

Per: _____
Name: Barry Shafran
Title: President and CEO

CB LEASECO HOLDINGS INC.

Per: _____
Name:
Title:

Schedule 3.1(a)
Directors and Officers of Blue Chip

Director	Daniel Wittlin	
Director	Marcelle Newstadt	
Officer	Daniel Wittlin	Chief Executive Officer
Officer	Marcelle Newstadt	Secretary and treasurer

Schedule 3.1(d)

Consents

Consents are required pursuant to the following agreements:

Agreement	Parties	Date
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

Redacted -
Commercially
Sensitive
Information

Schedule 3.1(j)
Absence of Certain Changes of Events

Agreement	Parties	Date
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

Redacted -
Commercially
Sensitive
Information

**Schedule 3.1(n)
Material Agreements and Licenses**

Agreement	Parties	Date
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Redacted -
Commercially
Sensitive
Information

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

Redacted -
Commercially
Sensitive
Information

**Schedule 3.1(o)
Major Suppliers**

Name of Supplier
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

**Redacted - Commercially
Sensitive Information**

Other suppliers as disclosed in the Blue Chip Financing Contracts Summary

Schedule 3.1(r)
Intellectual Property

Type	Description
Web domain	bluechipleasing.com
Web domain	enablecapitalcorp.com
Trade name	Enable (registered) Blue Chip
Corporate name	Blue Chip Leasing Corporation
Logos	See below

ENABLE
Capital Corporation

BLUECHIP
LEASING CORPORATION

**Schedule 3.1(aa)
Employee Plans**

[Redacted]

**Redacted -
Commercially
Sensitive
Information**

**Schedule 3.1(cc)
Guarantees**

See schedule 3.1 (n)

Schedule 3.1(hh)
Real Property

See Schedule 3.1(n) and as disclosed in the BlueChip Financing Contracts Summary

Schedule 3.2(a)
Directors and Officers of EcoHome

Director	Daniel Wittlin	
Director	Marcelle Newstadt	
Director	Edmund Dias	
Officer	Daniel Wittlin	Chief Executive Officer
Officer	Edmund Dias	President

**Schedule 3.2(d)
Consents**

Consents are required pursuant to the following agreements:

Agreement	Parties	Date
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

**Redacted -
Commercially
Sensitive
Information**

Schedule 3.2(j)
Absence of Certain Changes of Events

Agreement	Parties	Date
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Redacted -
Commercially
Sensitive
Information

Schedule 3.2(n)
Material Agreements and Licenses

Agreement	Parties	Date
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Redacted -
Commercially
Sensitive
Information

[Redacted]	[Redacted]	[Redacted]
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Commercially
Sensitive
Information

[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Redacted -
Commercially
Sensitive
Information

**Schedule 3.2(o)
Major Suppliers**

Name of Supplier
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

**Redacted -
Commercially
Sensitive
Information**

Other suppliers as disclosed in the EcoHome Financing Contracts Summary

Schedule 3.2(r)
Intellectual Property

Type	Description
Web domain	ecohomefinancial.com
Corporate name	EcoHome Financial Inc.
Logos	See below



EcoHome
FINANCIAL



EcoHome
FINANCIAL

**Schedule 3.2(aa)
Employee Plans**



**Redacted -
Commercially
Sensitive
Information**

**Schedule 3.2(cc)
Guarantees**

See schedule 3.2 (n)

Schedule 5.2(f)
Opinion of Purchaser's Counsel
(attached)

[Insert on McCarthy Tétrault Letterhead]

•, 2015

CB Leaseco Holdings Inc.
[insert address]

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Dear Sirs/Mesdames:

Re: Purchase by Chesswood Group Limited of all of the issued and outstanding shares in the capital of Blue Chip Leasing Corporation and EcoHome Financial Inc.

We have acted as counsel for Chesswood Group Limited (the “**Purchaser**”) in connection with the purchase of all of the issued and outstanding shares of Blue Chip Leasing Corporation (“**Blue Chip**”) and EcoHome Financial Inc. (together with Blue Chip, the “**Corporations**”) and certain shareholder loans made by the Vendor to the Corporations, pursuant to a share purchase agreement made February •, 2015 (the “**Share Purchase Agreement**”) between the Purchaser, CB Leaseco Inc. (the “**Vendor**”), Daniel Wittlin and Edmund Dias. Pursuant to the Share Purchase Agreement, the Purchaser has agreed to issue • common shares of the Purchaser (the “**Transaction Shares**”) to the Vendor as partial consideration for the purchase of all of the issued and outstanding shares of the Corporations and such shareholder loans. This opinion is being delivered to you pursuant to section 5.2(f) of the Share Purchase Agreement.

Terms used in this opinion that are defined in the Share Purchase Agreement and are not otherwise defined herein have the same meaning herein as in the Share Purchase Agreement.

When used in this opinion, the term “**Applicable Securities Laws**” means all applicable securities legislation of the Province of Ontario and the regulations, instruments and rules made thereunder.

Materials Reviewed

We have examined originals or copies, certified or otherwise identified to our satisfaction, of each of the following documents:

- (a) the Share Purchase Agreement;
- (b) an escrow agreement dated the date hereof between the Purchaser, the Vendor and Equity Financial Trust Company, as escrow agent (together with the Share Purchase Agreement, the “**Agreements**”); and
- (c) an officers’ certificate of the Purchaser (the “**Certificate**”) dated as of the date hereof.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such public and corporate records, certificates, instruments and other documents and have considered such questions of law as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed.

Assumptions and Fact Reliance

We have assumed:

- (a) the genuineness of all signatures on all documents examined by us and the legal capacity of all natural persons;
- (b) the authenticity of all documents submitted to us as originals;
- (c) the conformity to original documents of all documents submitted to us as copies, whether facsimile, electronic, photostatic, certified or otherwise, and the authenticity of the originals of such copies;
- (d) that the Agreements have been duly authorized, executed and delivered by, and constitutes a valid and legally binding obligation of, each of the parties thereto except the Purchaser, enforceable against each of the parties thereto other than the Purchaser in accordance with their terms;
- (e) that insofar as any obligation under the Agreements is to be performed in any jurisdiction outside the Province of Ontario its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction;
- (f) the accuracy, currency and completeness of the indices and filing systems maintained at the public offices and registries where we have searched or made enquiries or have caused searches or enquiries to be made and of the information and advice provided to us by appropriate government, regulatory and other like officials with respect to those matters referred to herein;
- (g) that the minute books of the Purchaser reviewed by us are complete and accurate in all respects;
- (h) that the Vendor is resident in the Province of Ontario and that the Transaction Shares will be registered in the name or, and delivered to, the Vendor in such jurisdiction;
- (i) that no offering memorandum (as that term is defined in the Applicable Securities Laws) has been delivered to the Vendor in connection with the issuance of the Transaction Shares;
- (j) that no order, ruling or decision is in effect that restricts or prohibits any trades in securities of the Purchaser or that affects any person, company or other entity who engages in such trades and that no proceedings for that purpose have been instituted or are pending or contemplated;
- (k) in connection with the opinions offered in paragraph 11 below, that such first trades are not trades constituting a transaction or part of a series of transactions involving a purchase and sale or repurchase and resale in the course of or incidental to a distribution (as that term is defined in the Applicable Securities Laws);

- (l) the Purchaser is not engaged in the business of trading in securities and does not hold itself out as engaging in the business of trading in securities; and
- (m) the Vendor has a pre-existing purpose and has not been created solely or primarily to purchase securities under exemptions where there is no exemption available to directly distribute securities to the persons or companies beneficially owning or controlling such company.

We have relied upon the Certificate, a copy of which have been provided to you, with respect to the accuracy and completeness of the factual matters contained therein, which factual matters have not been independently investigated or verified by us.

For the purposes of the opinion expressed in paragraph 8 below, we have relied upon a letter dated ●, 2015 from the Toronto Stock Exchange (the “**TSX**”) with respect to the conditional listing of the Transaction Shares (the “**TSX Letter**”).

For the purposes of the opinion expressed in paragraph 9 below, we have relied on the list published by the Ontario Securities Commission pursuant to Section 72(8) of the *Securities Act* (Ontario) as posted on the website maintained by the Ontario Securities Commission and dated ●, 2015.

For the purposes of the opinion expressed in paragraph 1 below, we have relied upon a certificate of status dated ●, 2015 issued in respect of the Purchaser by the Ontario Ministry of Government Services.

Opinions

Based and relying upon the foregoing, and subject to the qualifications hereinafter expressed, we are of the opinion that, on the date hereof:

1. The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario).
2. The Purchaser has the corporate power and capacity to execute and deliver the Agreements and to perform its obligations thereunder.
3. The Purchaser has taken all necessary corporate action to authorize the execution and delivery of the Agreements and the performance of its obligations thereunder.
4. The Purchaser has duly executed and delivered the Agreements.
5. Each of the Agreements constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms.
6. The execution and delivery by the Purchaser of the Agreements does not, and the performance by the Purchaser of the Purchaser’s obligations thereunder does not and will not:

- (a) contravene or result in a breach of or constitute a default under the articles or by-laws of the Purchaser; or
 - (b) contravene any statute or regulation of the Province of Ontario, or any statute or regulation of Canada applicable therein binding on or applicable to the Purchaser.
7. The Purchaser has taken all necessary corporate action to authorize the issuance of the Transaction Shares on the terms and subject to the conditions contained in the Share Purchase Agreement and, upon receipt by the Purchaser of the Purchased Securities as provided in the Share Purchase Agreement, the Transaction Shares will have been validly issued by the Purchaser as fully paid and non-assessable common shares in the capital of the Purchaser.
8. The Transaction Shares have been conditionally approved for listing on the TSX, subject only to satisfaction by the Purchaser of the conditions set out in the TSX Letter.
9. The Purchaser is a “reporting issuer” under the *Securities Act* (Ontario) and is not on the list of defaulting reporting issuers published by the Ontario Securities Commission.
10. No prospectus is required nor are other documents required to be filed, proceedings taken, or approvals, permits, consents or authorizations of regulatory authorities obtained under the Applicable Securities Laws to permit the Vendor to trade the Transaction Shares, either through registrants or dealers registered under applicable laws who comply with those applicable laws or in circumstances in which there is an exemption from the registration requirements of the Applicable Securities Laws, provided that:
- (a) the Purchaser is, and has been, a reporting issuer in a jurisdiction of Canada for at least four months immediately preceding the trade;
 - (b) at the time of the trade, at least four months have elapsed from the date of issuance;
 - (c) the certificate representing the security carries the legend required by subparagraph (i) of item 3 of subsection 2.5(2) of National Instrument 45-102 – *Resale of Securities* (“**NI 45-102**”), or if the security is entered into a direct registration or other electronic book-entry system, or if the purchaser did not directly receive a certificate representing the security, the purchaser received written notice containing the legend restriction notation set out in subparagraph (i) of item 3 of subsection 2.5(2) of NI 45-102;
 - (d) the trade is not a control distribution (as that term is defined in NI 45-102);
 - (e) no unusual effort is made to prepare the market or to create demand for the securities that are the subject of the trade;
 - (f) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
 - (g) if the selling securityholder is an insider or officer of the Purchaser, the selling securityholder has no reasonable grounds to believe that the Purchaser is in default

of securities legislation (as that term is defined in National Instrument 14-101 - *Definitions*).

Qualifications

The opinions expressed above are subject to the following qualifications:

- (a) This opinion is limited to the laws of the Province of Ontario and the laws of Canada applicable therein.
- (b) The enforceability of the Agreements is subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of a court.
- (c) The enforceability of any provision inserted in any agreement or instrument that purports to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability of the remainder of the agreement or instrument would be determined only in the discretion of the court.
- (d) No opinion is expressed as to compliance with the *Personal Information Protection and Electronic Documents Act* (Canada).
- (e) The enforceability of the Agreements is subject to the provisions of the *Limitations Act, 2002* (Ontario).

This opinion is furnished solely for the benefit of the addressees in connection with the transactions contemplated by the Share Purchase Agreement and may not be circulated to, or relied upon by, any other person or used for any other purpose without our prior written consent.

Yours very truly,

Schedule 5.3(q)
Non-Compete Agreements
(attached)

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

BETWEEN

DANIEL WITTLIN

AND

CHESSWOOD GROUP LIMITED

AND

BLUE CHIP LEASING CORPORATION

AND

ECOHOME FINANCIAL INC.

MADE AS OF

•, 2015

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS AGREEMENT is made as of •, 2015

BETWEEN

DANIEL WITTLIN, of the City of Toronto in the Province of Ontario ("**Daniel**"),

- and -

CHESSWOOD GROUP LIMITED, a corporation incorporated under laws of the Province of Ontario (the "**Purchaser**"),

- and -

BLUE CHIP LEASING CORPORATION, a corporation incorporated under the laws of the Province of Ontario ("**Blue Chip**"),

- and -

ECOHOME FINANCIAL INC., a corporation incorporated under the laws of the Province of Ontario ("**EcoHome**", together with Blue Chip, the "**Corporations**").

WHEREAS, *inter alios*, Daniel and the Purchaser entered into the Share Purchase Agreement (as defined below) for the sale of the Purchased Securities (as such term is defined in the Share Purchase Agreement);

AND WHEREAS it is a condition of the closing of the sale and purchase of the Purchased Securities pursuant to the Share Purchase Agreement that Daniel enter into a non-competition and non-solicitation agreement with the Corporations and the Purchaser;

NOW THEREFORE, in consideration of the closing of the purchase and sale of the Purchased Securities pursuant to the Share Purchase Agreement, the premises and the covenants and agreements herein contained and the payment to Daniel of the sum of \$1 of lawful money of Canada by the Purchaser and each of the Corporations (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“Affiliate” means, with respect to any person (other than an individual), any other person (other than an individual) that: (a) controls, (b) is controlled by or (c) is under common control with such person.

“Business” means financing (i) equipment leases and loans, (ii) loans to condominium corporations, (iii) consumer leases and loans for household improvements; and (iv) any other business carried on by either Corporation at any time during the Covenant Period.

“Control”:

- (a) when applied to the relationship between a person and a corporation, means the beneficial ownership by that person at the relevant time of shares of that corporation carrying the greater of (i) a majority of the voting rights ordinarily exercisable at meetings of shareholders of that corporation and (ii) the percentage of voting rights ordinarily exercisable at meetings of shareholders of that corporation that are sufficient to elect a majority of the directors; and
- (b) when applied to the relationship between a person and a partnership, limited partnership, trust or joint venture, means the beneficial ownership by that person at the relevant time of more than 50% of the ownership interests of the partnership, limited partnership, trust or joint venture or the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture,

and the words **“Controlled by”**, **“Controlling”** and similar words have corresponding meanings; provided that a person who Controls a corporation, partnership, limited partnership or joint venture (the **“second-mentioned person”**) will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by the second-mentioned person and so on.

“Covenant Period” means the period from the date of this Agreement to the second anniversary of the Employment Termination Date; provided that if the Employment Termination Date is on or after the fifth anniversary of the date of this Agreement, the Covenant Period shall end on the first anniversary of the Employment Termination Date.

“Employment Termination Date” means the date of the termination, for whatever reason, of Daniel’s employment under the Executive Employment Agreement.

“Executive Employment Agreement” means the executive employment agreement of even date with this Agreement between Daniel, the Purchaser and the Corporations, as it may be amended or restated from time to time.

“directly or indirectly” in the context of any action taken by Daniel, include any action taken by Daniel for Daniel’s own benefit or the benefit of any person competing or endeavouring to compete with either Corporation or any of their Affiliates, whether taken individually or in partnership or jointly or in conjunction with or through any person as principal, agent, trustee, employee or shareholder (other than a holding of shares listed on a Canadian or United States stock exchange that does not exceed 5% of the outstanding shares so listed).

“Share Purchase Agreement” means the share purchase agreement made as of February 25, 2015 between the Purchaser, CB Leaseco Holdings Inc., Edmund Dias and Daniel.

“Territory” means Canada.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

ARTICLE 2 - RESTRICTIVE COVENANTS

2.01 **Non-Competition**

(1) Daniel must not in any manner whatsoever at any time during the Covenant Period, directly or indirectly:

- (a) carry on, engage in or be concerned with or interested in; or
- (b) advise, lend money to, guarantee the debts or obligations of or permit his name or any part thereof to be used or employed by any person engaged in or concerned with or interested in,

any business that is the same as, substantially similar to or competitive with the Business within the Territory. The parties acknowledge and agree that Daniel may be an investor in, and act as an officer and/or director of, (i) Vault Mortgage Corporation, provided that its business is limited to real property mortgage lending and (ii) Asset Services Inc., provided that its business is limited to appraisals, dispositions of repossessed equipment and short term financing of used equipment.

(2) Daniel acknowledges and confirms that all restrictions in Section 2.01(1) are reasonable and valid and waives all defences to the strict enforcement thereof.

2.02 **Non-Solicitation**

(1) Daniel must not in any manner whatsoever, without the prior consent of each Corporation and the Purchaser (which consent may be unreasonably withheld), at any time during the Covenant Period, directly or indirectly:

- (a) induce or endeavour to induce any employee of either Corporation or any of their Affiliates to leave his or her employment;
- (b) employ or attempt to employ or assist any person to employ any employee of either Corporation or any of their Affiliates; or

- (c) solicit, endeavour to solicit or gain the custom of, canvass or interfere with either of the Corporation's or any Affiliate's relationships with, or endeavour to entice away from either Corporation or any Affiliate, any person that:
 - (i) is as at, or was at any time within the 365 days prior to, the Employment Termination Date, a customer or Referring Broker/Vendor (as such term is defined in the Share Purchase Agreement) of either Corporation or any Affiliate; or
 - (ii) has been actively pursued as a prospective customer or Referring Broker/Vendor by or on behalf of either Corporation or any Affiliate at any time within the 365 days prior to the Employment Termination Date, and in respect of whom the respective Corporation or any Affiliate has not determined to cease all such pursuit.

(2) Daniel acknowledges and confirms that all restrictions in Section 2.02(1) are reasonable and valid and waives all defences to the strict enforcement thereof.

2.03 **Acknowledgements**

Daniel acknowledges that:

- (a) the businesses of the Corporations and their Affiliates are and will be carried on throughout the Territory and that the Corporations and their Affiliates are interested in and solicit or canvass opportunities throughout the Territory;
- (b) the reputations of the Corporations and their Affiliates in their industries and their relationships with their customers and Referring Brokers/Vendors are and will be the result of hard work, diligence and perseverance on behalf of the Corporations and their Affiliates over an extended period of time;
- (c) the nature of the businesses of the Corporations and their Affiliates is such that the on-going relationships between the Corporations and their Affiliates and their customers and Referring Brokers/Vendors are material and have a significant effect on the ability of the Corporations and their Affiliates to continue to obtain business from their customers and Referring Brokers/Vendors; and
- (d) the Purchaser is relying upon the covenants of Daniel and the entering into of this Agreement as a condition for completing the purchase of the Purchased Securities pursuant to the Share Purchase Agreement.

ARTICLE 3 - GENERAL

3.01 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties.

3.02 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and arrangements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

3.03 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

3.04 **Severability**

If any covenant contained in this Agreement shall be held unreasonably by reason of the area, duration or type or scope of service covered by such covenant, then such covenant shall be given effect to in such reduced form as may be decided by a court of competent jurisdiction. If, notwithstanding the foregoing, any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

3.05 **Governing Law**

This Agreement is governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHESSWOOD GROUP LIMITED

Per: _____
Name: ●
Title: ●

BLUE CHIP LEASING CORPORATION

Per: _____
Name: ●
Title: ●

ECOHOME FINANCIAL INC.

Per: _____
Name: ●
Title: ●

Witness

DANIEL WITTLIN

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

BETWEEN

EDMUND DIAS

AND

CHESSWOOD GROUP LIMITED

AND

ECOHOME FINANCIAL INC.

MADE AS OF

•, 2015

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS AGREEMENT is made as of •, 2015

BETWEEN

EDMUND DIAS, of the City of Mississauga in the Province of Ontario (“**Ed**”),

- and -

CHESSWOOD GROUP LIMITED, a corporation incorporated under laws of the Province of Ontario (the “**Purchaser**”),

- and -

ECOHOME FINANCIAL INC., a corporation incorporated under the laws of the Province of Ontario (the “**Corporation**”).

WHEREAS, *inter alios*, Ed and the Purchaser entered into the Share Purchase Agreement (as defined below) for the sale of the EcoHome Purchased Shares and the EcoHome Loan (as such terms are defined in the Share Purchase Agreement);

AND WHEREAS it is a condition of the closing of the sale and purchase of the EcoHome Purchased Shares and the EcoHome Loan pursuant to the Share Purchase Agreement that Ed enter into a non-competition and non-solicitation agreement with the Corporation and the Purchaser;

NOW THEREFORE, in consideration of the closing of the purchase and sale of the EcoHome Purchased Shares and the EcoHome Loan pursuant to the Share Purchase Agreement, the premises and the covenants and agreements herein contained and the payment to Ed of the sum of \$1 of lawful money of Canada by each of the Corporation and the Purchaser (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Affiliate**” means, with respect to any person (other than an individual), any other person (other than an individual) that: (a) controls, (b) is controlled by or (c) is under common control with such person.

“Business” means financing (i) consumer leases and loans for household improvements and (ii) any other business carried on by the Corporation at any time during the Covenant Period.

“Control”:

- (a) when applied to the relationship between a person and a corporation, means the beneficial ownership by that person at the relevant time of shares of that corporation carrying the greater of (i) a majority of the voting rights ordinarily exercisable at meetings of shareholders of that corporation and (ii) the percentage of voting rights ordinarily exercisable at meetings of shareholders of that corporation that are sufficient to elect a majority of the directors; and
- (b) when applied to the relationship between a person and a partnership, limited partnership, trust or joint venture, means the beneficial ownership by that person at the relevant time of more than 50% of the ownership interests of the partnership, limited partnership, trust or joint venture or the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture,

and the words **“Controlled by”**, **“Controlling”** and similar words have corresponding meanings; provided that a person who Controls a corporation, partnership, limited partnership or joint venture (the **“second-mentioned person”**) will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by the second-mentioned person and so on.

“Covenant Period” means the period from the date of this Agreement to the second anniversary of the Employment Termination Date; provided that if the Employment Termination Date is on or after the first anniversary of the date of the Agreement, the Covenant Period shall end on the first anniversary of the Employment Termination Date.

“Employment Termination Date” means the date of the termination, for whatever reason, of Ed’s employment under the Executive Employment Agreement.

“Executive Employment Agreement” means the executive employment agreement of even date with this Agreement between Ed, the Purchaser and the Corporation, as it may be amended or restated from time to time.

“directly or indirectly” in the context of any action taken by Ed, include any action taken by Ed for Ed’s own benefit or the benefit of any person competing or endeavouring to compete with the Corporation or any of its Affiliates, whether taken individually or in partnership or jointly or in conjunction with or through any person as principal, agent, trustee, employee or shareholder (other than a holding of shares listed on a Canadian or United States stock exchange that does not exceed 5% of the outstanding shares so listed).

“Share Purchase Agreement” means the share purchase agreement made as of February 25, 2015 between the Purchaser, CB Leaseco Holdings Inc., Daniel Wittlin and Ed.

“Territory” means Canada.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or

interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

ARTICLE 2 - RESTRICTIVE COVENANTS

2.01 **Non-Competition**

(1) Ed must not in any manner whatsoever at any time during the Covenant Period, directly or indirectly:

- (a) carry on, engage in or be concerned with or interested in; or
- (b) advise, lend money to, guarantee the debts or obligations of or permit his name or any part thereof to be used or employed by any person engaged in or concerned with or interested in,

any business that is the same as, substantially similar to or competitive with the Business within the Territory.

(2) Ed acknowledges and confirms that all restrictions in Section 2.01(1) are reasonable and valid and waives all defences to the strict enforcement thereof.

2.02 **Non-Solicitation**

(1) Ed must not in any manner whatsoever, without the prior consent of each of the Corporation and the Purchaser (which consent may be unreasonably withheld), at any time during the Covenant Period, directly or indirectly:

- (a) induce or endeavour to induce any employee of the Corporation or any of its Affiliates to leave his or her employment;
- (b) employ or attempt to employ or assist any person to employ any employee of the Corporation or any of its Affiliates; or
- (c) solicit, endeavour to solicit or gain the custom of, canvass or interfere with the Corporation's or any Affiliate's relationships with, or endeavour to entice away from the Corporation or any Affiliate, any person that:
 - (i) is as at, or was at any time within 365 days prior to, the Employment Termination Date, a customer or Referring Broker/Vendor (as such term is

defined in the Share Purchase Agreement) of the Corporation or any Affiliate; or

- (ii) has been actively pursued as a prospective customer or Referring Broker/Vendor by or on behalf of the Corporation or any Affiliate at any time within 365 days prior to the Employment Termination Date, and in respect of whom the Corporation or any Affiliate has not determined to cease all such pursuit.

(2) Ed acknowledges and confirms that all restrictions in Section 2.02(1) are reasonable and valid and waives all defences to the strict enforcement thereof.

2.03 **Acknowledgements**

Ed acknowledges that:

- (a) the business of the Corporation and its Affiliates are and will be carried on throughout the Territory and that the Corporation and its Affiliates are interested in and solicit or canvass opportunities throughout the Territory;
- (b) the reputations of the Corporation and its Affiliates in their industries and their relationships with their customers and Referring Brokers/Vendors are and will be the result of hard work, diligence and perseverance on behalf of the Corporation and its Affiliates over an extended period of time;
- (c) the nature of the business of the Corporation and its Affiliates is such that the ongoing relationships between the Corporation and its Affiliates and their customers and Referring Brokers/Vendors are material and have a significant effect on the ability of the Corporation and its Affiliates to continue to obtain business from their customers and Referring Brokers/Vendors; and
- (d) the Purchaser is relying upon the covenants of Ed and the entering into of this Agreement as a condition for completing the purchase of the EcoHome Purchased Shares and the EcoHome Loan pursuant to the Share Purchase Agreement.

ARTICLE 3 - GENERAL

3.01 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties.

3.02 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and arrangements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

3.03 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

3.04 **Severability**

If any covenant contained in this Agreement shall be held unreasonably by reason of the area, duration or type or scope of service covered by such covenant, then such covenant shall be given effect to in such reduced form as may be decided by a court of competent jurisdiction. If, notwithstanding the foregoing, any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

3.05 **Governing Law**

This Agreement is governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHESSWOOD GROUP LIMITED

Per: _____
Name: ●
Title: ●

ECOHOME FINANCIAL INC.

Per: _____
Name: ●
Title: ●

Witness

EDMUND DIAS

**Schedule 5.3(r)
Right of First Refusal Agreement
(attached)**

[Redacted – Commercially Sensitive Information]

**Schedule 5.3(s)
Opinion of Vendor's Counsel
(attached)**

[Insert on Aird & Berlis Letterhead]

•, 2015

Chesswood Group Limited
4077 Chesswood Drive
Toronto, ON M3J 2R8

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
66 Wellington Street West
Toronto, ON M5K 1E6

Dear Sirs/Mesdames:

Re: Sale of all of the issued and outstanding shares in the capital of Blue Chip Leasing Corporation and EcoHome Financial Inc. to Chesswood Group Limited

We have acted as counsel for CB Leaseco Inc. (the “**Vendor**”) in connection with the sale of all of the outstanding shares in the capital of Blue Chip Leasing Corporation (“**Blue Chip**”) and EcoHome Financial Inc. (“**EcoHome**” and, together with Blue Chip, the “**Corporations**”) pursuant to a share purchase agreement made February •, 2015 (the “**Share Purchase Agreement**”) between Chesswood Group Limited (the “**Purchaser**”), the Vendor, Daniel Wittlin and Edmund Dias. This opinion is being delivered to you pursuant to section 5.3(s) of the Share Purchase Agreement. Terms used in this opinion that are defined in the Share Purchase Agreement and are not otherwise defined herein have the same meaning herein as in the Share Purchase Agreement.

Materials Reviewed

We have examined originals or copies, certified or otherwise identified to our satisfaction, of each of the following documents:

- (a) the Share Purchase Agreement;
- (b) an escrow agreement dated the date hereof between the Purchaser, the Vendor and Equity Financial Trust Company, as escrow agent (together with the Share Purchase Agreement, the “**Agreements**”);
- (c) an officers’ certificate of the Vendor (the “**Vendor Certificate**”) dated as of the date hereof;
- (d) an officers’ certificate of Blue Chip (the “**Blue Chip Certificate**”) dated as of the date hereof; and
- (e) an officers’ certificate of EcoHome (the “**EcoHome Certificate**”, together with the Vendor Certificate and the Blue Chip Certificate, the “**Certificates**”) dated as of the date hereof.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such public and corporate records, certificates, instruments and other documents and have considered such questions of law as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed.

Assumptions and Fact Reliance

We have assumed:

- (a) the genuineness of all signatures on all documents examined by us and the legal capacity of all natural persons;
- (b) the authenticity of all documents submitted to us as originals;
- (c) the conformity to original documents of all documents submitted to us as copies, whether facsimile, electronic, photostatic, certified or otherwise, and the authenticity of the originals of such copies;
- (d) that the Agreements have been duly authorized, executed and delivered by, and constitutes a valid and legally binding obligation of, each of the parties thereto except the Vendor, enforceable against each of the parties thereto other than the Vendor in accordance with its terms;
- (e) that insofar as any obligation under the Agreements is to be performed in any jurisdiction outside the Province of Ontario its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction;
- (f) the accuracy, currency and completeness of the indices and filing systems maintained at the public offices and registries where we have searched or made enquiries or have caused searches or enquiries to be made and of the information and advice provided to us by appropriate government, regulatory and other like officials with respect to those matters referred to herein; and
- (g) that the minute books of the Vendor and each of its Corporations reviewed by us are complete and accurate in all respects.

We have relied upon the Certificates, copies of which have been provided to you, with respect to the accuracy and completeness of the factual matters contained therein, which factual matters have not been independently investigated or verified by us.

For the purposes of the opinion expressed in paragraph 1 below, we have relied upon a certificate of status dated •, 2015, issued in respect of Blue Chip by the Ontario Ministry of Government Services.

For the purposes of the opinion expressed in paragraph 4 below, we have relied upon a certificate of status dated •, 2015, issued in respect of the EcoHome by the Ontario Ministry of Government Services.

For the purposes of the opinion expressed in paragraph 7 below, we have relied upon a certificate of status dated •, 2015, issued in respect of the Vendor by the Ontario Ministry of Government Services.

Opinions

Based and relying upon the foregoing, and subject to the qualifications hereinafter expressed, we are of the opinion that, on the date hereof:

1. Blue Chip is a corporation amalgamated and existing under the *Business Corporations Act* (Ontario).
2. Blue Chip has the corporate power and capacity to own its assets and to carry on its business as defined in the Share Purchase Agreement.
3. The authorized capital of Blue Chip consists of an unlimited number of common shares (and no other shares), of which ● common shares are issued and outstanding.
4. EcoHome is a corporation incorporated and existing under the *Business Corporations Act* (Ontario).
5. EcoHome has the corporate power and capacity to own its assets and to carry on its business as defined in the Share Purchase Agreement.
6. The authorized capital of EcoHome consists of an unlimited number of common shares (and no other shares), of which ● common shares are issued and outstanding.
7. The Vendor is a corporation amalgamated and existing under the *Business Corporations Act* (Ontario).
8. The Vendor has the corporate power and capacity to execute and deliver the Agreements and to perform its obligations thereunder.
9. All necessary corporate action has been taken by and in respect of the Vendor and each of the Corporations to authorize the execution and delivery by the Vendor of the Agreements and the performance by the Vendor of its obligations thereunder.
10. The Vendor has duly executed and delivered the Agreements.
11. Each of the Agreements constitutes a valid and legally binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms.
12. The execution and delivery by the Vendor of the Agreements do not, and the performance by the Vendor of the Vendor's obligations thereunder does not and will not:
 - (a) contravene or result in a breach of or constitute a default under the articles or by-laws of the Vendor or either of the Corporations; or
 - (b) contravene any statute or regulation of the Province of Ontario, or any statute or regulation of Canada applicable therein binding on or applicable to the Vendor.

Qualifications

The opinions expressed above are subject to the following qualifications:

- (a) This opinion is limited to the laws of the Province of Ontario and the laws of Canada applicable therein.
- (b) The enforceability of the Agreements is subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief and specific performance, is in the discretion of a court.
- (c) The enforceability of any provision inserted in any agreement or instrument that purports to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability of the remainder of the agreement or instrument would be determined only in the discretion of the court.
- (d) No opinion is expressed as to compliance with the *Personal Information Protection and Electronic Documents Act* (Canada).
- (e) The enforceability of the Agreements is subject to the provisions of the *Limitations Act, 2002* (Ontario).

This opinion is furnished solely for the benefit of the addressees in connection with the transactions contemplated by the Share Purchase Agreement and may not be circulated to, or relied upon by, any other person or used for any other purpose without our prior written consent.

Yours very truly,