

CHESSWOOD HOLDINGS LTD.

- and -

**AERARIUM DEVELOPMENT CORPORATION LIMITED, TRIBRIDGE HOLDINGS INC., BAY
GLEN ESTATES INC., SPERLSTAR TRUST, MAXIE TRUST, TRIPLE S FAMILY TRUST, IDA
RUBINOFF FAMILY TRUST, THE ESTATE OF IDA RUBINOFF, RICHARD HERLICK AND
GERALD STONE**

- and -

PHILLIP RUBINOFF AND STEPHEN SPERLING

SHARE PURCHASE AGREEMENT

made January 31, 2014

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT made the 31st day of January, 2014.

B E T W E E N:

CHESSWOOD HOLDINGS LTD., a corporation existing under the laws of Ontario
(hereinafter referred to as the "**Purchaser**")

- and -

AERARIUM DEVELOPMENT CORPORATION LIMITED, a corporation existing under the laws of Ontario

(hereinafter referred to as "**Aerarium**")

- and -

TRIBRIDGE HOLDINGS INC., a corporation existing under the laws of Ontario

(hereinafter called "**Tribridge**")

- and -

BAY GLEN ESTATES INC., a corporation existing under the laws of Ontario

(hereinafter called "**Bay Glen**")

- and -

BRUCE NELSON, DON ROBERTS and STEPHEN SPERLING in their capacities as trustees of the trust known as **SPERLSTAR TRUST**, and not in their personal capacities

(hereinafter called "**Sperlstar**")

- and -

MAXINE MUNRO and VICTORIA BROWN in their capacities as trustees of the trust known as **MAXIE TRUST**, and not in their personal capacities

(hereinafter called "**Maxie**")

- and -

GERALD SPERLING, YUCHAO ZHU and TED BOWEN in their capacities as trustees of the trust known as **TRIPLE S FAMILY TRUST**, and not in their personal capacities

(hereinafter called "**Triple S**")

- and -

PHILLIP RUBINOFF, MARCI RUBINOFF and ADAM RUBINOFF in their capacities as trustees of the trust known as **IDA RUBINOFF FAMILY TRUST**, and not in their personal capacities

(hereinafter called the "**Ida Trust**")

- and -

PHILIP RUBINOFF, MARCI RUBINOFF and SHELDON SILVERBERG in their capacities as estate trustees of **THE ESTATE OF IDA RUBINOFF**, and not in their personal capacities

(hereinafter called the "**Ida Estate**")

- and -

RICHARD HERLICK, an individual residing in Richmond Hill, Ontario

(hereinafter called "**Richard**")

- and -

GERALD STONE, an individual residing in Thornhill, Ontario

(hereinafter called "**Gerald**")

- and –

PHILLIP RUBINOFF, an individual residing in Toronto, Ontario

(hereinafter called "**Phillip**")

- and –

STEPHEN SPERLING, an individual residing in Oro, Ontario

(hereinafter called "**Stephen**")

RECITALS

WHEREAS:

- A. The Vendors are the beneficial and registered owners of the Purchased Shares (as such terms are defined herein);
- B. The Vendors desire to sell and the Purchaser desires to purchase the Purchased Shares upon and subject to the terms and conditions set out in this Agreement; and
- C. The Corporate Vendor Principals (as such term is defined herein) have significant economic interests in the Corporate Vendors and, accordingly, will derive significant economic benefit from the sale of Purchased Shares by the Corporate Vendors 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:

"ABG Price" has the meaning ascribed thereto in Section 2.2(a);

"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;

"Aggregate Purchase Price" has the meaning ascribed thereto in Section 2.2;

"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;

"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;

"Capitalized Lease Obligations" means, as of any date, the amount of the obligation of the lessee under a Capital Lease that, in accordance with ASPE, would appear on a balance sheet of such lessee in respect of such Capital Lease;

"Capital Lease" means any lease of tangible property by any Person as lessee that, in accordance with ASPE, would be required to be classified and accounted for as a capital lease on a balance sheet of such Person;

"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);

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

"Class A Purchase Price" has the meaning ascribed thereto in Section 2.2;

“Class A Shares” means Class A common shares in the capital of Northstar;

“Class B Purchase Price” has the meaning ascribed thereto in Section 2.2;

“Class B Shares” means Class B common shares in the capital of Northstar;

“Closing” means the closing of the purchase of the Purchased Shares;

“Closing Date” means the date of this Agreement, or such other date as may be mutually agreed upon by the Corporate Vendors and the Purchaser;

“Closing Time” means 5:00 p.m. (Eastern Time) on the Closing Date, or such other time as may be mutually agreed to by the Corporate Vendors and the Purchaser;

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

“Contract” means any contract, agreement, license, franchise, lease, 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;

“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;

“Corporate Vendor Principals” means, collectively, Phillip and Stephen;

“Corporate Vendors” means, collectively, Aerarium, Tribridge and Bay Glen;

“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;

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

"Entity Vendors' Counsel" means, Fogler Rubinoff LLP, or such other counsel as may be designated by the Corporate Vendor Principals or the Other Entity Vendors, as the case may be;

"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;

"Finance Providers" means the Persons which provide financing to Northstar to fund leasing transactions, being, currently, HSBC and Stonebridge Lease Financing Corporation, as administrative agent of The Equitable Life Insurance Company of Canada;

"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:

- (c) to purchase or repurchase any such primary obligation,
- (d) 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,
- (e) 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
- (f) 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:

- (g) 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
- (h) 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;

"Holdback Amount" has the meaning ascribed thereto in Section 2.4 and all interest thereon;

"including" means including without limitation;

"Indebtedness" of a Person means:

- (i) 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),
- (j) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments or covenants to create the same,
- (k) 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),

- (l) all Capitalized Lease Obligations of such Person and obligations under sale leasebacks,
- (m) all Guaranteed Indebtedness of such Person,
- (n) all Purchase Money Indebtedness of such Person,
- (o) all obligations of such Person under commodity purchase or option agreements or other commodity price hedging arrangements, in each case whether contingent or matured,
- (p) 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,
- (q) all redemption obligations of such Person in respect of redeemable preferred shares and mandatory dividend obligations, and
- (r) any other obligation or contingent obligation which would be classified as, or accorded the same treatment as, indebtedness for purposes of Northstar's borrowing or bulk leasing facilities;

"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;

"Internal Balance Sheet" has the meaning ascribed thereto in Section 2.3(a);

"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" has the meaning ascribed thereto in Section 3.1(gg);

"Lease Contract" has the meaning ascribed thereto in Section 3.1(t);

“Leased Assets” has the meaning ascribed thereto in Section 3.1(t);

“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;

“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 Northstar;

“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 Northstar;

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

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

“Northstar Financial Information” means the Northstar Financial Statements and any other financial information of Northstar provided to the Purchaser by or on behalf of the Vendors to date;

“Northstar Financial Statements” means the audited financial statements of Northstar as at and for the years ended March 31, 2012 and March 31, 2013;

“Obligor” has the meaning ascribed thereto in Section 3.1(t);

“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;

“Other Entity Vendors” means, collectively, Sperlstar, Maxie, Triple S, Ida Trust and the Ida Estate;

“Payment Obligations” has the meaning ascribed thereto in Section 3.1(t)(vix);

“Pending Claims” has the meaning ascribed thereto in Section 6.6;

“Permitted Liens” means:

- (s) 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);

- (t) 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;
- (u) 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);
- (v) 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;
- (w) 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;
- (x) 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;
- (y) 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;
- (z) security given to Finance Providers; and
- (aa) security given to The Manufacturers Life Insurance Company ("**ManuLife**") pursuant to an Assignment Agreement made as of December 21, 2004 between Northstar, ManuLife and Stonebridge Financial Corporation, as amended by Agreement dated November 1, 2006 (collectively the "**ManuLife Documents**");

"**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;

"**Prior Deductions**" has the meaning ascribed thereto in Section 6.6(d);

"**Pro Rata Basis**" (a) in respect of a Vendor in the context of all Vendors, means the percentage determined by dividing the portion of the Aggregate Purchase Price allocable to the Purchased Shares to be sold by such Vendor pursuant to this Agreement by the Aggregate Purchase Price, (b) in respect of a Corporate Vendor solely as between the Corporate Vendors, means the percentage determined by dividing the portion of the Aggregate Purchase Price allocable to the Purchased Shares to be sold by such Corporate Vendor pursuant to this Agreement by the Aggregate Purchase Price received by all of the Corporate Vendors, (c) in respect of an Other Entity Vendors solely as between the Other Entity Vendors, means the number of Class A Shares to be sold by

such Other Entity Vendor relative to the aggregate number of Class A Shares being sold hereunder, (d) in respect of Richard or Gerald solely as between the two of them, means the number of Class B Shares to be sold by him pursuant to this Agreement relative to the aggregate number of Class B Shares being sold hereunder; and (e) in respect of an Other Entity Vendor, Richard or Gerald solely as between the Other Entity Vendors, Richard and Gerald, means the percentage determined by dividing the portion of the Aggregate Purchase Price allocable to the Purchased Shares to be sold by such Other Entity Vendor, Richard or Gerald, as the case may be, by the portion of the Aggregate Purchase Price received by all such Vendors;

"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;

"Purchased Shares" means all of the issued and outstanding shares in the capital of Northstar;

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

"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;

"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;

"Special Shares" means Class A special shares in the capital of Northstar;

"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;

"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;

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

“**Tribridge Price**” means has the meaning ascribed thereto in Section 2.2; and

“**Vendors**” means, collectively, Aerarium, Tribridge, Bay Glen, Sperlstar, Maxie, Triple S, Ida Trust, Ida Estate, Richard and Gerald.

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/or 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 18, 2013 between the Purchaser and the Vendors providing for the Transactions).

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 actual knowledge of such Person without having made specific enquiry for purposes of providing the subject representation and warranty (or if such Person is a corporation, to the knowledge of Stephen and Phillip, or if such Person is a trust, to the knowledge of the trustees of such trust, as applicable). In addition, any reference in Section 3.1 to the knowledge of the Corporate Vendors includes (in addition to the knowledge of Stephen and Phillip) the actual knowledge of Bruce Collingwood without having made specific enquiry for purposes of providing the subject representation and warranty.

1.9 Schedules

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

Schedule 3.1(a)	Directors and Officers of Northstar
Schedule 3.1(q)	Intellectual Property Rights
Schedule 5.2(f)	Opinion of Purchaser's Counsel
Schedule 5.3 (j)	Opinion of Entity Vendors' Counsel

ARTICLE 2 ACQUISITION OF PURCHASED SHARES

2.1 Purchased Shares to be Sold and Purchased

Upon and subject to the terms and conditions hereof, at the Closing Time:

- (a) each of the Other Entity Vendors will sell their Class A Shares to the Purchaser, and the Purchaser will purchase such Class A Shares from the Other Entity Vendors;
- (b) each of Richard and Gerald will sell their Class B Shares to the Purchaser, and the Purchaser will purchase such Class B Shares from Richard and Gerald; and

- (c) each of the Corporate Vendors will sell their Special Shares to the Purchaser and the Purchaser will purchase such Special Shares from the Corporate Vendors.

2.2 Purchase Price

Subject to Section 2.3, the aggregate purchase price payable to the Vendors for the Purchased Shares will be \$10,400,000 (the “**Aggregate Purchase Price**”), based on the following:

- (a) the portion of the Aggregate Purchase Price payable in respect of the 3,980 Special Shares owned by Aerarium and Bay Glen (the “**ABG Price**”) shall be the sum of \$769,403.65;
- (b) the portion of the Aggregate Purchase Price payable in respect of the Class A Shares (the “**Class A Purchase Price**”) shall be \$9,049,749.04;
- (c) the portion of the Aggregate Purchase Price payable in respect of the Class B Shares (the “**Class B Purchase Price**”) shall be \$190,345.96; and
- (d) the portion of the Aggregate Purchase Price payable in respect of the 2,020 Special Shares owned by Tribridge (the “**Tribridge Price**”) shall be \$390,501.35.

2.3 Adjustment to Purchase Price

- (a) The parties acknowledge and agree that (i) the Aggregate Purchase Price, and the respective allocations thereof in Section 2.2, are based on the estimated shareholders equity of Northstar of \$[dollar amount] (the “**Estimated Shareholders Equity**”) reflected in the internally generated balance sheet of Northstar prepared on January 22, 2014 (the “**Internal Balance Sheet**”) and (ii) the Aggregate Purchase Price is to be \$10,400,000 as adjusted downward on a dollar-for-dollar basis to the extent that shareholders equity of Northstar as at the Closing Date (“**Closing Shareholders Equity**”) is less than \$[dollar amount] or adjusted upward on a dollar-for-dollar basis to the extent that Closing Shareholders Equity is greater than \$[dollar amount].
- (b) The Purchaser shall cause to be prepared by Northstar’s current independent auditors an audited balance sheet of Northstar as at the Closing Date (the “**Audited Balance Sheet**”), and shall provide the Audited Balance Sheet to the Corporate Vendors not later than the 35th Business Day following the Closing Date. The Audited Balance Sheet shall be prepared on a basis consistent with the Northstar Financial Statements.
- (c) In the event that the Corporate Vendors determine that the Closing Shareholders Equity reflected on the Audited Balance Sheet has not been correctly determined, the Corporate Vendors shall provide to the Purchaser written notice of their objection (the “**Vendors’ Objection**”) within 10 Business Days after receipt by the Corporate Vendors of the Audited Balance Sheet, setting forth a description in reasonable detail of the basis of their objection and the adjustments to the Audited Balance Sheet and the Closing Shareholders Equity which such Persons believe should be made. The Purchaser shall have 10 Business Days following receipt of the Vendors’ Objection to review it and

respond thereto. During such 10 Business Day review period, such parties shall seek in good faith to resolve any differences which they may have with respect to the matters specified in the Vendors' Objection. If the Corporate Vendors and the Purchaser are unable to resolve all of their disagreements with respect to the Vendors' Objection within such review period, they shall refer their remaining differences to Fuller Landau LLP, or if Fuller Landau LLP is unable or unwilling to so act, another independent accounting firm of good reputation in Ontario acceptable to the Purchaser and the Corporate Vendor Principals (the "**Independent Accountant**") and in the event the parties cannot agree on an Independent Accountant (if applicable), one will be chosen by a judge of the Ontario Superior Court of Justice upon application by any of the Corporate Vendors or by the Purchaser, who shall determine on the basis consistent with past practice, and only with respect to the remaining differences so submitted, whether and to what extent the Closing Shareholders Equity as shown on the Audited Balance Sheet has not been correctly determined. Such parties shall instruct the Independent Accountant to deliver a written determination to the Corporate Vendors and the Purchaser no later than the 20th Business Day after the date that the remaining differences underlying the Vendors' Objection are referred to the Independent Accountant. The Independent Accountant's determination as to all accounting matters involved in the determination of the correct Closing Shareholders Equity shall be conclusive and binding upon the Purchaser and each of the Vendors. The Independent Accountant shall address only those issues in dispute, and may not assign a value to any item greater than the greatest value for such item claimed by a party or lower than the lowest value claimed by a party. Neither the Purchaser nor any of the Vendors shall have any *ex parte* conversations or meetings with the Independent Accountant without the prior consent of the Purchaser (in respect of any proposed conversation by a Vendor) or any of the Corporate Vendor Principals (in respect of any proposed conversation by the Purchaser). The fees and expenses of the Independent Accountant (i) shall be borne by the Corporate Vendors in the proportion that the aggregate dollar amount of such disputed items so submitted that are unsuccessfully disputed by the Corporate Vendors (as finally determined by the Independent Accountant) bears to the aggregate dollar amount of such items so submitted and (ii) shall be borne by the Purchaser in the proportion that the aggregate dollar amount of such disputed items so submitted that are successfully disputed by such Vendors (as finally determined by the Independent Accountant) bears to the aggregate dollar amount of such items so submitted. The "**Final Balance Sheet**" shall be (i) the Audited Balance Sheet in the event that (x) no Vendors' Objection is delivered to the Purchaser during the 10 Business Day period specified above, or (y) the Corporate Vendor Principals and the Purchaser so agree, (ii) the Audited Balance Sheet, adjusted in accordance with the Vendors' Objection in the event that the Purchaser does not respond to the Vendors' Objection within the 10 Business Day period following receipt by the Purchaser of the Vendors' Objection or the Purchaser agrees with the Vendors' Objection, or (iii) the Audited Balance Sheet, as adjusted by either (x) the agreement of the Purchaser and the Corporate Vendors or (y) the Independent Accountant.

- (d) If there is a post-Closing adjustment to the Aggregate Purchase Price resulting from the Closing Shareholders Equity reflected in the Final Balance Sheet being different than the Estimated Shareholders Equity reflected in the Internal Balance

Sheet, (i) the Purchaser shall pay any increased amount to the Other Entity Vendors, Richard and Gerald and (ii) the Other Entity Vendors, Richard and Gerald shall pay to the Purchaser any decreased amount. Any such payments required pursuant to the preceding sentence shall be made within five Business Days following the settlement of the Final Balance Sheet. Any amounts payable by the Other Entity Vendors, Richard and Gerald pursuant to this subsection shall, to the extent available, be paid out of the Holdback Amount if not paid within such five Business Day period.

- (e) The payment entitlements or obligations of the Other Entity Vendors, Richard and Gerald pursuant to subsection (d) of this section shall be allocated on a Pro Rata Basis.

2.4 Payment of Purchase Price and Holdback

The Aggregate Purchase Price shall be satisfied as follows:

- (a) The entire ABG Price shall be paid to Aerarium and Bay Glen on a Pro Rata Basis;
- (b) \$8,560,059.04 of the Class A Purchase Price shall be paid to the Other Entity Vendors on a Pro Rata Basis;
- (c) \$180,035.96 of the Class B Purchase Price shall be paid to Richard and Gerald on a Pro Rata Basis;
- (d) The entire Tribridge Price shall be paid to Tribridge; and
- (e) The Purchaser will withhold \$500,000 (the “**Holdback Amount**”) from the Aggregate Purchase Price otherwise payable at Closing (being a withholding of \$489,690 from the Class A Purchase Price and \$10,310 from the Class B Purchase Price) to be used to satisfy (i) any payment obligations of the applicable Vendors pursuant to Section 2.3(d) and (ii) the Vendors’ indemnification obligations pursuant to Sections 6.2 and 6.3. To the extent not claimed by the Purchaser pursuant to this Agreement, the Holdback Amount shall be paid to the applicable Vendors on the first anniversary of the Closing Date as contemplated in Section 6.6. For greater certainty, the Holdback Amount is not intended to reduce the amounts which can be claimed by the Purchaser under Sections 2.3(d), 6.2 or 6.3 or the Purchaser’s ability to enforce such claims (whether as to timing or otherwise). The Holdback Amount shall be held by the Purchaser’s Counsel pursuant to an escrow agreement to be entered into at Closing in form acceptable to each of the parties thereto (the “**Escrow Agreement**”). Furthermore, at any time following the settlement of the Final Balance Sheet, the Corporate Vendors may replace (from their own funds) all (but not less than all) of the Net Amount at that time (the “**Net Amount Replacement**”), and upon receipt of such funds by the escrow agent to be held pursuant to the Escrow Agreement, the Purchaser shall forthwith cause to be released the Net Amount Replacement amount to Gerald, Richard and the Other Entity Vendors on a Pro Rata Basis. For such purposes, “**Net Amount**” means the Holdback Amount less (i) any Prior Deductions; and less (ii) any Pending Claims against Richard, Gerald or any of the Other Entity Vendors.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Corporate Vendors with respect to Northstar

Each of the Corporate Vendors hereby severally and jointly represents and warrants 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* – Northstar has been duly incorporated under the laws of Ontario. Northstar is validly subsisting, 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 material respects in all corporate filings. The directors and officers of Northstar are as set out in Schedule 3.1(a) to this Agreement.
- (b) *Capacity to Carry on Business* – Except as otherwise disclosed to the Purchaser and 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) Northstar is duly licensed, registered and qualified to do business and to own and lease its assets and properties in each of the Provinces of Canada and is in good standing in all material respects 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 Northstar requires are valid and subsisting and in good standing in all material respects.
- (c) *No Violation* – Except as otherwise disclosed to the Purchaser, the approval of this Agreement, the execution and delivery by the Vendors and the performance by the Vendors of their respective 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 Northstar, including any shareholder agreement or any other agreement or understanding with any party holding an ownership interest in Northstar;
 - B. any Law relating to Northstar; or
 - C. any material license issued by any Governmental Entity to Northstar or any Material Agreement of Northstar;
 - (ii) give rise to any right of termination or acceleration of Indebtedness or cause any third party Indebtedness owing by Northstar to come due before its stated maturity or cause any available credit or bulk leasing facility to cease to be available;

- (iii) result in the imposition of any Lien upon any of the assets of Northstar or restrict, hinder, impair or limit the ability of Northstar to carry on its business as and where it is now being carried on or as; 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 Northstar under any Contract or to any director, officer, shareholder or employee of Northstar or increase any benefits otherwise payable under any Employee Plan or result in the acceleration of time of payment or vesting of any such benefits.
- (d) *Consents* – No consent (other than those consents delivered on Closing), 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 Northstar in connection with the execution and delivery of this Agreement by the Vendors or the consummation by the Vendors of the Transactions.
- (e) *No Defaults* – Northstar is not in material default under, and to the knowledge of the Corporate Vendors, there exists no event, condition or occurrence which, after the giving of notice or lapse of time or both, would constitute such a material default or would give rise to a right of termination under any of Northstar’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) because of any action or omission, lapse of time or other reasons.
- (f) *Solvency, etc.* – Northstar is Solvent. Northstar has not filed (or 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 any insolvency or receivership proceedings instituted by or against it.
- (g) *Outstanding Shares* – As of the date hereof there are, and at the Closing Time there shall be, 9,500 Class A Shares, 200 Class B Shares and 6,000 Special Shares (and no other shares) issued and outstanding. The Purchased Shares have been duly authorized and are validly issued and outstanding as fully paid and non-assessable shares.
- (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 Northstar or obligating Northstar to issue or sell any shares of, or other ownership interests in, Northstar, or obligations of any kind convertible into or exchangeable for any shares of, or other ownership interests in, Northstar.

- (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 Northstar.
 - (iii) There are no outstanding bonds, debentures or other evidences of Indebtedness of Northstar 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 Northstar on any matter.
 - (iv) Other than in respect of the Special Shares, there are no outstanding contractual obligations of Northstar to repurchase, redeem or otherwise acquire any of its outstanding securities or with respect to the voting or disposition of any outstanding securities of Northstar.
- (i) *No Obligation to Acquire Securities* – Northstar does not own and does not 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* – Except as otherwise disclosed to the Purchaser, Northstar 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 March 31, 2013:
- (i) any Material Adverse Change;
 - (ii) any material damage, destruction or loss, to the property, assets or undertaking (excluding in all cases the Leased Assets) of Northstar (the Purchaser acknowledging that this item (ii) does not apply to the Leased Assets other than when in the physical possession of Northstar or an agent thereof) ;
 - (iii) other than as otherwise disclosed to the Purchaser, any redemption, repurchase or other acquisition of shares in the capital of Northstar, 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 Northstar;
 - (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 it debt securities or any securities convertible into or exchangeable for any such debt securities with respect to Northstar;
 - (v) any resolution to approve a split, combination or reclassification of any outstanding shares or ownership interests in Northstar;

- (vi) any material increase in or modification of the compensation payable or to become payable by Northstar to any of its directors, officers, employees, or referring leasing brokers or agents, or any grant to any such director, officer or employee of any increase in severance or termination pay;
 - (vii) any material increase in or material 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 Northstar;
 - (viii) any acquisition or sale, assignment or transfer of its property or assets aggregating 5% or more of Northstar's total tangible property and assets as at March 31, 2013, other than Leased Assets leased to an Obligor by Northstar or Leased Assets repossessed from an Obligor by Northstar in the ordinary course of business.
 - (ix) other than in the ordinary course of business, any incurrence, assumption or guarantee by Northstar 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 Northstar;
 - (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;
 - (xiii) any change in the accounting methods, principles or practices of Northstar; 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* – Northstar owns all of the property and assets reflected in the Northstar Financial Statements or used by it in connection with its business, with good and marketable title thereto, free and clear of Liens impacting upon Northstar's rights in respect thereof other than (i) the properties or assets disposed of or consumed in the ordinary course of business since the date of the Northstar Financial Statements, (ii) Permitted Liens, (iii) personal or real property leased or licensed to Northstar, and (iv) Liens against Leased Assets effected by the Obligor (as such terms are defined in Section 3.1(t)) ranking subordinate to Northstar's interest therein.

All of the tangible personal property of Northstar used by it in connection with its business (excluding Leased 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 Northstar 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 Claims currently proceeding, pending or, to the knowledge of Northstar or the Corporate Vendors, threatened against or affecting any of the material properties owned or leased by Northstar or the occupancy or use thereof by Northstar in law or in equity, which could reasonably be expected to affect the title or rights of occupancy and enjoyment by Northstar 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 Leased Assets other than when in the physical possession of Northstar or any agent thereof.

- (l) *Financial Statements* – The Northstar Financial Statements have been prepared in accordance with ASPE applied on a consistent basis and the requirements of applicable Governmental Entities; such financial statements present fairly, in all material respects, the financial position and results of operations of Northstar as of the respective dates thereof and for the respective period covered thereby and reflected appropriate and adequate reserves in request of contingent liabilities, if any, as determined by management of Northstar. The management prepared quarterly financial statements of Northstar for the quarters ended June 30, 2013, September 30, 2013 and December 31, 2013 provided by Northstar to the Purchaser present fairly, in all material respects, the financial position and results of operations of Northstar as of the respective dates thereof and for the respective periods covered thereby.
- (m) *Absence of Undisclosed Liabilities* – Except as otherwise disclosed to the Purchaser, Northstar has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent) other than:
 - (i) those set forth or adequately provided for in the Northstar Financial Statements or in the Internal Balance Sheet; and
 - (ii) those incurred in the ordinary course of business subsequent to the date of the Internal Balance Sheet.
- (n) *Material Agreements and Licenses* – Copies of all material licenses from Governmental Entities and all Material Agreements of Northstar, have been made available to the Purchaser for review including without limitation those otherwise disclosed to the Purchaser. Northstar is not in material default or breach of, in any respect, nor has Northstar 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 Northstar and the Corporate Vendors, 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. Except for the Lease, the Lease Contracts or as has otherwise been disclosed to the Purchaser, Northstar 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) *Books and Records* – The books, records and accounts of Northstar (i) have been maintained in all material respects 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 transactions, and whether as lessee or lessor) and dispositions of the assets of Northstar, and (iii) accurately and fairly reflect, in all material respects, the basis for the Northstar Financial Information. Northstar uses 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 financial statements in conformity with ASPE or any other criteria applicable to such statements, and (B) to maintain accountability for assets.
- (p) *Litigation, etc.* – Except as otherwise disclosed to the Purchaser there is no Claim currently proceeding, pending or, to the knowledge of Northstar or any of the Corporate Vendors, threatened against Northstar or affecting any of its properties, licenses or assets (other than its Leased Assets) before any court or Governmental Entity or regulatory authority or body, nor to the knowledge of the Corporate Vendors is there any basis for any such Claim, action, proceeding or investigation. Neither Northstar nor its assets and properties is subject to any outstanding judgment, order, writ, injunction or decree against Northstar. Except for Claims in the ordinary course for collection of unpaid amounts under Lease Contracts, there is no Claim by Northstar against any Person, nor is any such Claim pending or threatened.
- (q) *Intellectual Property Rights* –
 - (i) Schedule 3.1(q) contains a list of all of the material Intellectual Property (other than confidential information and data) currently used by Northstar in its business operations.
 - (ii) To the Corporate Vendors' knowledge, there has been no claim of any infringement or breach of any Intellectual Property of any other Person by Northstar and Northstar has not received any notice that Northstar is infringing upon or breaching any Intellectual Property rights of any other Person. To the Corporate Vendors' knowledge, there has been no infringement or violation of any of the Intellectual Property rights of Northstar by other Persons.
 - (iii) Northstar owns all right, title and interest in and to the website domain name referred to in Schedule 3.1(q) and to copyright, trademarks and other Intellectual Property relating thereto, including ownership of all code relating thereto, and has effected all registrations and filings necessary to preserve and protect its rights in and to such website domain names.
- (r) *Tax Matters* –

Except as otherwise disclosed to the Purchaser:

- (i) Northstar 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 the Northstar Financial Statements. Since the date of the Northstar 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 Northstar.
- (ii) All Taxes owed by Northstar (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 the Northstar Financial Statements, Northstar 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 Northstar, and no waivers of statutes of limitation have been given or requested with respect to Northstar. Except as reserved in the Northstar Financial Statements, there are no material proposed (but unassessed) additional Taxes relating to Northstar and none have been asserted. No Tax Liens have been filed against Northstar or any of its property or assets. To the knowledge of the Corporate Vendors, no Claim has ever been made by any Governmental Entity in a jurisdiction where Northstar does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.
- (iv) Northstar has properly withheld and timely paid all Taxes required to have been withheld and paid and has complied with all information reporting and withholding requirements.
- (v) Northstar has delivered or made available to the Purchaser correct and complete copies of all Tax Returns, notices of assessment and reassessments for all taxation years or taxable periods since March 31, 2006.
- (vi) Northstar 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. Northstar has not agreed to and is not required to make by reason of a change in accounting method, and to its knowledge could not be required to make by reason of a proposed or threatened change in accounting method, any adjustment under the Tax Act. Northstar is not subject to any ruling from and has not entered into any agreement with a Governmental Entity in respect of Taxes. Northstar has no liability for the Taxes of another Person. Northstar 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 Northstar. Northstar is not a party to any Tax allocation, Tax sharing, Tax indemnification or similar agreement.

(vii) Northstar is not a party to any joint venture, partnership or other arrangement that is treated as a partnership for Tax purposes. Northstar does not have a permanent establishment in any foreign jurisdiction for purposes of any income Tax treaty.

(s) *Non-Arm's Length Transactions –*

(i) Except (x) to the extent that Special Shares would be considered Indebtedness and (y) for employment or management compensation reflected in the Northstar Financial Statements or the Internal Balance Sheet, Northstar is not indebted to, any Northstar Non-Arm's Length Party (as such term is defined in clause (ii) of this subsection).

(ii) Except as otherwise disclosed to the Purchaser, Northstar is not a party to any Contract with (A) any director, officer, employee, stockholder, or Affiliate of Northstar, (B) any director, officer, employee, or stockholder of any Affiliate of Northstar, (C) any Family Member of any individual described in clause (A) or clause (B) above, and/or (D) any Person of which any Person described in clause (A), clause (B), or clause (C) above is a director, officer, partner, manager, member, trustee, or holder of more than five percent (5%) of the outstanding voting securities (the Persons described in items (A) through (D) above, being "**Northstar Non-Arm's Length Parties**"). As used herein, the term "**Family Member**" means, with respect to an individual, the spouse, parents, grandparents, collateral ancestors, siblings, children, grandchildren, collateral descendants, and in-laws of such individual.

(t) *Leases –*

For the purposes of this section:

"**Cash Flow and Lessee Summary**" means the month end report generated by Northstar including each of the following: (a) the start date of the Lease Contract; (b) the name of the client/customer; (c) the term; (d) a general description of the Leased Assets; (e) the original cost of the Leased Assets; (f) any security deposits; and (g) the residual for the related Leased Assets;

"**Closing Report**" means the Cash Flow and Lessee Summary generated by Northstar and provided to the Purchaser for all active Lease Contracts as of January 30, 2014;

"**Credit Enhancement**" means any support, financial or otherwise, provided by third parties with respect to an Obligor under a Lease Contract or from the vendor of the Leased 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;

“Lease Contract” means, collectively, all of the leases and other financing transactions with respect to which one or more Obligor has any continuing rights, obligations, or liabilities of whatever kind or nature, including (i) a non-cancellable lease agreement arising out of a lease of Leased Assets between Northstar as lessor (either directly or through assignment) and an Obligor as lessee; (ii) a lease schedule to a master lease agreement (which incorporates the terms and conditions of the master lease agreement) between Northstar as lessor and an Obligor as lessee; (iii) an instalment purchase or conditional sale agreement between Northstar as vendor and an Obligor as purchaser; or (iv) such other agreements as may contain an Obligor’s Payment obligations in connection with Northstar’s transfer of rights in the Leased Assets to the Obligor, other chattel paper arising out of a sale of Leased Assets; and all the ancillary documents related to the Lease Contract including delivery and acceptance certificates and pre-authorized payment authorization documents, together with any Credit Enhancements. For the avoidance of doubt, the Manulife Documents (as such term is defined in the definition of “Permitted Liens” in section 1.1) and the Lease Documents referred to therein or related thereto shall not be considered a Lease Contract for the purpose of this Section 3.1(t);

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

“Leased Assets” means any and all property leased or sold, or to be leased or sold, by Northstar under a Lease Contract, including equipment or other tangible property, together with all additions, replacements, substitutions, parts, repairs, accessories, accessions or attachments thereto;

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

“Payment” means all rights to the payment of rent, fees, option payments and any other amounts payable to Northstar under or with respect to any Lease Document.

Additionally, for the purposes of this subsection, (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 to 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.

- (i) The Lease Documents entered into by Northstar with its Obligor either utilize in all material respects Northstar's standard forms as they were constituted on the dates of such Lease Documents or to the extent not entered into on the then current standard form, the use of such non-standard form has not resulted in, and could not reasonably be expected to result in, any Material Adverse Effect. Except as otherwise disclosed to the Purchaser, since January 1, 2009, Northstar has not purchased Lease Contracts from any third party. The Purchaser has been given the opportunity to review all Lease Contracts and agreements entered into in connection with the Lease Contracts.
- (ii) With respect to the current active Lease Contracts:
 - A. no Obligor has the right to terminate the Lease Contract prior to the expiry of its term without payment of all future Payments to the end of the term;
 - B. subject to the rights of the Finance Providers, the rights and benefits thereof may be freely assigned by Northstar;
 - C. Northstar has no material obligations under the Lease Contracts other than to provide quiet enjoyment and convey title on the exercise of a purchase option; and
 - D. Northstar has not made to any Obligor any representation or warranty, express or implied, as to the condition of the Leased 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 Leased Asset that is the subject of a Lease Contract.
- (iii) (A) each Lease Contract arises from a *bona fide* lease or sale of the Leased Assets described therein in the ordinary course of Northstar's business; and (B) Obligors in respect of the Lease Contracts in Northstar's current portfolio of Lease Contracts have not been released in whole or in part from their liability thereunder, except to such limited extent as could not result in a Material Adverse Effect. The Leased Assets have been accepted by the Obligors and no further services with respect to the Leased Assets (other than manufacturer warranty claims) are incorporated as part of the Lease Contract. No continuing obligation arising under any of the Lease Contracts exists with respect to such Leased Assets (except for any obligation that has been fully and indefeasibly performed or discharged), by Northstar, that could either (1) render any agreement by any Obligor void or voidable, or otherwise limit or impair Northstar's rights or remedies under or with respect to such Lease Contract (including Northstar's right to receive, or its ability to collect, all rents and other payments provided for thereunder) or the related Leased Assets, or (2) give rise to any material responsibility, duty or liability of Northstar to any Obligor. 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 Northstar, with respect to any of the Leased Assets.

- (iv) To the knowledge of the Corporate Vendors, (x) each of the Lease Documents has been duly executed and delivered and authorized by each of the parties thereto; (y) the Payment Obligations of each Obligor to Northstar (after giving effect to the transactions contemplated herein) and Northstar's right to receive, pursuant to any Lease Contract and any related Lease Document, amounts constituting Payments, in accordance with the applicable terms thereof, shall, subject to any rights in favour of the Obligor at Law, be absolute, and shall not be subject to any abatement, setoff, or recoupment for any reason or under any circumstance whatsoever; and (z) with respect to each Lease Contract, and the related Obligor's Payment and other obligations thereunder, no such Lease Contract contains any provision that same is cancellable or terminable by such Obligor. To the knowledge of the Corporate Vendors, Northstar is not in breach of or default under any Lease Document to which it is a party.
- (v) To the knowledge of the Corporate Vendors, each Lease Document is a genuine, valid and binding obligation of the parties thereto, enforceable in accordance with its terms subject to the Enforceability Qualifications and accurately describes the Leased Assets covered thereby and the payments due thereunder, and accurately reflects the terms of the arrangement with the Obligor.
- (vi) To the knowledge of the Corporate Vendors, Northstar has not done anything that might impair either the value of the Lease Contracts or any of the rights of the parties thereto or to the Leased Assets or the Payments.
- (vii) To the knowledge of the Corporate Vendors, none of the Lease Contracts relates to the financing of any road licensed motor vehicles.
- (viii) Northstar has, in all material respects, complied with the requirements of its Finance Providers, in respect of maintaining, or causing to be maintained, insurance on the Leased Assets.
- (ix) To the knowledge of the Corporate Vendors, except as set out in the Cash Flow and Lessee Summary, which sets forth accounts in arrears (subject at all times to NSF cheques or pre-authorized payment defaults of which Northstar has not yet received notice), there exists no breach by an Obligor of any of its obligations under the Lease Contracts or Credit Enhancement Documents to make payments in accordance with the Lease Contract (the "**Payment Obligations**") and to the knowledge of the Corporate Vendors, there has not been any breach by the Obligor of any obligations under the Lease 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 the Lease Contracts, the Corporate Vendors have no knowledge of any fact that may impair the Lease Contracts' validity.

- (x) With respect to each Lease Contract, to the knowledge of the Corporate Vendors, and subject to any rights in favour of the Finance Providers (A) either (1) Northstar has good title to the related Leased Assets, or (2) the Obligor named therein has agreed to provide Northstar with a security interest in such Leased Assets; (B) the related Leased Assets are free and clear of all Liens except for Permitted Liens (including the rights of Northstar and the named lessee thereof) and except for Liens against such Leased Assets effected by the Obligor ranking subordinate to Northstar's security interest and except for purchase options that may be contained in such Lease Contract; and (C) Northstar has taken, at its expense, all necessary steps from time to time to preserve its good and unencumbered title to the related Leased Assets and file a financing statement under the PPSA in all applicable provinces for each Lease 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 Leased Assets have an original cost in excess of \$15,000).
- (xi) To the knowledge of the Corporate Vendors and subject to all rights of the Finance Providers and subject to the Enforceability Qualifications, Northstar has (i) the full rights and benefits of any Payment due by an Obligor under each Lease Contract and Credit Enhancement Document; (ii) the right to all present and future payments due or to become due under each Lease Contract; (iii) the right to all proceeds relating to each Lease Contract and the Leased Assets relating thereto; (iv) the full benefit of all covenants and all waivers, releases, indemnities and other obligations of each Obligor under each Lease Contract and Credit Enhancement Document; (v) all other rights and remedies under each Lease Contract; (vi) the full benefit of all Credit Enhancements relating to each Lease 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 Northstar, related to the Leased Assets.
- (xii) To the knowledge of the Corporate Vendors, Northstar has purchased the Leased Assets subject to Lease Contracts directly from the vendor of the Leased Assets which purchase is evidenced by either an invoice or purchase order in the name of Northstar or the referring lease agent (and assigned to Northstar) or a bill of sale noting Northstar or the referring lease agent (and assigned to Northstar) as purchaser.
- (xiii) The Cash Flow and Lessee Summary sets out the payments required to be made under each Lease Contract on the dates shown thereon, and the timing. The Cash Flow and Lessee Summary is accurate and complete in all material respects. 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 Cash Flow and Lessee Summary, no amounts have been prepaid on the Lease Contracts.
- (xiv) To the knowledge of the Corporate Vendors, Northstar's files (computer, paper and general email files) in respect of the Lease 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 Northstar of rents or other payments under, or the enforceability of, such Lease Documents in accordance with their respective terms, (2) Northstar's ownership free and clear of Liens of Northstar (other than Permitted Liens or purchase options) in any of the related Leased Assets, (3) the operation, maintenance, legal compliance or insurance of any such Leased Assets or (4) any other event or circumstance that could impair any of Northstar's rights or protections relating thereto, or result in any liability, responsibility or risk to Northstar with respect thereto; and such files are otherwise complete in all material respects.

- (xv) With respect to the Lease Documents relating to a Lease Contract, to the knowledge of the Corporate Vendors, same represent the entire agreement between any and all Obligors thereunder and Northstar, and except with respect to collection efforts in the ordinary course, Northstar 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 Lease Contract with respect to, or which would reasonably be expected to lead to, any material variation from the terms of such Lease Documents relating to (A) a release of any Obligor from its payment obligations thereunder or limiting the recourse of Northstar to such Obligor with respect to such payment obligations, (B) the scheduled rental and other payment dates and amounts in respect of such Lease Contract, (C) the term of such Lease Contract, (D) the release of, exchange, or upgrade of any Leased Assets that are subject to such Lease Contract or (E) any other term or condition in a manner (including regarding the manner of operation, insurance, maintenance, or leasing of any Leased Assets) which materially and adversely affects Northstar's ability to enforce, collect or realize upon such Lease Contract or the Leased Assets or other property subject to such Lease Contract or materially increases any obligation, burden or risk of Northstar under or with respect to such Lease Contract or the related Lease Documents or Leased Assets, the result of such actions in (A), (B), (C), (D) or (E) above would have a Material Adverse Effect.
- (xvi) To the knowledge of the Corporate Vendors, except as disclosed on the Closing Report, no current Lease Contract (i) has an unrecovered current cost in excess of \$150,000, (ii) is with a party who is not a resident of Canada, (iii) has an original term in excess of 66 months or (iv) is a lease for consumer goods.
- (xvii) To the knowledge of the Corporate Vendors, Northstar has no knowledge of any of the top five lease agents in respect of the Lease Contracts set forth in the Closing Report being in material default of any of its obligations under such agreement or any event with the passage of time that would be a material breach of the agreement or having taken any action inconsistent with the terms of such agent's Contract in any material

way, Northstar has not received any notice from any Person that any such referring lease agent has acted in a manner inconsistent with the terms of such agent's Contract.

- (xviii) To the knowledge of the Corporate Vendors, no Lease Contract is with an Affiliate of Northstar or a director, officer, employee or agent of Northstar, other than as disclosed to the Purchaser. Each Lease Contract entered into by Northstar complies, and Northstar 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, Northstar has filed a financing statement under the applicable provisions of the PPSA where the original cost of the Leased Assets exceeds \$15,000, and has obtained acceptance and delivery confirmations.
- (xix) Except as otherwise disclosed to the Purchaser, no Obligor, or group of Obligors who are not at arm's length (as such term is used in the Tax Act), has Lease Contracts reflecting in aggregate more than \$400,000 of gross lease receivables.
- (xx) With respect to Northstar's conduct of its equipment finance business, to the knowledge of the Corporate Vendors, Northstar 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 Northstar's business.
- (xxi) Northstar has no reimbursement or indemnification obligations under the ManuLife Documents in respect of a default by the lessee thereunder or by any provider of Credit Enhancement in respect thereof except if resulting from the breach by Northstar of its standard of care set forth therein, the gross negligence of Northstar or another breach of Northstar's obligations thereunder.
- (u) *Employees, etc.* – The Purchaser has been provided with a complete and accurate list of (and same shall be deemed to have been otherwise disclosed to the Purchaser):
 - (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 by Northstar on a full or part-time basis and all Persons (other than lawyers and external chartered accountants) who provide regular consulting or other services to Northstar on a full or part-time basis, including all individuals who may be considered to be employees of Northstar 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 Northstar.

Such list sets forth a list of all written Contracts for the employment or engagement of any officer, director, consultant or employee of Northstar.

- (v) *Continued Services* – Northstar 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 Northstar of the continued services of any such Persons following the Closing Date. To the knowledge of the Corporate Vendors, none of the employees of Northstar currently intends to resign their employment.
- (w) *Termination Rights* – The employment of all employees of Northstar may be terminated at any time without the payment of any consideration, except as may be required by applicable Law.
- (x) *Employee Payments* – Except as disclosed to the Purchaser, Northstar 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 its employees, and the Northstar Financial Information properly reflects all required accruals, whether for vacation pay or otherwise.
- (y) *Labour Matters* –
 - (i) Northstar 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 Northstar or the Corporate Vendors, threatened strikes or lockouts at Northstar or any charge of unfair labour practice (other than routine individual grievances). Northstar 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 Northstar or the Corporate Vendors, threatened, or any litigation, actual or, to the knowledge of Northstar of the Corporate Vendors, pending or threatened, relating to employment or termination of employment of employees or independent contractors.
 - (iii) Northstar 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 Northstar or the Corporate Vendors, threatened proceedings before any Governmental Entity with respect to any employment or labour matters.
- (z) *Employee Plans* – Except as otherwise disclosed to the Purchaser, Northstar does not maintain any Employee Plans.

- (aa) *Compliance with Laws; Investigations* – To the knowledge of the Corporate Vendors, Northstar is not in violation in any material respects 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 Northstar nor any of its current directors or officers, has been charged, or to the knowledge of Northstar or any of the Corporate Vendors, 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 impact upon Northstar.
- (bb) *Guarantees* – Northstar 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.
- (cc) *Restrictions on Business Activities* – There is no Contract, and there is no arbitral award, judgment, injunction, order or decree, binding upon Northstar that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of Northstar, any acquisition or disposition of property by Northstar or the conduct of business by Northstar as currently conducted.
- (dd) *Rights of Other Persons* – Except for the rights of Obligors under a Lease Contract and except for the rights of the Finance Providers, 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 Northstar, 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 Northstar fails to achieve specified results, a specified level of performance or other criteria.
- (ee) *Payment of Liabilities* – In all material respects, Northstar at all times has paid, satisfied and discharged its obligations and liabilities in the ordinary course of business.
- (ff) *Insurance* – Northstar maintains such policies of insurance, issued by responsible insurers, as are appropriate to its business, property and assets (including liability insurance), in such amounts and against such risks and subject to such deductibles as are customarily carried and insured against by owners of comparable businesses, properties and assets. The proceeds of such policies are fully payable to Northstar (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 copy of each such policy of insurance or renewals thereof and there are no pending claims thereunder except as otherwise disclosed to the Purchaser. All such policies of insurance are in full force and effect and in good standing, in all material respects. Northstar is not in default, whether as to the payment of premium or otherwise, under the terms of any such policy, nor has Northstar received notice or otherwise become aware of any intent of an insurer to either claim any default on the part of

Northstar or not to renew any policy of insurance on its expiry or to materially increase any deductible or cost.

(gg) *Real Property* –

- (i) Northstar does not own any real property.
- (ii) The only lease entered into by Northstar is for Suite L101 in the property located at 231 Bayview Avenue, Barrie, Ontario dated April 26, 2006 and expiring on August 31, 2016, as amended by agreements dated July 7, 2009, August 10, 2009, July 28, 2010, August 24, 2011, May 7, 2012 and November 7, 2013, (the “**Lease**”). An accurate and complete copy of the Lease has been delivered to the Purchaser. The Lease is valid, binding and enforceable in accordance with its terms subject to bankruptcy and equitable remedies and the Lease is in good standing on the part of Northstar. The Lease is in full force and effect and has not been assigned, modified, supplemented or amended, and Northstar is not, nor to the knowledge of Northstar or any of the Corporate Vendors, is the landlord under the Lease in material default under the Lease.

(hh) *Expropriation* – To the knowledge of the Corporate Vendors, no part of the property or assets of Northstar (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 Northstar have any knowledge of any intent or proposal to give such notice or commence any such proceedings. the Purchaser acknowledges that the representations in this subsection do not apply to the Leased Assets other than when in the physical possession of Northstar or an agent thereof.

(ii) *Minute Books* – The minute books of Northstar contain complete copies of its Charter Documents. To the knowledge of the Corporate Vendors (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 Northstar; (ii) no resolutions or by-laws have been passed, enacted, consented to or adopted by the directors (or any committee thereof) or shareholders of Northstar, 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 Northstar 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.

(jj) *Adequacy of Assets* – The assets (including the Intellectual Property) owned, licensed and leased by Northstar include all of the assets reasonably necessary to conduct its business.

(kk) *Environmental* –

- (i) Northstar

- 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 Corporate Vendors are 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 Corporate Vendors have no knowledge of any conditions existing currently or likely to exist which could reasonably be expected to subject Northstar 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) Northstar 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.
- (ll) *Computer Systems and Software* – The computer systems and software of Northstar, including personal computers and special purpose systems, are fully operational in all material respects and have the appropriate licensing and documentation. All hardware and software operates in material compliance with written specifications.
 - (mm) *Finder's Fees* – No broker, finder or investment banker is entitled to any fee or commission from Northstar for services rendered on behalf of Northstar in connection with the Transactions.
 - (nn) *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 Northstar is a party in respect of any of the shares in the capital of Northstar.

- (oo) *Proprietary Information of Third Parties* – To the knowledge of the Corporate Vendors, no third party has claimed or has reason to claim that any Person now or previously employed or engaged as a consultant by Northstar 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 Northstar, or (iii) interfered or may be interfering in the employment relationship between such third party and any of its present or former employees.
- (pp) *Certain Payments* – To the knowledge of the Corporate Vendors, none of the directors, officers or employees, of Northstar, or any other Person acting for or on behalf of Northstar, 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 Northstar, or (ii) established or maintained any fund or asset that has not been properly recorded and described on the books and records of Northstar.

3.2 Other Representations and Warranties of the Corporate Vendors

Each of the Corporate Vendors, with respect to itself only (and not jointly or severally or jointly and severally) hereby represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in entering into this Agreement and the Transactions:

- (a) *Organization and Good Standing* – It 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.* – It is Solvent. It 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* – It 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 its part is necessary to authorize this Agreement or the Transactions.

- (d) *Due Execution and Enforceability* – This Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of such Corporate Vendor, enforceable against it in accordance with its terms, subject to the Enforceability Qualifications.
- (e) *No Violation* – The execution and delivery by it of this Agreement and the performance by it 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) its Charter Documents;
 - (ii) any Laws, regulation, order, judgment or decree; or
 - (iii) any Contract to which it is party or by which it is bound or affected.
- (f) *No Consent* – No consent (other than those consents delivered on Closing), approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by it in connection with the execution and delivery of this Agreement or the consummation by it of the Transactions.
- (g) *Special Shares* – It is the beneficial owner of the Purchased Shares as set out below, free and clear of all Liens:

<u>Corporate Vendor</u>	<u>Special Shares</u>
Tribridge	2,020 Special Shares
Aerarium	3,380 Special Shares
Bay Glen	600 Special Shares

- (h) *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 such Corporate Vendor of any of the Special Shares.
- (i) *Non-Resident* – It is not a non-resident of Canada within the meaning of the Tax Act.

3.3 Representations and Warranties of Other Entity Vendors

Each of the Other Entity Vendors, with respect to itself only (and not jointly or severally or jointly and severally), hereby represents and warrants to the Purchaser as follows, and acknowledges that the Purchaser is relying on these representations and warranties in entering into this Agreement and the Transactions:

- (a) *Organization and Good Standing* – It is duly existing under applicable Laws, has full authority and capacity to own and lease its assets and properties and conduct its business as currently owned and conducted.

- (b) *Solvency, etc.* – It is Solvent. It 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* – It has the requisite power and authority to enter into this Agreement and the execution and delivery of this Agreement by it and the consummation by it of the Transactions have been duly authorized, and no other proceedings on its part are necessary to authorize this Agreement or the Transactions.
- (d) *Due Execution and Enforceability* – This Agreement has been duly executed and delivered by it, and constitutes a legal, valid and binding obligation of it, 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 it of any of its Purchased Shares.
- (f) *No Violation* – The approval of this Agreement, the execution and delivery by its trustee/estate trustees, as the case may be, on behalf of such Other Entity Vendor of this Agreement and the performance by it 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) its Charter Documents;
 - (ii) any Laws, regulation, order, judgment or decree; or
 - (iii) any Contract to which it is party or by which it is bound or affected.
- (g) *No Consent* – No consent (other than those consents delivered on Closing), approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by it in connection with the execution and delivery of this Agreement or the consummation by it of the Transactions.
- (h) *Purchased Shares* – It is the beneficial owner of the Class A Shares as set out below, free and clear of all Liens:

<u>Other Entity Vendor</u>	<u>Number of Class A Shares</u>
Sperlstar	2,654 $\frac{1}{3}$
Maxie	1,704 $\frac{1}{3}$

Triple S	1,704 $\frac{1}{3}$
Ida Trust	2,937.00
Ida Estate	500

- (i) *Non-Resident* – It is not a non-resident within the meaning of the Tax Act.

3.4 Representations and Warranties of Richard and Gerald

Each of Richard and Gerald, with respect to himself only, (and not jointly or severally or jointly and severally) hereby represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in entering into this Agreement and the Transactions:

- (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 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 him of any of his Purchased Shares.
- (e) *No Consent* – No consent (other than those consents delivered on Closing), 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.
- (f) *Purchased Shares* – He is the beneficial owner of 100 Class B Shares and such shares are owned, by him, free and clear of all Liens.
- (g) *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 Vendors as follows and acknowledges that the Vendors are 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) *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 Vendors 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 two years from the Closing Date, except that:

- (a) the representations and warranties set out in Sections 3.1(a), 3.1(g), 3.1(h), 3.2(a), 3.2(g), 3.2(h), 3.3(a), 3.3(e), 3.3(h), 3.4(d), 3.4(f) and 3.5(a) shall survive and continue in full force and effect without limitation of time;
- (b) the representations and warranties set out in Sections 3.1(r) 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 Northstar, provided that Northstar 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.

ARTICLE 4 COVENANTS

4.1 Closing Matters

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

4.2 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.

4.3 Preparation of Tax Returns

- (a) The Purchaser shall cause Northstar to prepare and file its Tax Returns due after the Closing Date in respect of periods ending on or prior to Closing, which Tax Returns shall be prepared and filed on a timely basis consistent with the existing procedures for preparing such Tax Returns and in a manner consistent with prior practice, with respect to the treatment of specific items on the Tax Returns (to the extent such treatment is reasonable in the circumstances); provided that, if income taxes would be payable by Northstar for any such period in the absence of the claiming of the maximum amount of any discretionary or other available

deductions or loss carryforward balances available to it, then the Tax Returns for Northstar must be prepared on the basis that Northstar will claim such portion of the maximum amount of any discretionary deductions or loss carryforward balances available to it for that period that would result in the least amount of income taxes being payable by Northstar in respect of that period.

- (b) Not less than twenty-one (21) days prior to the due date of any such Tax Return, the Purchaser will provide the Corporate Vendor Principals with a draft form of the Tax Return (the “**Draft Return**”). The Corporate Vendor Principals and their advisors will have the right to review the Draft Return and any working papers relating to its preparation and to approve such Draft Return before any such Draft Return is filed with the relevant Governmental Entity. Within fourteen (14) days after the date that the Corporate Vendor Principals receive the Draft Return, they will advise the Purchaser in writing that the Corporate Vendor Principals either (i) agree with the Draft Return so received by them, or (ii) do not agree with the Draft Return so received by them, in which event they will set forth in reasonable detail the basis for such disagreement. If the Corporate Vendor Principals notify the Purchaser of a disagreement pursuant to clause (ii) above, the Corporate Vendor Principals and the Purchaser shall attempt to resolve such disagreement; provided, however, that if the Corporate Vendor Principals and the Purchaser fail to reach agreement, then the Purchaser shall be entitled to file or cause to be filed such Tax Return in the manner that it so determines provided that (A) the Tax Return has been prepared in accordance with Section 4.3(a) and such Tax Return is filed or caused to be filed by the Purchaser on or before the date on which it is required by Law to be filed with the applicable Governmental Entity and (B) the Corporate Vendor Principals shall not be liable for any Losses resulting directly or indirectly from an assessment or reassessment of any such Tax Return with respect to the particular item in such Tax Return that was the subject of the disagreement between the Corporate Vendor Principals and the Purchaser, but only to the extent that the change to such Tax Return requested in writing by the Corporate Vendor Principals and rejected by the Purchaser has reasonable support under applicable Law. The Purchaser shall cause Northstar to elect in accordance with subsection 256(9) of the Tax Act that such subsection shall not apply for the purpose and effect that the acquisition of control of Northstar by virtue of the purchase and sale of the Purchased Shares contemplated herein shall result in a deemed taxation year-end of Northstar under the Tax Act ending at the Closing Time.

4.4 **Restrictive Covenants of Corporate Vendor Principals**

- (a) As used in this section:

“**Business**” means Northstar’s business of equipment leasing;

“**Competing Business**” means any endeavour, activity or business which competes, in whole or in part, directly or indirectly, with the Business, including any activity in preparation therefor;

“**Confidential Information**” means all confidential information, documents and materials relating to the business, operations, assets, technology or affairs of Northstar. Confidential Information does not include any information, documents

or material which is available to the public or in the public domain at the time of such disclosure or use, other than as a result of a breach of the obligations under this section; and

“Restricted Period” means the period commencing on the Closing Date and terminating on the fifth anniversary of the Closing Date.

- (b) Each of the Corporate Vendor Principals acknowledges that (i) he will derive significant economic benefit from the Transactions, and (ii) the Purchaser has required that each of them make the covenants in this section as a condition to the consummation of the Transactions.
- (c) Having regard to the acknowledgements made in subsection (b) of this section, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Corporate Vendor Principals covenants and agrees that:
 - (i) during the Restricted Period, he shall not, without the prior written consent of the Purchaser, directly or indirectly, whether on his own account or on behalf of any Person, and whether as principal, agent, employee, shareholder, director, officer, licensor, service provider, consultant, lender, investor or partner, or in any other capacity whatsoever, be engaged, involved in or associated with any Competing Business carried on anywhere in Canada;
 - (ii) during the Restricted Period, he shall not, without the prior written consent of the Purchaser, directly or indirectly, whether on his own account or on behalf of any Person, and whether as principal, agent, employee, shareholder, director, officer, consultant, licensor, service provider, lender, investor or partner, or in any other capacity whatsoever:
 - A. solicit or accept orders from, or approach, any Person who purchases the products or services of Northstar’s Business with the intention of soliciting or enticing the business of that Person away from Northstar on a going forward basis;
 - B. solicit or in any manner persuade or attempt to persuade any employee, consultant or sales agent of Northstar to leave the employ of Northstar or to terminate, in whole or in part, any arrangement, agreement, understanding or relationship that such employee, consultant or sales agent may have with Northstar; or
 - C. obtain by any means whatsoever the business of any Person who, as at the date hereof, is a customer of Northstar, if to obtain such business of any Person will result in a reduction of the business of that Person with Northstar on a going forward basis;
 - (iii) all Confidential Information will remain the property of Northstar and be retained in confidence by the Corporate Vendor Principal;

- (iv) he will never disclose or divulge Confidential Information that has or may come to his knowledge to any Person and, if applicable, he will render reasonable assistance in connection with any efforts by Northstar to prevent the unauthorized use, disclosure or publication of any Confidential Information to or by others and to the extent such disclosure is compelled by Law, he shall promptly notify the Purchaser and use all good faith and reasonable efforts to co-operate with the Purchaser in maintaining the confidentiality of such Confidential Information; and
 - (v) he will not use any Confidential Information for his own purposes or benefit or for the benefit of any other Person or to the detriment of Northstar.
- (d) In the event that a Corporate Vendor Principal reasonably believes, after consultation with counsel, that he is required to disclose any Confidential Information, he will provide the Purchaser with prompt notice before such disclosure in order that the Purchaser may attempt to obtain a protective order or other assurance that confidential treatment will be accorded to the Confidential Information, and the Corporate Vendor Principal will cooperate with the Purchaser in attempting to obtain such order or assurance. In the event that such a protective order or other assurance is not obtained, the Corporate Vendor Principal will give the Purchaser written notice of the Confidential Information to be disclosed in advance of its disclosure and will only furnish that portion of the Confidential Information which he is required to disclose.
- (e) Nothing in this section shall be construed so as to prohibit a Corporate Vendor Principal from acquiring or holding securities of any Person listed on any stock exchange for passive investment purposes only, provided that the total amount of such holdings such Corporate Vendor Principal and any Person with whom he does not deal at arm's length (as that term is used in the Tax Act), does not in the aggregate exceed 5% of the issued and outstanding shares in the capital stock of such Person. Further, nothing in this section shall be construed so as to prohibit the Corporate Vendor Principals from being involved, in any manner whatsoever, in the automotive leasing business.
- (f) The Corporate Vendor Principals further acknowledge and agree that:
 - (i) in light of the acknowledgements set forth in this section, the covenants set forth in this section are reasonable and valid in geographical and temporal scope and in all other respects, and each specifically covenants and agrees not to plead or invoke the unenforceability, illegality or invalidity of any provision of this Agreement, as drafted, as a defence to any proceedings to enforce or to seek relief of any nature (whether injunctive or in damages) under the provisions of this section;
 - (ii) any breach of the provisions of this section would cause irreparable harm to Northstar and the Purchaser of such a nature as to justify immediate remedial intervention;
 - (iii) the remedy at law for any breach of this section will be inadequate and the Purchaser, in addition to any other relief available to it for any breach

of this section, shall be entitled to temporary and permanent injunctive proceedings relief without the necessity of proving actual damage, in addition to any other rights, claims or recourses that the Purchaser may have in law; and

- (iv) notwithstanding Article 9 of this Agreement, interim injunctive relief in respect of this section may be sought in any court of competent jurisdiction sitting at Toronto, Ontario.
- (g) If a court or arbitrator, as applicable, should determine that any provision of this section is not reasonable, it is the specific intent of the Purchaser and each of the Corporate Vendor Principals that such court or arbitrator amend and enforce this section to the extent that such provisions are reasonable and that this section, as thereby amended and enforced, shall remain in full force and effect.

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 Shares, or (D) have a Material Adverse Effect on the right of Northstar to own its assets and to operate its business (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect).

5.2 Additional Conditions Precedent to the Obligations of the Vendors

The obligation of the Vendors 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 Vendors' exclusive benefit and may be waived by them and any one of more of which, if not satisfied or waived, will relieve the Vendors 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.
- (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).
- (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 Vendors and Entity Vendors' Counsel, acting reasonably, and the Vendors 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 Vendors and Entity Vendors' 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 Entity Vendors' 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 Northstar by the Purchaser, or otherwise required in connection with the consummation of the Transactions, in form and substance satisfactory to the Corporate Vendor Principals, 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 Vendors the opinion of the Purchaser's Counsel in the form attached to this Agreement as Schedule 5.2(f).

The Vendors 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 any of the Vendors 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 Vendors 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.
- (b) *Truth and Accuracy of Representations of the Vendors* – All of the representations and warranties of the Vendors made in or under this Agreement, including the representations and warranties made by them and set forth in Sections 3.1, 3.2, 3.3 and 3.4, 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).
- (c) *Actions and Proceedings* – All actions and proceedings taken at or prior to the Closing Time in connection with the performance by the Vendors 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) *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 Northstar 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.

- (e) *No Material Adverse Change* – There shall have been no Material Adverse Change.
- (f) *Relationship with Finance Providers* – Northstar shall not be in default under the terms of its credit facilities or its bulk leasing facility with its Finance Providers. In addition, its Finance Providers shall have agreed to continue their existing financing and bulk leasing facilities with Northstar after the completion of the Transactions on terms no less favourable than those currently existing (the Vendors hereby acknowledging that the nature of the structure of the Purchaser is that no guarantees are provided by the Purchaser to lenders of its operating Subsidiaries).
- (g) *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.
- (h) *No Litigation* – There will be no litigation or governmental/regulatory proceedings in progress or threatened against Northstar or which could have a Material Adverse Effect.
- (i) *Executive Employment Agreement* – Bruce Collingwood shall have executed and delivered to Northstar the Collingwood Executive Employment Agreement.
- (j) *Legal Opinion* – There shall have been delivered to the Purchaser the opinion of the Entity Vendors' Counsel in the form attached to this Agreement as Schedule 5.3(j).
- (k) *Guarantees* – The Corporate Vendor Principals shall have delivered a guarantee of the indemnity obligations of the Corporate Vendors under Section 6.3(b) of this Agreement, in form acceptable to the Purchaser, acting reasonably, which guarantee shall be for up to \$1,000,000 each and include the covenant to prevent the Corporate Vendors from divesting (through one or more transactions) a majority of the assets of any of the Corporate Vendors during the 12 months following the Closing Date unless the proceeds thereof are retained in the subject Corporate Vendor during such 12 month period.
- (l) *Resignation of Directors* – Such directors of Northstar as the Purchaser may specify shall have resigned in favour of nominees of the Purchaser effective as of the Closing Time.
- (m) *Release by the Vendors, Directors and Officers* – The Vendors and such directors and officers of Northstar as the Purchaser may specify shall have executed and delivered, at the Closing Time, releases in favour of Northstar in form acceptable to the Purchaser, acting reasonably.

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.

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, excluding punitive damages, lost profits and consequential damages and, in all cases, after giving effect to (i) any insurance proceeds received by or on behalf of an Indemnified Party (as defined in Section 6.7) 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 and (iii) any matter, cost, expense or liability that is provided or accounted for in the Final Balance Sheet or the Closing Shareholders Equity (as such terms are defined in Section 2.3). 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 Vendors other than the Corporate Vendors

Each Vendor other than the Corporate Vendors for itself only agrees to indemnify and save harmless the Purchaser and its directors, officers, employees, agents, and representatives (each, a "**Chesswood Indemnified Party**" and collectively the "**Chesswood Indemnified Parties**") from all Losses suffered or incurred by Chesswood Indemnified Parties as a result of or arising directly or indirectly out of or in connection with:

- (a) any breach by such Vendor of or any inaccuracy of any representation or warranty of such Vendor contained in this Agreement (provided that the Vendor shall not be required to indemnify or save harmless any Chesswood Indemnified Party 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 Section 3.7); and
- (b) any breach or non-performance by such Vendor of any covenant to be performed by such Vendor that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto.

Such Vendors and the Purchaser acknowledge and agree that to the extent any Chesswood Indemnified Party is not a party to this Agreement, each Chesswood 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 Chesswood Indemnified Party.

All claims by the Purchaser for indemnification pursuant to this section will be satisfied first from the Holdback Amount and made in accordance with the holdback procedures set forth in Section 6.7 until such time as the entire Holdback Amount has been claimed by the Purchaser. The Purchaser will not deduct from or release the Holdback Amount except in accordance with the terms and conditions of this Agreement.

6.3 Indemnification by the Corporate Vendors

- (a) Each Corporate Vendor for itself only agrees to indemnify and save harmless each of the Chesswood Indemnified Parties from all Losses suffered or incurred by Chesswood Indemnified Parties as a result of or arising directly or indirectly out of or in connection with:
 - (i) any breach by such Corporate Vendor of or any inaccuracy of any representation or warranty of such Corporate Vendor contained in Section 3.2 of this Agreement (provided that the Corporate Vendor shall not be required to indemnify or save harmless any Chesswood Indemnified Party in respect of any breach or inaccuracy of any such representation or warranty unless notice has been provided to the Corporate 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 Section 3.7); and
 - (ii) any breach or non-performance by such Corporate Vendor of any covenant to be performed by such Corporate Vendor that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto.
- (b) The Corporate Vendors agree to jointly and severally indemnify and save harmless the Chesswood Indemnified Parties from all Losses suffered or incurred by Chesswood Indemnified Parties as a result of or arising directly or indirectly out of or in connection with:
 - (i) any breach by the Corporate Vendors of or any inaccuracy of any representation or warranty of the Corporate Vendors contained in Section 3.1 of this Agreement (provided that the Corporate Vendors shall not be required to indemnify or save harmless any Chesswood Indemnified Party in respect of any breach or inaccuracy of any such representation or warranty unless notice has been provided to the Corporate Vendors 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 Section 3.7; or
 - (ii) any severance obligations of Northstar in respect of employees (other than officers) of Northstar whose employment is terminated (whether by Northstar or the employee) prior to the Closing Time.
- (c) The Corporate Vendors and the Purchaser acknowledge and agree that to the extent any Chesswood Indemnified Party is not a party to this Agreement, each Chesswood 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 Chesswood Indemnified Party.
- (d) All claims by the Purchaser for indemnification pursuant to this section will be satisfied first from the Holdback Amount and made in accordance with the holdback procedures set forth in Section 6.5 until such time as the entire

Holdback Amount has been claimed by the Purchaser. The Purchaser will not deduct from or release the Holdback Amount except in accordance with the terms and conditions of this Agreement.

6.4 Indemnification by the Purchaser

The Purchaser agrees to indemnify and save harmless the Vendors and their agents, professional advisors and representatives (each, a "**Vendor Indemnified Party**" and collectively, the "**Vendor Indemnified Parties**") from all Losses suffered or incurred by the Vendors 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 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 Section 3.7); 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 Vendors and the Purchaser acknowledge and agree that to the extent any Vendor Indemnified Party is not a party to this Agreement, the Vendors 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) The aggregate amount of Losses payable by any Other Entity Vendor, Richard or Gerald pursuant to Section 6.2 shall not exceed that portion of the Aggregate Purchase Price that such Vendor receives pursuant to Section 2.4 (including any amount thereof withheld as part of the Holdback Amount), as adjusted pursuant to Section 2.3.
- (b) The aggregate amount of Losses payable by any Corporate Vendor pursuant to Section 6.3(a) shall not exceed the amount that such Vendor receives pursuant to Section 2.4 (including any amount thereof withheld as part of the Holdback Amount).
- (c) The aggregate amount of Losses payable by the Corporate Vendors (as a group) pursuant to Section 6.3(b) shall not exceed \$6,000,000; provided that the foregoing cap of \$6,000,000 shall instead be a cap of the Aggregate Purchase Price for any Claims for any breach of any of the representations or warranties contained in Section 3.1 (i) involving fraud or fraudulent misrepresentation, (ii) relating to Tax, (iii) relating to the securities issued or required to be issued by Northstar, or (iv) relating to the existence of Northstar. Notwithstanding the

foregoing, and for the avoidance of doubt, the aggregate amount of Losses payable by the Corporate Vendors (as a group) pursuant to Section 6.3 shall in no circumstances exceed the Aggregate Purchase Price.

- (d) No Claim may be made against any Vendor under Sections 6.2 or 6.3(a) until the aggregate of all Losses suffered or incurred by the Purchaser with respect to such Vendor, in respect of all matters which are subject to indemnification under Sections 6.2 or 6.3(a) hereunder exceed \$25,000.
- (e) No Claim may be made against any Corporate Vendor under Section 6.3(b) until the aggregate of all Losses suffered or incurred by the Purchaser, in respect of all matters which are subject to indemnification under Section 6.3(b) exceed \$150,000.
- (f) The Purchaser acknowledges and agrees that with respect to each of the Other Entity Vendors, the only recourse shall be against the assets of the trust or the estate as the case may be, and that no trustee or estate trustee shall have any personal liability and there shall be no recourse against the trustees or estate trustees.

6.6 Holdback Procedures

- (a) *Indemnification Claims* – The Purchaser will notify the applicable Vendors in writing of each Claim for indemnification by the Purchaser against such Vendors pursuant to Section 6.2 or 6.3(b). The notice of such Claim delivered pursuant to the preceding sentence 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 such Vendors 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 Holdback Amount the amount of such indemnification Claim.
- (b) *Disputes and Unresolved Claims* – If the applicable Vendor in good faith delivers to the Purchaser a written objection (a “**Dispute Notice**”) to any Claim against the Holdback Amount or portion thereof (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 (c) of this section, the Purchaser will not deduct from the Holdback Amount any amounts that are the subject of the Dispute Notice until either (i) the Purchaser and such Vendor(s) have agreed in writing to the deduction from the Holdback Amount 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 Holdback Amount 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 Holdback Amount the amount provided for in such final determination. In the event that the Vendor(s) are the prevailing party in whole or in part in connection with any such dispute, the portion of the Holdback Amount 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 Holdback Amount and will

be available to satisfy subsequent indemnification Claims until released as provided in subsection (d) of this section. 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.

- (c) *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 Holdback Amount 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.
- (d) *Release of Remaining Holdback Amount* – The Purchaser will release the Holdback Amount to the applicable Vendors as follows:
 - (i) on the first anniversary of the Closing Date (the “**Release Date**”), all of the Holdback Amount in excess of the sum of (A) any Holdback Amount previously deducted by the Purchaser pursuant to this Agreement (“**Prior Deductions**”), whether pursuant to Section 2.3(d) 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 Holdback Amount pursuant to this Agreement and (C) any unresolved Claims of the Purchaser for indemnification by the Vendors under this Agreement (all such Claims in items (B) and (C) being hereinafter referred to as “**Pending Claims**”); and
 - (ii) promptly upon resolution pursuant to subsection (b) of this section of each Pending Claim existing as of the Release Date, all of the remaining Holdback Amount that is the subject of such Pending Claim and is not deductible by the Purchaser pursuant to such resolution.
- (e) *No Limitation of Remedies* – The deduction of the Holdback Amount by the Purchaser will not limit or otherwise affect any right of indemnification that the Purchaser may otherwise have pursuant to Section 6.2 or Section 6.3, or any right to payment that the Purchaser may have pursuant to Section 2.3(d), and the Holdback Amount does not constitute an exclusive remedy for the recovery of Claims or Losses by the Purchaser pursuant to this Agreement or the Purchaser’s rights to payment pursuant to Section 2.3(d).
- (f) *Limitations on Rights to Holdback Amount* – The Vendors will not have any right, title or interest in or to, or possession of, the Holdback Amount and will not have the ability to pledge, convey, hypothecate or grant as security all or any portion of the Holdback Amount unless and until the Holdback Amount has been released pursuant to subsection (d) of this section. Accordingly, no creditor of the Vendors will have any right to have or to hold or otherwise attach or seize all or any portion of the Holdback Amount as collateral for any obligation and will not be able to obtain a security interest in the Holdback Amount unless and until the Indemnification Holdback Amount has been released pursuant to subsection (d) of this section.

- (g) Any Holdback Amount to be released to the Vendors after the Net Amount Replacement (as such term is defined in Section 2.4(e)) has been completed shall be released to the Corporate Vendors (and to no other Vendor) on a Pro Rata Basis. Any Holdback Amount to be released to the Vendors prior to the Net Amount Replacement having been completed (other than a release pursuant to Section 2.4(e) as a result of the completion of the Net Amount Replacement) shall, unless otherwise directed by the Vendors or their authorized representative under the Escrow Agreement (as such term is defined in Section 2.4(e)) in accordance with the terms of the Escrow Agreement, be released to the Other Entity Vendors, Richard and Gerald (and to no other Vendor) on a Pro Rata Basis.

6.7 Notice of Claim

Subject to the holdback procedures in Section 6.6, 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 Northstar; 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.

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.

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

Except as otherwise provided in Section 2.3(c) or Section 4.4, 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 applicable 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 each of the Vendors 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 Aerarium:

80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Attention: Stephen Sperling
Email: sperling@aerariumgroup.com

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

Fogler, Rubinoff LLP
77 King Street West
Suite 3000
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: I. William Berger
Facsimile No.: (416) 941-8852
Email: bberger@foglers.com

(c) in the case of Tribridge:

c/o The Laurier Group
150 Connie Crescent, Unit #4
Concord, ON L4K 1L9

Attention: Phillip Rubinoff
Email: philliprubinoff@laurierhomes.com

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

Fogler, Rubinoff LLP
77 King Street West
Suite 3000

TD Centre North Tower
Toronto, ON M5K 1G8

Attention: I. William Berger
Facsimile No.: (416) 941-8852
Email: bberger@foglers.com

(d) in the case of Bay Glen:

80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Attention: Stephen Sperling
Email: sperling@aerariumgroup.com

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

Fogler, Rubinoff LLP
77 King Street West
Suite 3000
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: I. William Berger
Facsimile No.: (416) 941-8852
Email: bberger@foglers.com

(e) in the case of Sperlstar:

80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Attention: Stephen Sperling
Email: sperling@aerariumgroup.com

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

Fogler, Rubinoff LLP
77 King Street West
Suite 3000
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: I. William Berger
Facsimile No.: (416) 941-8852
Email: bberger@foglers.com

(f) in the case of Maxie:

80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Attention: Stephen Sperling
Email: sperling@aerariumgroup.com

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

Fogler, Rubinoff LLP
77 King Street West
Suite 3000
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: I. William Berger
Facsimile No.: (416) 941-8852
Email: bberger@foglers.com

(g) in the case of Triple S:

80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Attention: Stephen Sperling
Email: sperling@aerariumgroup.com

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

Fogler, Rubinoff LLP
77 King Street West
Suite 3000
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: I. William Berger
Facsimile No.: (416) 941-8852
Email: bberger@foglers.com

(h) in the case of Ida Trust:

c/o The Laurier Group
150 Connie Crescent, Unit #4
Concord, ON L4K 1L9

Attention: Phillip Rubinoff
Email: philliprubinoff@laurierhomes.com

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

Fogler, Rubinoff LLP
77 King Street West
Suite 3000
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: I. William Berger
Facsimile No.: (416) 941-8852
Email: bberger@foglers.com

(i) in the case of Ida Estate:

c/o The Laurier Group
150 Connie Crescent, Unit #4
Concord, ON L4K 1L9

Attention: Phillip Rubinoff
Email: philliprubinoff@laurierhomes.com

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

Fogler, Rubinoff LLP
77 King Street West
Suite 3000
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: I. William Berger
Facsimile No.: (416) 941-8852
Email: bberger@foglers.com

(j) in the case of Richard:

72 Gatcombe Circle
Richmond Hill, ON L4C 9P5

Email: rherlick@laurierhomes.com

(k) in the case of Gerald:

157 Hetherington Crescent
Thornhill, ON L4J 2N1

Email: gerrystone@laurierhomes.com

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 any of the Vendors without the written consent of the Purchaser, but may be assigned by the Purchaser in whole or in part without the consent of the Vendors to an Affiliate, provided that such Affiliate enters into a written agreement with the Vendors 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.

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 Phillip, on behalf of the Vendors, 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 Vendors and the Purchaser and their respective authorized representatives.

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 Vendors, 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 Vendors, 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 Vendors, on the other hand, for a breach or threatened breach of this Agreement, the Purchaser and the Vendors, respectively, will be entitled to specific performance of this Agreement upon any breach by the Vendors or the Purchaser, as applicable, and to an injunction restraining any such party from such breach or threatened breach.

10.10 Invalidity of Provisions

Subject to Section 4.4(g), 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 HOLDINGS LTD.

Per: "Barry Shafran"

Name: Barry Shafran
Title: President and CEO

**AERARIUM DEVELOPMENT
CORPORATION LIMITED**

Per: "Stephen Sperling"

Name: Stephen Sperling
Title: President

TRIBRIDGE HOLDINGS INC.

Per: "Phillip Rubinoff"

Name: Phillip Rubinoff
Title: President

BAY GLEN ESTATES INC.

Per: "Stephen Sperling"

Name: Stephen Sperling
Title: President

**BRUCE NELSON, DON ROBERTS and
STEPHEN SPERLING in their capacities
as trustees of the trust known as
SPERLSTAR TRUST**

Per: *"Bruce Nelson"*

Name: Bruce Nelson
Title: Trustee

Per: *"Don Roberts"*

Name: Don Roberts
Title: Trustee

Per: *"Stephen Sperling"*

Name: Stephen Sperling
Title: Trustee

**MAXINE MUNRO and VICTORIA
BROWN in their capacities as trustees
of the trust known as MAXIE TRUST**

Per: *"Maxine Munro"*

Name: Maxine Munro
Title: Trustee

Per: *"Victoria Brown"*

Name: Victoria Brown
Title: Trustee

**GERALD SPERLING , YUCHAO ZHU and
TED BOWEN in their capacities as
trustees of the trust known as TRIPLE S
FAMILY TRUST**

Per: *"Gerald Sperling"*

Name: Gerald Sperling
Title: Trustee

Per: *"Yuchao Zhu"*

Name: Yuchao Zhu
Title: Trustee

Per: *"Ted Bowen"*

Name: Ted Bowen
Title: Trustee

**PHILLIP RUBINOFF , MARCI RUBINOFF
and ADAM RUBINOFF in their
capacities as trustees of the trust
known as IDA RUBINOFF FAMILY
TRUST**

Per: *"Phillip Rubinoff"*

Name: Phillip Rubinoff
Title: Trustee

Per: *"Marci Rubinoff"*

Name: Marci Rubinoff
Title: Trustee

Per: *"Adam Rubinoff"*

Name: Adam Rubinoff
Title: Trustee

**PHILLIP RUBINOFF , MARCI RUBINOFF
and SHELDON SILVERBERG in their
capacities as estate trustees of THE
ESTATE OF IDA RUBINOFF**

Per: *"Phillip Rubinoff"*

Name: Phillip Rubinoff
Title: Estate Trustee

Per: *"Marci Rubinoff"*

Name: Marci Rubinoff
Title: Estate Trustee

Per: *"Sheldon Silverberg"*

Name: Sheldon Silverberg
Title: Estate Trustee

"Leslie Epworth"

Witness

"Richard Herlick"

RICHARD HERLICK

"Ronald Ashby"

Witness

"Gerald Stone"

GERALD STONE

"Leslie Epworth"

Witness

"Phillip Rubinoff"

PHILLIP RUBINOFF

"John Swainson"

Witness

"Stephen Sperling"

STEPHEN SPERLING

Schedule 3.1(a)
Directors and Officers of Northstar

Directors:

Stephen Sperling.
Phillip Rubinoff.

Officers:

Stephen Sperling – President.
Phillip Rubinoff – Secretary.
Bruce Collingwood – Treasurer.

**Schedule 3.1(q)
Intellectual Property Rights**

Domain name:

www.nstarleasing.com

Website:

www.nstarleasing.com

Corporate Name:

Northstar Leasing Corporation

Logo:



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

McCarthy Tétrault LLP
PO Box 48, Suite 5300
Toronto-Dominion Bank Tower
Toronto ON M5K 1E6
Canada
Tel: 416-362-1812
Fax: 416-868-0673



January 31, 2014

Aerarium Development Corporation Limited
80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Tribridge Holdings Inc.
c/o The Laurier Group
150 Connie Crescent, Unit #4
Concord, ON L4K 1L9

Bay Glen Estates Inc.
80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Sperlstar Trust
80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Maxie Trust
80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Triple S Family Trust
80 Bradford Street
Suite 300
Barrie, ON L4H 3S7

Ida Rubinoff Family Trust
c/o The Laurier Group
150 Connie Crescent, Unit #4
Concord, ON L4K 1L9

The Estate of Ida Rubinoff
c/o The Laurier Group
150 Connie Crescent, Unit #4
Concord, ON L4K 1L9

Richard Herlick
72 Gatcombe Circle
Richmond Hill, ON L4C 9P5

Gerald Stone
157 Hetherington Crescent
Thornhill, ON L4J 2N1

Fogler, Rubinoff LLP
77 King Street West
Suite 3000, TD Centre North Tower
Toronto, ON M5K 1G8

Dear Sirs/Mesdames:

Re: Acquisition of Northstar Leasing Corporation by Chesswood Holdings Ltd.

We have acted as counsel to Chesswood Holdings Ltd. (the "**Purchaser**") in connection with the purchase by the Purchaser of all the issued and outstanding shares of Northstar Leasing Corporation pursuant to a share purchase agreement dated the date hereof (the "**Share Purchase Agreement**") between the Aerarium Development Corporation Limited, Tribridge Holdings Inc., Bay Glen Estates Inc., Sperlstar Trust, Maxie Trust, Triple S Family Trust, Ida Rubinoff Family Trust, The Estate of Ida Rubinoff, Richard Herlick and Gerald Stone

(collectively, the "**Vendors**"), Phillip Rubinoff, Stephen Sperling and the Purchaser. This opinion is being delivered to you pursuant to section 5.2(f) of the Share Purchase Agreement.

Examinations

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 Vendors, Phillip Rubinoff and McCarthy Tétrault LLP (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) 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
- (e) that the minute books of the Purchaser reviewed by us are complete and accurate in all respects.

We have relied upon the Certificate, 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.

Applicable Laws

The opinions expressed below are restricted to the laws of the Province of Ontario and the laws of Canada applicable therein.

Reliance

The opinions expressed below are based on legislation and regulations in effect on the date hereof. We have considered such questions of law and examined such statutes, regulations, public and corporate records and certificates of officers of the Purchaser and other documents as we have considered appropriate and necessary for the purpose of our opinion. In particular, we have relied as to matters of fact on the Certificate, a copy of which has been provided to you.

In rendering our opinion in paragraph 1, we have relied exclusively upon a Certificate of Status in respect of the Purchaser dated January 31, 2013 issued by the Ministry of Government Services in the Province of Ontario, which we have assumed continues to be accurate as at the date hereof.

Opinions

Based and relying upon and subject to the foregoing, we are of the opinion that at the date hereof:

1. The Purchaser is a corporation 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, and the Purchaser has taken all necessary corporate action to authorize the execution and delivery of the Agreements and the performance of its obligations thereunder.
3. The Purchaser has duly executed and delivered the Agreements.

This opinion is intended solely for the use of the addressees and is being delivered in connection with the transaction described herein and may not be relied upon by any other person or in connection with any other transaction, quoted from or referred to in any other documents, or furnished (either in its original form or by copy) to any other party without our prior written consent.

Yours truly,

**Schedule 5.3(j)
Opinion of Entity Vendors' Counsel
(attached)**



Fogler, Rubinoﬀ LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

January 31, 2014

Chesswood Holdings Ltd.
4077 Chesswood Drive
Toronto, Ontario
M3J 2R8

McCarthy Tétrault LLP
66 Wellington St. W #5300
Toronto, Ontario
M5K 1E6

Re: Sale of all of the issued and outstanding shares in the capital of Northstar Leasing Corporation (the "Corporation") to Chesswood Holdings Ltd.

We have acted as counsel to the Corporation and to each of the following persons and entities:

- (a) Aerarium Development Corporation Limited.;
- (b) Tribridge Holdings Inc.;
- (c) Bay Glen Estates Inc.;
- (d) the trustees of the Trust known as Sperlstar Trust;
- (e) the trustees of the Trust known as Maxie Trust;
- (f) the trustees of the Trust known as Triple S Family Trust;
- (g) the trustees of the Trust known as Ida Rubinoﬀ Family Trust;
- (h) the estate trustees of the Estate of Ida Rubinoﬀ (the "**Estate**");
- (i) Phillip Rubinoﬀ; and
- (j) Stephen Sperling;

(the persons and entities in items (a) through (h) above being the "**Entity Vendors**" and the individuals in items (i) and (j) above being the "**Corporate Vendor Principals**") in connection with the sale of all of the issued and outstanding shares of the Corporation pursuant to a Share Purchase Agreement dated January 31st, 2014 (the "**Purchase Agreement**") made by and among Chesswood Holdings Ltd., (the "**Purchaser**"), the Entity Vendors, Richard Herlick, Gerald Stone and the Corporate Vendor Principals. In this regard, we have participated in the preparation and settlement of the following documents (collectively, the "**Documents**");

1. the Purchase Agreement; and
2. an escrow agreement dated the date hereof between the Purchaser, the Entity Vendors, Richard Herlick, Gerald Stone, Phillip Rubinoff and McCarthy Tétrault LLP.

This opinion is being delivered to you pursuant to section 5.3 of the Purchase Agreement. Unless otherwise indicated, all terms used herein that are defined in the Purchase Agreement have the respective meanings given to them in the Purchase Agreement.

For the purpose of this opinion, the Vendors mentioned in (d), (e), (f) and (g) above are each referred to as a Trust.

RELIANCES

We have examined originally executed copies, certified copies or photocopies of executed copies of the Documents. We have also examined and relied wholly and exclusively, without independent verification, upon originals or photostatic or facsimile copies, certified or otherwise identified to our satisfaction of the following:

- (a) the constating documents of the Corporation and the Corporate Vendors and the resolutions of directors and shareholders and other corporate records contained in the minute books of the Corporation and the Corporate Vendors;
- (b) Certificates of Status in respect of the Corporation and each of the Corporate Vendors, each issued by the Ministry of Government Services, Province of Ontario dated January 31st, 2014 (the "**Certificates of Status**"); and
- (c) certificates of officers of the Corporation and each of the Corporate Vendors (the "**Officer's Certificates**") and certificates of trustees of each of the Trusts and the Estate (the "**Trustee's Certificates**").

We have also examined such other corporate and public records and made such other investigations searches and enquiries and considered such matters of law as we have considered necessary or appropriate in order to provide the opinions hereinafter expressed.

We have relied exclusively upon the Officer's Certificates and the Trustee's Certificates, copies of which have been provided to you, as to factual matters material to the opinions expressed herein and have made no further investigations.

LAWS ADDRESSED

The opinions expressed herein are limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein at the date hereof, and no opinions are expressed with respect to the laws of any other jurisdiction. Our opinion is expressed with respect to the laws of the Province of Ontario and the federal laws of Canada applicable therein in effect on the date of this

opinion and we do not accept any responsibility to inform addressees of any change of the law subsequent to this date that does or may affect the opinions we express.

ASSUMPTIONS

For the purposes of the opinions expressed herein, we have assumed:

- (a) the genuineness of all signatures (other than the signature of the Vendors);
- (b) the legal capacity of all individuals signing any Documents or other instruments;
- (c) the accuracy and currency of the indices and filing systems maintained at the public offices where we have conducted searches or made enquiries or caused such searches or enquiries to be made and that the statements made by government officials in certificates provided by them are true and accurate as at the time at which they were made and continue to be true;
- (d) the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified or photostatic or electronically transmitted copies or facsimiles thereof and the authenticity of the originals of such certified, photostatic or electronically transmitted copies or facsimiles; and
- (e) for the purposes of our opinion in paragraph 1 below, we have relied exclusively upon the Certificates of Status referred to above.

OPINIONS

Based and relying on and subject to the foregoing, we are of the opinion that:

1. **Due Incorporation.** The Corporation and each of the Corporate Vendors is a corporation incorporated under the laws of the Province of Ontario and has not been dissolved.
2. **Share Capital.** The authorized capital of the Corporation consists of 6,000 Class A Special Shares, an unlimited number of Class B Special Shares, Common Shares, Class A Common Shares and Class B Common Shares of which 6,000 Class A Special Shares, 9,500 Class A Common Shares and 200 Class B Common Shares have been duly and validly issued and are outstanding as fully paid and non-assessable.
3. **Power and Capacity.** Each of the Corporate Vendors has all necessary corporate power to execute and deliver each of the Documents to which it is a party and perform its obligations under the Documents to which it is a party.
4. **Due Execution and Delivery.** The Documents to which each Corporate Vendor is a party have been duly executed and delivered by such Corporate Vendor and each

Corporate Vendor has taken all necessary corporate action to authorize the execution, delivery and performance by it of the Documents to which it is a party.

5. **Creation of Trust.** Each Trust has been validly created and exists under the laws of the Province of Ontario.
6. **Power and Capacity.** The trustees of each Trust have the authority to execute and deliver each of the Documents to which the trustees of the Trust, for and on behalf of the Trust, are a party, and to enter into and perform the obligations under the Documents to which the trustees of the Trust, for and on behalf of the Trust, are a party.
7. **Due Execution and Delivery.** The Documents to which the trustees of the Trust, for and on behalf of the Trust, are a party have been duly executed and delivered by the trustees in accordance with the provisions of their respective Deed of Trust/Trust Indenture, acting in their capacity as trustees of the Trust.
8. **Creation of Trust.** The Will of Ida Rubinoff (the "Will") creates a valid testamentary trust pursuant to the laws of the Province of Ontario and vested control thereof in the executors and trustees from time to time.
9. **Power and Capacity.** The estate trustees of the Estate have authority to execute and deliver each of the Documents to which the estate trustees of the Estate, for and on behalf of the Estate, are a party, and to enter into and perform the obligations under the Documents to which the estate trustees of the Estate, for and on behalf of the Estate, are a party.
10. **Due Execution and Delivery.** The Documents to which the estate trustees of the Estate, for and on behalf of the Estate, are a party have been duly executed and delivered by the estate trustees in accordance with the provisions of the Will, acting in their capacity as estate trustees of the Estate.

RELIANCE

The opinions expressed herein are provided solely for the benefit of the addressees in connection with the transactions contemplated by the Purchase Agreement and may not be used nor relied on by the addressee for any other purpose or by any other person for any purpose whatsoever, in each case without our prior written consent.

Yours truly,

FOGLER, RUBINOFF LLP