

**AGREEMENT FOR SALE OF CERTAIN ASSETS
OF PINEHOUSE BUSINESS NORTH DEVELOPMENT INC.
ON A ROLLOVER BASIS**

THIS AGREEMENT made effective the 1st day of July, 2012.

BETWEEN:

PINEHOUSE BUSINESS NORTH DEVELOPMENT INC., a corporation duly incorporated under the laws of the Province of Saskatchewan (called the "Vendor")

AND:

PINEHOUSE BUSINESS NORTH DEVELOPMENT INC., as general partner of **PINEHOUSE BUSINESS NORTH LIMITED PARTNERSHIP**, a limited partnership registered in the Province of Saskatchewan pursuant to *The Partnership Act* and *The Business Names Registration Act* (called the "Purchaser")

RECITALS:

1. The Vendor and the Purchaser have agreed to enter into this Agreement under the provisions of subsection 97(2) of the *Income Tax Act* (Canada).
2. The Vendor is the owner of certain assets (called the "Assets") which the Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase, effective as of the Effective Date (as later defined in this Agreement).

NOW THEREFORE in consideration of the promises given in this Agreement, the parties covenant and agree as follows:

1. This Agreement sets out the agreement of the parties as of July 1, 2012 (the "Effective Date"), and is effective as of that date.
2. For the purposes of this Agreement, the following terms shall have the following meanings:
 - a) "Assets" means all the property and assets of the Vendor owned, leased or licensed at the Effective Date of every kind and description and wheresoever situate, both real and personal and tangible and intangible, and including, without limitation to the generality of the foregoing, all land, buildings, fixtures, machinery, equipment, vehicles, furniture, furnishings, supplies and accessories, all fixed assets, all inventories of all businesses carried on by the Vendor at the Effective Date, all intellectual property rights, all customer and vendor lists relating to the business carried on by the Vendor, the full benefit and obligation of all contracts and engagements of the Vendor pertaining to its businesses, all files and documents

(including credit information) relating exclusively to customers of the Vendor's businesses, and copies of other business and financial records, files, books and documents relating to the Assets and/or the Vendor's businesses, all minute books, corporate seals and other corporate record, all prepaid expenses and deposits relating to the businesses carried on by the Vendor, all cash on hand held by the Vendor, the rights and benefits of the Vendor's pension or other benefit plans, all shares, partnership units, joint venture interests and other securities of any nature in respect of which the Vendor is the registered holder or has a beneficial interest, all choses in action and the goodwill of the Vendor pertaining to its businesses;

- b) "Fair Market Value" means the best estimate by the parties as to the fair market value of each of the Assets;
 - c) "Elected Transfer Price" means, for each of the Assets, the amount agreed upon between the parties for the purposes of a joint election required by the *Income Tax Act* (Canada); and
 - d) "Tax Value" means, for the Assets which are depreciable property, the least of the three amounts described in subparagraphs (i) to (iii) of paragraph 85(1)(e) of the *Income Tax Act* (Canada).
3. Subject to the provisions of paragraph 6 regarding the adjustment to the sale price, the Vendor sells to the Purchaser, who has previously agreed with the Vendor to purchase, the Assets, as of the Effective Date, for a sale price which is the total of the Fair Market Values of \$1,763,189.00.
4. Subject to the provisions of paragraph 7, for the purposes of subsection 97(2) of the *Income Tax Act* (Canada), the Vendor and the Purchaser agree to elect to transfer each of the Assets which are depreciable property to the Purchaser at an amount which the parties estimate to be their respective Tax Values.
5. The sale price (being the total of the Fair Market Values of the Assets) shall be satisfied by:
- a) The Purchaser issuing to the Vendor 9,999 Partnership Units at an issue price of Seventy-one Dollars and Twenty-seven Cents (\$71.27) per unit for a total value of \$712,581.00 which shall be recorded by the Purchaser as a capital contribution; and
 - b) The Purchaser assuming the debts owed by the Vendor in the total amount of \$1,050,608.00.
6. The parties intend that the sale price of the Assets being sold equal the actual fair market value of the Assets; accordingly, the parties have made a reasonable attempt to determine that fair market value. If the Canada Revenue Agency (the "CRA"), with the consent of the parties, or a tax court of competent jurisdiction determines that the actual fair market value of the Assets is an amount other than the sale price agreed upon in this Agreement, then the sale price shall be adjusted so as to be equal to the actual fair market value and shall be deemed to always have been equal to the actual fair market value.

7. The parties will complete and file in a timely manner all forms required by the CRA under the *Income Tax Act* (Canada). The parties have estimated the Tax Values to the Vendor of the Assets which are depreciable property, and the Elected Transfer Prices are intended to be equal to the Vendor's actual Tax Values for the same. Each party agrees to indicate and identify in the forms referred to in this paragraph such intentions so that the CRA may adjust (subject to the provisions of the *Income Tax Act* (Canada)), the Elected Transfer Price, if the CRA with the consent of the parties or a tax court of competent jurisdiction determines that the actual Tax Values were different from the Elected Transfer Prices indicated in those forms. If such an adjustment occurs, the Elected Transfer Price shall be deemed always to have been equal to the actual Tax Values.
8. The Vendor and the Purchaser each warrant that they are registered for purposes of Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15 (Canada) as amended (the "GST Legislation"). The Parties will jointly execute, and the Purchaser will file within the required time, an election under section 167(1) of the *Excise Tax Act* (Canada) that no tax be payable pursuant to the GST Legislation with respect to this Agreement.
9. The signing and delivery of this Agreement operates as an actual sale of the Assets to the Purchaser as of the Effective Date.
10. The parties agree that they shall sign any further documents and assurances as may be required.
11. The Vendor warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the Province of Saskatchewan and resident in Canada in accordance with the provisions of the *Income Tax Act* (Canada).
12. The Purchaser warrants that:
 - a) The Purchaser is a partnership registered in and validly existing and in good standing under the laws of the Province of Saskatchewan;
 - b) The Purchaser has all necessary power, authority and capacity to acquire the Assets and to perform its obligations under this Agreement;
 - c) The issuance, allotment and delivery to the Vendor of the Partnership Units of the Purchaser in payment of the purchase price complies with all requirements of any applicable laws and does not conflict with any provisions of the Limited Partnership Agreement of the Purchaser, or conflict with, or create an event of default under any indenture, agreement, or other document to which the Purchaser is a party.
13. Time is of the essence of this Agreement.
14. This Agreement shall be construed and enforced in accordance with the laws of the Province of Saskatchewan, and each of the parties irrevocably attorns to the jurisdiction of the courts of Saskatchewan.

15. This Agreement shall enure to the benefit of and be binding upon the Vendor and Purchaser together with their respective heirs, executors, administrators, successors, and assigns.

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

**PINEHOUSE BUSINESS NORTH
DEVELOPMENT INC.**

Per:  _____

Per:  _____

**PINEHOUSE BUSINESS NORTH LIMITED
PARTNERSHIP, by its General Partner,
PINEHOUSE BUSINESS NORTH
DEVELOPMENT INC.**

Per:  _____

Per:  _____