

SHAREHOLDER AGREEMENT
BETWEEN
MAJA MEDIA GROUP INC.
AND
JAMROCK INVESTMENTS INC.
AND
TONY HAMBLIN
AND
2164322 ONTARIO INC.
AND
INTERCITY BROADCASTING NETWORK INC.

MADE AS OF
January 25, 2010

McCarthy Tétrault LLP

TABLE OF CONTENTS

SHAREHOLDER AGREEMENT

ARTICLE 1 - INTERPRETATION	2
1.01 DEFINITIONS.....	2
1.02 HEADINGS	4
1.03 EXTENDED MEANINGS	4
1.04 STATUTORY REFERENCES	4
1.05 ACCOUNTING PRINCIPLES	4
1.06 CURRENCY	5
1.07 CONTROL	5
1.08 SCHEDULES	5
ARTICLE 2 - IMPLEMENTATION OF AGREEMENT	5
2.01 UNANIMOUS SHAREHOLDER AGREEMENT	5
2.02 CARRYING OUT OF THE AGREEMENT	6
2.03 INTERVENTION	6
2.04 ENDORSEMENT ON CERTIFICATES	6
ARTICLE 3 - MANAGEMENT.....	6
3.01 DIRECTORS.....	6
3.02 EXECUTIVE COMMITTEE	7
3.03 APPROVAL OF MATTERS – BOARD	7
3.04 APPROVAL OF MATTERS – EXECUTIVE COMMITTEE	8
3.05 ADVISORY BOARD	9
3.06 CHAIR OF THE BOARD	10
3.07 OFFICERS.....	10
3.08 ACCOUNTANT	10
3.09 CONSENT TO EXEMPTION FROM AUDIT.....	10
3.10 FINANCIAL YEAR	10
3.11 BOOKS AND RECORDS	10
3.12 DISTRIBUTIONS	10
ARTICLE 4 - FUNDING	11
4.01 SUBSCRIPTION FOR SHARES.....	11
ARTICLE 5 - DEALING WITH SHARES	11
5.01 PRE-EMPTIVE RIGHTS.....	12
5.02 TRANSFER OF SHARES	12
5.03 RIGHT OF FIRST OFFER.....	13
5.04 INSOLVENCY OF A SHAREHOLDER	15
5.05 CONTROL OF A CORPORATE SHAREHOLDER.....	17
5.06 TRANSFER TO A SPOUSE	17
5.07 DEATH OF AN INDIVIDUAL SHAREHOLDER	18
5.08 SHAREHOLDER-CONTROLLED COMPANY	18
5.09 PLEDGE OF SHARES	19
5.10 MANDATORY OFFER TO PURCHASE – PIGGYBACK RIGHTS	19
5.11 OBLIGATION TO SELL – DRAG-ALONG RIGHTS	20
5.12 EXCLUSIVITY OF SECTIONS	21
ARTICLE 6 - GENERAL	22
6.01 CONFIDENTIALITY	22
6.02 ARBITRATION	22

6.03	FURTHER ASSURANCES	22
6.04	BENEFIT OF THE AGREEMENT.....	22
6.05	ENTIRE AGREEMENT	22
6.06	AMENDMENTS AND WAIVERS	22
6.07	ASSIGNMENT	22
6.08	TERMINATION	23
6.09	SEVERABILITY	23
6.10	NOTICES	23
6.11	GOVERNING LAW	25
6.12	COUNTERPARTS.....	25
6.13	ELECTRONIC EXECUTION	25

SHAREHOLDER AGREEMENT

THIS AGREEMENT is made as of January 25, 2010

BETWEEN

MAJA MEDIA GROUP INC., a corporation incorporated under the laws of the Province of Ontario (“Gordon”),

- and -

JAMROCK INVESTMENTS INC., a corporation incorporated under the laws of the Province of Ontario (“Blythe”),

- and -

TONY HAMBLIN, of the City of Toronto in the Province of Ontario (“Hamblin”),

- and –

2164322 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario (“Luck”),

- and –

INTERCITY BROADCASTING NETWORK INC., a corporation incorporated under the laws of the Province of Ontario the (“Corporation”).

WHEREAS the authorized capital of the Corporation consists of an unlimited number of common shares, of which none are issued and outstanding;

AND WHEREAS pursuant to this Agreement Gordon, Blythe, Hamblin and Luck are each to subscribe or have the right to subscribe for shares of the Corporation;

AND WHEREAS after such shares are issued pursuant to such subscriptions the issued and outstanding shares of the Corporation will be beneficially owned as follows:

<u>SHAREHOLDERS</u>	<u>CLASS A PREFERRED SHARES</u>	<u>COMMON SHARES</u>	<u>AGGREGATE % OF VOTES</u>
Gordon	-	510,000	51%
Blythe	-	190,000	19%
Hamblin	150,000	-	15%
Luck	150,000	-	15%

AND WHEREAS the Shareholders and the Corporation have agreed to enter into this Agreement as being in their respective best interests and for the purpose of providing for the operation of the Corporation;

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

ARTICLE 1 - INTERPRETATION

1.01 Definitions

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

“**Accountant**” means the auditor or accountant, as the case may be, of the Corporation appointed from time to time.

“**Affiliate**” means, with respect to any person, any other person that controls or is controlled by or is under common control with the referent person.

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“**Board**” means the board of directors of the Corporation.

“**Business Corporations Act**” means the *Business Corporations Act* (Ontario).

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in the City of Toronto.

“**Call Notice**” has the meaning set out in Section 5.07(1).

“**Call Option**” has the meaning set out in Section 5.07(1).

“**Class A Common Shares**” means class A common shares in the capital of the Corporation.

“Class A Preferred Shares” means class A preferred shares in the capital of the Corporation which are, in certain circumstances, convertible into Class A Common Shares in accordance with their terms.

“Common Shares” means common shares in the capital of the Corporation.

“CRTC” means the Canadian Radio-television and Telecommunications Commission.

“Director” means any individual who has been elected or appointed to the Board in accordance with the provisions of this Agreement.

“Executive Committee” has the meaning set out in Section 3.02(1).

“Majority Shareholders” has the meaning set out in Section 5.11(1).

“Notice” has the respective meanings set out in Sections 5.03(1) and 5.10(2).

“Offer to Purchase” has the respective meanings set out in Sections 5.10(1) and 5.11(1).

“Offered Shares” has the respective meanings set out in Sections 5.03(1), 5.04(1), 5.07(1) and 5.08(3).

“Offeree” and **“Offerees”** have the respective meanings set out in Sections 5.03, 5.04(1), 5.07(1), 5.08(3), 5.10(1) and 5.11(1).

“Offeror” has the respective meanings set out in Sections 5.03(1), 5.04(1), 5.08(3), 5.10(1) and 5.11(1).

“Permitted Transferee” has the meaning set out in Section 5.08(1).

“Personal Representative” means the executor or estate trustee of a deceased individual named in the last will and testament of the deceased individual or, failing the naming of such person or the refusal or inability of such person to act or if there is no last will and testament of the deceased individual, the administrator or estate trustee without a will of a deceased individual duly appointed by a court or public authority having jurisdiction to do so or, if no such administrator or estate trustee without a will has been appointed, the heirs at law of the deceased individual.

“Purchase Price” has the respective meanings set out in Sections 5.03(1) and 5.10(2).

“Rejected Shares” has the respective meanings set out in Sections 5.03(5) and 5.04(5).

“Related Persons” has the meaning set out in paragraph (a) of subsection 251(2) of the Tax Act.

“Selling Shareholder” has the respective meanings set out in Sections 5.10(5) and 5.11(3).

“Shareholders” means, collectively, the parties to this Agreement named as shareholders in the recitals hereto at the date hereof together with such other persons as may become beneficial

owners of shares of the Corporation and parties to this Agreement, and “Shareholder” means any one of such persons individually.

“**Shares**” means the shares of any class of the Corporation that the Shareholders beneficially own at the date hereof or hereafter.

“**Subsidiary**” means, with respect to any person, an entity that is controlled by such person.

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

“**Valuator**” means an individual who is a member of a national firm of chartered accountants (other than the Accountant’s) and a member of the Canadian Institute of Chartered Business Valuators.

1.02 **Headings**

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

1.03 **Extended Meanings**

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

1.04 **Statutory References**

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

1.05 **Accounting Principles**

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

1.06 **Currency**

All references to currency herein are to lawful money of Canada.

1.07 **Control**

(1) For the purposes of this Agreement:

- (a) a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (b) a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity; and
- (c) the general partner of a limited partnership controls the limited partnership.

(2) A person who controls an entity is deemed to control any entity that is controlled, or deemed to be controlled, by the entity.

(3) A person is deemed to control, within the meaning of Section 1.07(1)(a) or (b), an entity if the aggregate of

- (a) any securities of the entity that are beneficially owned by that person, and
- (b) any securities of the entity that are beneficially owned by any entity controlled by that person

is such that, if that person and all of the entities referred to in Section 1.07(3)(b) that beneficially own securities of the entity were one person, that person would control the entity.

1.08 **Schedules**

The following are the Schedules to this Agreement:

Schedule A – Arbitration Rules.

ARTICLE 2 - IMPLEMENTATION OF AGREEMENT

2.01 **Unanimous Shareholder Agreement**

To the extent that this Agreement specifies that any matter must be dealt with or approved by, or requires action by, the Shareholders or otherwise has the effect of restricting in whole or in part the powers of the directors to manage or to supervise the management of the business and affairs

of the Corporation, the powers of the directors of the Corporation to manage and to supervise the management of the business and affairs of the Corporation with respect to such matters are correspondingly restricted.

2.02 Carrying Out of the Agreement

(1) Each Shareholder will at all times exercise the votes attached to its Shares and otherwise act, and cause the Corporation to act, to carry out the provisions of this Agreement and, to the extent permitted by law, will at all times cause its nominees to the Board to vote and otherwise act to carry out the provisions of this Agreement.

(2) In the case of any action involving or by the Corporation that requires the approval of Shareholders, each Shareholder will exercise the votes attached to its Shares to achieve the same result as the vote by the members of the Board with respect to the same action.

(3) The Corporation will at all times carry out and be governed by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so.

2.03 Intervention

Any proposed new shareholder of the Corporation not a party to this Agreement at the date hereof, including any transferee to whom Shares are to be transferred by a Shareholder and any new shareholder to acquire new issued Shares must, prior to being registered as a shareholder of the Corporation, enter into an agreement with the remaining Shareholders acting reasonably to become a party to this Agreement. If any Shareholder sells or transfers less than all of its Shares, the sale or transfer may not be completed unless the Shareholder, the third party purchaser and the other Shareholders enter into an agreement that will specify the rights and obligations of all the Shareholders.

2.04 Endorsement on Certificates

Share certificates of the Corporation will note conspicuously the following language:

“The shares represented by this certificate are subject to all the terms and conditions of an agreement made as of January 25, 2010, a copy of which is on file at the registered office of the Corporation.”

ARTICLE 3 - MANAGEMENT

3.01 Directors

(1) The Board will consist of at least 4 Directors and no more than 7 Directors. Each Shareholder has the right to nominate as a member of the Board one individual and Gordon may, upon the prior approval of each of the other Directors, nominate up to 3 additional individuals, who are qualified to act as directors under the Business Corporations Act. Each Shareholder will vote and otherwise act to ensure that one nominee of each Shareholder is a Director and that up

to 3 additional nominees of Gordon, if the approval of the other Directors is obtained as referred to above, are Directors.

(2) If a nominee Director of any Shareholder resigns or is removed from the Board at the direction of such Shareholder, the resulting vacancy on the Board must be filled by a nominee of such Shareholder. The applicable Shareholder will promptly nominate a replacement for any such Director who has resigned or was removed.

(3) The quorum for a meeting of the Board will be four Directors, provided at least one nominee Director of each Shareholder is present.

3.02 **Executive Committee**

(1) The Board will create a executive committee of the Board (the “**Executive Committee**”). The Executive Committee will have four members, each of whom will be a Director. The Executive Committee will consist of one nominee Director of each Shareholder. Each Shareholder will act to ensure that one nominee Director of each Shareholder is a member of the Executive Committee.

(2) The quorum for a meeting of the Executive Committee will be four Directors, provided at least one nominee Director of each Shareholder is present.

3.03 **Approval of Matters – Board**

(1) The Board will resolve to delegate all decision making authority to the Executive Committee other than those matters which, in accordance with applicable law, cannot be so delegated.

(2) To the extent the Board may not delegate its decision making authority to the Executive Committee, which currently includes the authority to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders (which include: amalgamations, arrangements, amendments to articles, liquidation);
- (b) fill a vacancy among the directors or in the office of auditor or appoint or remove any of the chief executive officers, however designated, the chief financial officer, however designated, the chair or the president of the Corporation;
- (c) other than the issuance of debt, issue securities except in the manner and on the terms authorized by the Directors;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission in connection with the sale of shares by Corporation;

- (g) approve a management information circular for a meeting of shareholders where proxies are being solicited;
- (h) approve a take-over bid circular, directors' circular or issuer bid circular;
- (i) approve annual financial statements;
- (j) approve an amalgamation or an amendment to the articles that would not otherwise require a shareholder vote; or
- (k) adopt, amend or repeal by-laws,

then the Board may not authorize any such action without a resolution approved by 75% of the members of the Executive Committee first recommending such action be taken by the Board.

3.04 **Approval of Matters – Executive Committee**

(1) The Executive Committee may not authorize any of the following actions to be taken by the Corporation without a resolution approved by 75% of the members of the Executive Committee authorizing such action:

- (a) any change in the articles or by-laws of the Corporation;
- (b) any change in the authorized or issued capital of the Corporation;
- (c) the entering into of any agreement or the making of any offer or the granting of any right capable of becoming an agreement to allot or issue any shares of the Corporation;
- (d) any consent to the transfer of any Shares;
- (e) the entering into of any employment contracts with key employees;
- (f) any increase in the compensation of any director, officer or employee of the Corporation, except for any increase granted in the ordinary course of business in accordance with its customary practices;
- (g) the declaration or payment of any dividend by the Corporation;
- (h) the sale, lease, exchange or disposition of the entire undertaking or assets of the Corporation or any substantial part thereof;
- (i) the borrowing of any money, the giving of any security or the making or incurring of any single capital expenditure in excess of \$5,000 other than capital expenditures made pursuant to a capital budget approved by the Executive Committee;
- (j) the making of loans or advances to, or the giving of security for, or the guaranteeing of the debts of, any person directly or indirectly;

- (k) the approval of an annual budget or business plan of the Corporation;
- (l) the approval of annual financial statements of the Corporation;
- (m) the appointment of and any change in bankers, auditors/accountants and legal representation of the Corporation;
- (n) any change in the financial year of the Corporation;
- (o) the taking of any steps to wind-up or terminate the corporate existence of the Corporation;
- (p) the sale, lease, exchange or disposition of any assets of the Corporation to, or the dealing in any other way with, any person not at arm's length (as defined in the Tax Act) with the Corporation unless any transaction relating thereto is on terms as least as favourable to the Corporation as the terms it would obtain if such transaction were with a person dealing at arm's length with the Corporation;
- (q) the taking, holding, subscribing for or agreeing to purchase or acquire shares in the capital of any body corporate;
- (r) the entering into of a partnership or of any arrangement for the sharing of profits, union of interests, joint venture or reciprocal concession with any person; and
- (s) the entering into of an amalgamation, merger or consolidation with any other body corporate;
- (t) any action that may lead to or result in a material change in the nature of the business of the Corporation; and
- (u) the entering into of any agreement other than in the ordinary course of the Corporation's business.

(2) The Corporation may not take any of the actions listed in Section 3.03(2) without a resolution of the Board duly passed in accordance with Section 3.03(2) authorizing such action or, if the Board has delegated a matter to the Executive Committee, without a resolution of the Executive Committee passed in accordance with Section 3.04(1) authorizing such action.

3.05 **Advisory Board**

The Corporation will have an advisory board to provide management with advice on programming, technical and other matters. The members of the advisory board will have no executive or corporate powers. Members of the advisory board will be appointed and removed by resolution of the Board. Members of the advisory board may be entitled to receive compensation from the Corporation or receive reimbursement for any expenses properly incurred in connection with their activities as members of the advisory board of the Corporation.

3.06 **Chair of the Board**

A nominee of Gordon will be the Chair of the Board. In the event of any tie vote on any matter before the Board, Gordon shall have an additional casting vote.

3.07 **Officers**

The initial officers of the Corporation, until changed by the Board, will be:

President – Fitzroy Gordon

Vice President/
Treasurer – Delford Blythe

Secretary – Tony Hamblin

3.08 **Accountant**

An accountant to be selected by the Executive Committee will be appointed the accountant of the Corporation unless, prior to the appointment of any other person as accountant of the Corporation, all the Shareholders consent in writing to such person being appointed and a copy of such consent is filed with the Corporation.

3.09 **Consent To Exemption from Audit**

The Shareholders will in each financial year of the Corporation consent to exempt the Corporation from the requirement to appoint an auditor of the Corporation pursuant to the provisions of the Business Corporations Act. Upon notice in writing to the Corporation at least 180 days prior to the end of then current financial year of the Corporation, any Shareholder may require that (i) the accountant prepare and deliver a “review engagement letter” with respect to the unaudited financial statements of the Corporation instead of a “notice to readers” with respect to the unaudited financial statements of the Corporation and (ii) an auditor of the Corporation be appointed in respect of the current financial year.

3.10 **Financial Year**

The financial year of the Corporation will end on December 31 in each year.

3.11 **Books and Records**

Proper books and records will be kept by the Corporation. Each Shareholder or its nominee or other authorized representative will have free access at all times to examine and copy such books and records.

3.12 **Distributions**

As much of the profits of the Corporation available for distribution as may be distributed consistently with this Agreement and sound business practice will be distributed to the Shareholders

by way of dividends provided the Corporation has cash in excess of its working capital requirements including any planned capital expenditures that may require additional cash resources.

ARTICLE 4 - FUNDING

4.01 Subscription for Shares

Concurrent with the execution of this Agreement, each Shareholder on the date hereof will subscribe for the number of Common Shares and/or Class A Preferred Shares of the Corporation set out below beside their respective names and tender with such subscription the amount of money or property set out below beside their respective names in full payment of the subscription price:

<u>Shareholder</u>	<u>Number of Class A Preferred Shares</u>	<u>Aggregate Subscription Price</u>
Hamblin	7,899	\$50,000
Luck	7,899	\$50,000

<u>Shareholder</u>	<u>Number of Common Shares</u>	<u>Aggregate Subscription Price</u>
Gordon	509,999	\$51
Blythe	189,999	\$19

4.02 Additional Subscriptions for Shares

(1) Hamblin and Luck each have the right at any time to subscribe for up to 142,181 additional Class A Preferred Shares for an aggregate subscription price not to exceed \$900,000 (\$6.33 per Class A Preferred Share).

(2) Hamblin and Luck each will subscribe for up to 142,181 additional Class A Preferred Shares for an aggregate subscription price not to exceed \$900,000 (\$6.33 per Class A Preferred Share) within 10 Business Days of any request to do so by the Board (following the required approval of the Executive Committee), as evidenced by a resolution duly passed by the Directors, such resolution to specify the number of Class A Preferred Shares that are to be subscribed for at \$6.33 per Class A Preferred Share.

(3) Upon receipt by the Corporation from the CRTC of a broadcasting licence to operate an English-language, commercial specialty FM radio station in Toronto, Ontario on 98.7 FM that is satisfactory to all Shareholders, Hamblin and Luck each will subscribe for such number of Class A Preferred Shares as will result in each of them holding 150,000 Class A

Preferred Shares with an aggregate subscription price of \$950,000 (\$6.33 per Class A Preferred Share).

ARTICLE 5- DEALING WITH SHARES

5.01 Pre-emptive Rights

If any additional shares of the Corporation are to be issued from treasury, the Corporation will first offer such shares to the Shareholders by notice given to them of the Corporation's intention to issue additional shares and the number and class thereof to be so issued. The Shareholders will have the right to purchase the shares so offered *pro rata* based upon the number of Shares beneficially owned by the Shareholders at the date notice is given. Each Shareholder will have 30 Business Days from the date such notice is given to take up and pay for any of the shares so offered to the Shareholder. The shares that have not been taken up and paid for within the 30 Business Days will be offered again by the Corporation by notice given to those Shareholders who took up and paid for all the shares initially offered to them, and each of such Shareholders will have the right to purchase the shares so offered *pro rata* based upon the number of Shares beneficially owned by such Shareholders at the date notice is given of such subsequent offer. Such Shareholders will have 30 Business Days from the date such subsequent notice is given to take up and pay for any of the shares so offered, and so on from time to time until all the shares have been taken up or until all the Shareholders have refused to take up any more, in which latter event the shares not so taken up may be issued to such persons as the directors in their discretion determine, provided that such persons agree to be bound by this Agreement and to become parties hereto.

5.02 Transfer of Shares

(1) Except as expressly provided in this 4.02, no Shareholder may sell, transfer, pledge, charge, mortgage, hypothecate or in any other way dispose of or encumber or subject to the rights of others the Shares that such Shareholder beneficially owns, or the Shareholder's rights under this Agreement, unless prior to doing so the other Shareholders consent in writing, which consent may be arbitrarily withheld. The provisions of this Section 5.02 will apply to any disposition or encumbrance of Shares even if the Shareholder is disposing of or encumbering such Shares together with or in conjunction with other assets.

(2) Notwithstanding any other provision of this 4.02, no sale or transfer of Shares may be made if:

- (a) as a result, the remaining Shareholders or the Corporation would become subject to any governmental controls or regulations to which they were not subject prior to the proposed sale by reason of the nationality or residence of the proposed purchaser or transferee;
- (b) as a result, the remaining Shareholders or the Corporation would become subject to any taxation or additional taxation to which they were not subject prior to the proposed sale;

- (c) the sale or transfer is not permitted by applicable law or any term of any agreement or other instrument affecting the Corporation, including, but not limited, to the *Broadcasting Act* and its regulations and any conditions attached to the broadcasting license issued to the Corporation by the CRTC, unless any required consent or approval, including, but not limited to, that of the CRTC, is obtained; or
- (d) the proposed purchaser or transferee does not have the power and capacity, including financial, to carry out its obligations under this Agreement to the satisfaction of the remaining Shareholders, acting reasonably.

(3) Notwithstanding any other provision of this 4.02, no Shareholder may sell, transfer or in any other way dispose of or subject to the rights of others the Shares that such Shareholder beneficially owns, or the Shareholder's rights under this Agreement until the third anniversary of the date hereof. The provisions of this Section 5.02 will apply to any disposition of Shares even if the Shareholder is disposing of such Shares together with or in conjunction with other assets.

5.03 **Right of First Offer**

(1) Any Shareholder who proposes to sell any of the Shares that the Shareholder beneficially owns (the "**Offeror**") must give notice of such proposed sale (the "**Notice**") to the Corporation and to the other Shareholders (the "**Offerees**") and set out in the Notice the number of Shares that the Offeror proposes to sell (the "**Offered Shares**") and the price at which (the "**Purchase Price**") and the other terms upon which the Offeror proposes to sell the Offered Shares. The Offered Shares may not be offered for sale together with or in conjunction with other assets. Notwithstanding the generality of the foregoing, the Purchase Price must be payable in money and not in any other form of property. Upon the Notice being given, the Offerees will, subject to Section 5.03(2), have the right to purchase all, but not less than all, of the Offered Shares for the Purchase Price.

(2) The Offerees will be entitled to purchase the Offered Shares *pro rata* based upon the number of Shares beneficially owned by the Offerees at the date the Notice was given or in such other proportion as the Offerees may agree in writing except that Gordon will have an overriding right to purchase up to all of the Offered Shares and Blythe will have an overriding right, subordinate to Gordon, to also purchase up to all of the Offered Shares. Each Offeree who desires to purchase all the Offered Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.03 will give notice of such desire to the Offeror, to the Corporation and to the other Offerees within 10 Business Days of having been given the Notice.

(3) If any Offeree does not give notice as provided in Section 5.03(2), the Offered Shares that such Offeree had been entitled to purchase (the "**Rejected Shares**") may instead be purchased by the Offerees who did give such notice, with preference first being given, as applicable, with respect to any desire to purchase Rejected Shares, to Gordon, then to Blythe and then to Hamblin and Luck, *pro rata*, based upon the number of Shares beneficially owned by Hamblin and Luck at the date the Notice was given as compared to the total number of Shares outstanding at the date the Notice was given or in such other proportion as such Offerees may

agree in writing, and, within five Business Days of the expiry of the 10 Business Day period specified in Section 5.03(2), each Offeree who desires to purchase all the Rejected Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.03(3) will give an additional notice to the Offeror, to the Corporation and to the other Offerees specifying the number of Rejected Shares they desire to purchase (which number may be deemed to be reduced if it would exceed the maximum number of Shares they are entitled to purchase in accordance with Section 5.03(3) once all additional notices are received). If any Offeree entitled to give the additional notice does not do so, the Rejected Shares that such Offeree had been entitled to purchase may instead be purchased by the Offerees who did give such additional notice, with preference first being given, as applicable, with respect to any desire to purchase Rejected Shares, to Gordon, then to Blythe and then to Hamblin and Luck, *pro rata*, based upon the number of Shares beneficially owned by such Offerees at the date the Notice was given or in such other proportion as such Offerees may agree in writing, and, within five Business Days of the expiry of the 10 Business Day period specified in Section 5.03(2), each Offeree who desires to purchase all the Rejected Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.03(3) will give an additional notice to the Offeror, to the Corporation and to the other Offerees specifying the number of Rejected Shares they desire to purchase (which number may be deemed to be reduced if it would exceed the maximum number of Shares they are entitled to purchase in accordance with Section 5.03(3) once all additional notices are received) and so on from time to time until the Offerees are willing to purchase all the Offered Shares or until they are not willing to purchase any more (which will be deemed to be the case if this process is repeated four times and Rejected Shares continue to exist).

(4) If the Offerees are willing to purchase all, but not less than all, of the Offered Shares, the transaction of purchase and sale will be completed in accordance with the terms set out in the Notice by delivery of the Offered Shares by the Offeror with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque, bank draft or wire transfer by the Offerees. If, at the time of completion, any Offered Shares are subject to any lien, charge, encumbrance or other right of others, the Offerees will be entitled to deduct from the purchase money to be paid to the Offeror the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Offeror, of the obligations secured thereby.

(5) If the Offeror defaults in transferring the Offered Shares to the Offerees as provided in this Section 5.03, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of the Offered Shares, to enter the names of the Offerees in the registers of the Corporation as the holders of the Shares purchased by them, and to cause to be issued to the Offerees share certificates for the Offered Shares in the names of such Offerees. The Corporation will hold the purchase money received by it in trust on behalf of the Offeror and will not commingle the purchase money with the Corporation's assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offerees and, after their names have been entered in the registers of the Corporation, the transaction of purchase and sale will be deemed completed at the price and on the other terms and conditions contemplated herein and the Offerees will for all purposes own the Offered Shares purchased by them. Upon such registration, the Offeror will cease to have any right to or in respect of the Offered Shares except

the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented the Offered Shares.

(6) If the Offerees do not give notice in accordance with the provisions of Section 5.03(2) or (3) that they are willing to purchase all the Offered Shares, the rights of the Offerees, except as hereinafter provided, to purchase the Offered Shares will terminate and, subject to Section 2.03, the Offeror may sell all, but not less than all, of the Offered Shares to any person within four months after the expiry of the 10 Business Day period specified in Section 5.03(2) or the last of the five Business Day periods specified in Section 5.03(3), as the case may be. Any such sale must be at a price that is not less than the Purchase Price and on other terms no more favourable to such person than those set forth in the Notice. If the Offered Shares are not sold within such four month period on such terms, the rights of the Offerees pursuant to this Section 5.03 will again take effect.

(7) A Shareholder may not give notice of a proposed sale pursuant to this Section 5.03 more than once in any six month period.

5.04 **Insolvency of a Shareholder**

(1) If any Shareholder (the “**Offeror**”) makes an assignment for the benefit of creditors or is the subject of any proceedings under any bankruptcy or insolvency law or if any Shareholder that is a corporation takes steps to wind-up or terminate its corporate existence other than in connection with a *bona fide* corporate reorganization to which the other Shareholders have consented, the other Shareholders (the “**Offerees**”) will, subject to Section 5.04(4), have the right to purchase all, but not less than all, of the Shares beneficially owned by the Offeror (the “**Offered Shares**”).

(2) The price of the Offered Shares will be the fair value of such Shares as determined, as at the end of the financial quarter of the Corporation immediately preceding the financial quarter in which the event referred to in Section 5.04(1) occurred, by the Valuator appointed for such purpose by the Accountant. The Valuator will be directed to make such determination without regard to any minority discount or control premium. The Corporation will co-operate with the Valuator with respect to the preparation of the Valuator’s report and will provide to the Valuator such documentation within its custody or control as the Valuator may reasonably request. The Valuator’s determination must be made in writing and be given to all the Shareholders and to the Corporation within 30 Business Days of the appointment of the Valuator or as soon thereafter as may be reasonably possible.

(3) The report of the Valuator, when delivered to the Shareholders and to the Corporation, will be conclusive and binding upon all parties. The Corporation will be responsible for all the fees and disbursements of the Accountant incurred in connection with the appointment of the Valuator and for all the fees and disbursements of the Valuator incurred in connection with the preparation of the Valuator’s report.

(4) The Offerees will be entitled to purchase the Offered Shares *pro rata* based upon the number of Shares beneficially owned by the Offerees at the date of the event referred to in Section 5.04(1) or to purchase in such other proportion as the Offerees may agree in writing

except that Gordon will have an overriding right to purchase up to all of the Offered Shares and Blythe will have an overriding right, subordinate to Gordon, to also purchase up to all of the Offered Shares, at the price for each Offered Share as determined by the Valuator. Each Offeree who desires to purchase all the Offered Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.04(4) will give notice of such desire to the Offeror, to the Corporation and to the other Offerees within 10 Business Days of having been given the Valuator's report of the fair value of the Offered Shares.

(5) If any Offeree does not give notice as provided in Section 5.04(4) the Offered Shares that such Offeree had been entitled to purchase (the "**Rejected Shares**") may instead be purchased by the Offerees who did give such notice, with preference first being given, as applicable, with respect to any desire to purchase Rejected Shares, to Gordon, then to Blythe and then to Hamblin and Luck, *pro rata*, based upon the number of Shares beneficially owned by Hamblin and Luck at the date the Notice was given as compared to the total number of Shares outstanding at the date the Notice was given or in such other proportion as such Offerees may agree in writing, and, within five Business Days of the expiry of the 10 Business Day period specified in Section 5.04(4), each Offeree who desires to purchase all the Rejected Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.04(5) will give an additional notice to the Offeror, to the Corporation and to the other Offerees specifying the number of Rejected Shares they desire to purchase (which number may be deemed to be reduced if it would exceed the maximum number to Shares they are entitled to purchase in accordance with Section 5.04(4) once all additional notices are received). If any Offeree entitled to give the additional notice does not do so, the Rejected Shares that such Offeree had been entitled to purchase may instead be purchased by the Offerees who did give such additional notice, with preference first being given, as applicable, with respect to any desire to purchase Rejected Shares, to Gordon, then to Blythe and then to Hamblin and Luck *pro rata* based upon the number of Shares beneficially owned by such Offerees at the date the Notice was given or in such other proportion as such Offerees may agree in writing, and, within five Business Days of the expiry of the 10 Business Day period specified in Section 5.04(4), each Offeree who desires to purchase all the Rejected Shares that such Offeree is entitled to purchase in accordance with the provisions of this Section 5.04(5) will give additional notice to the Offeror, to the Corporation and to the other Offerees specifying the number of Rejected Shares they desire to purchase (which number may be deemed to be reduced if it would exceed the maximum number of Shares they are entitled to purchase in accordance with Section 5.04(4) once all additional notices are received) and so on from time to time until the Offerees are willing to purchase all the Offered Shares or until they are not willing to purchase any more (which will be deemed to be the case if this process is repeated four times and Rejected Shares continue to exist).

(6) If the Offerees are willing to purchase all, but not less than all, of the Offered Shares, the transaction of purchase and sale must be completed within 30 Business Days (or such longer period as may reasonably be required to comply with all applicable statutory and regulatory requirements) of the expiry of the 10 Business Day period specified in Section 5.04(4), or the last of the five Business Day periods specified in Section 5.04(5), as the case may be. The transaction of purchase and sale will be completed at the Corporation's registered office where delivery of the Offered Shares must be made by the Offeror with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque, bank draft or wire transfer by the Offerees. If, at the time of completion, any Offered

Shares are subject to any lien, charge, encumbrance or other right of others, the Offerees will be entitled to deduct from the purchase money to be paid to the Offeror the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Offeror, of the obligations secured thereby.

(7) If the Offeror defaults in transferring the Offered Shares to the Offerees as provided for in this Section 5.04, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of the Offered Shares, to enter the names of the Offerees in the registers of the Corporation as the holders of the Shares purchased by them, and to cause to be issued to the Offerees share certificates for the Offered Shares in the names of such Offerees. The Corporation will hold the purchase money received by it in trust on behalf of the Offeror and will not commingle the purchase money with the Corporation's assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offerees and, after their names have been entered in the registers of the Corporation, the transaction of purchase and sale will be deemed completed at the price and on the other terms and conditions contemplated herein and the Offerees will for all purposes own the Offered Shares purchased by them. Upon such registration, the Offeror will cease to have any right to or in respect of the Offered Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented the Offered Shares.

(8) If the Offerees do not give notice in accordance with the provisions of Section 5.04(4) or (5) that they are willing to purchase all the Offered Shares, the rights of the Offerees, except as hereinafter provided, to purchase the Offered Shares will terminate and, subject to Section 2.03, the Offeror may sell all, but not less than all, of the Offered Shares to any person within four months after the expiry of the 10 Business Day period specified in Section 5.04(4), or the last of the five Business Day periods specified in Section 5.04(5), as the case may be. Any such sale must be at a price not less than the price that would have been payable by the Offerees, and on other terms no more favourable to such person than those that would have been applicable had the Offerees agreed to purchase all the Offered Shares in accordance with the provisions of this Section 5.04. If the Offered Shares are not sold within such four month period on such terms, the rights of the Offerees pursuant to this Section 5.04 will again take effect.

5.05 Control of a Corporate Shareholder

If the control of any Shareholder that is a corporation changes, the other Shareholders will have the right to purchase all, but not less than all, of the Shares beneficially owned by such Shareholder in the proportions and for the price and upon the terms and conditions determined in accordance with the provisions contained in Section 5.04, the necessary changes being made.

5.06 Transfer to a Spouse

If any Shareholder that is an individual has his or her Shares become the subject of any claim for equalization of net family property (as defined in the *Family Law Act* (Ontario)) or for support or maintenance under the *Family Law Act* (Ontario), the *Succession Law Reform Act* (Ontario) or the *Divorce Act* (Canada) or under any other law of this or any other jurisdiction that will in any way directly or indirectly encumber such Shares or require the sale, transfer or disposition of such Shares,

the other Shareholders will have the right to purchase all, but not less than all, of the Shares beneficially owned by such Shareholder in the proportions and for the price and upon the terms and conditions determined in accordance with the provisions contained in Section 5.04, the necessary changes being made.

5.07 **Death of an Individual Shareholder**

(1) If any Shareholder dies (the “**Deceased Shareholder**”), the Shares held by such Shareholder are permitted to be transferred to and form part of their estate. If any person who holds such Shares following the death of the Deceased Shareholder desires to transfer such Shares, the surviving Shareholders (the “**Offerees**”) will have the right (the “**Call Option**”), exercisable by the giving of notice (the “**Call Notice**”) by any surviving Shareholder within 120 days of the death of the Deceased Shareholder to the Corporation, the Personal Representative and to each of the surviving Shareholders, to purchase all of the Shares beneficially owned by the Deceased Shareholder immediately prior to the Deceased Shareholder’s death (the “**Offered Shares**”) or such portion of the Offered Shares as the Offerees so elect in the Call Notice. Upon the Call Notice being given, the surviving Shareholders will have the right to purchase all, but not less than all, of the Shares subject to the Call Notice. The Offerees will be entitled to purchase the Shares subject to the Call Notice in the proportions and for the price and upon the terms and conditions determined in accordance with the provisions contained in Section 5.04, the necessary changes being made.

(2) If the surviving Shareholders do not give notice pursuant to Section 5.07(1), within the period specified therein, that they are willing to exercise the Call Option, the right of the surviving Shareholders to purchase such Offered Shares will terminate and the Corporation will have the right, but not the obligation, to purchase all, but not less than all, of the Offered Shares for the same price and upon the same terms and conditions as the surviving Shareholders were entitled to purchase pursuant to Section 5.07(1).

5.08 **Shareholder-Controlled Company**

(1) Notwithstanding any other provision of this Agreement other than Section 5.02(2), each Shareholder who is an individual will be entitled, after giving notice to the other Shareholders and to the Corporation, to sell, transfer and assign all, but not less than all, of the Shares beneficially owned by such Shareholder to a corporation (the “**Permitted Transferee**”), provided that the only shareholder of the Permitted Transferee is at all times that Shareholder and that the Permitted Transferee has entered into an agreement prior to such transaction

- (a) to be obligated to sell such Shares pursuant to the provisions contained in Section 5.04 or 5.06, as the case may be, the necessary changes being made, if the Shareholder from whom such Shares were sold, transferred or assigned would have been obligated to sell such Shares pursuant to such provisions in the absence of such sale, transfer or assignment, and
- (b) to be bound by this Agreement and to become a party hereto.

(2) Notwithstanding the completion of any sale or transfer of the Shares by a Shareholder to a Permitted Transferee pursuant to Section 5.08(1), that Shareholder will:

- (a) not sell or transfer the shares of the Permitted Transferee held by that Shareholder;
- (b) at all times control the Permitted Transferee; and
- (c) continue to be bound by all the obligations hereunder as if that Shareholder continued to be a Shareholder of the Corporation and perform such obligations to the extent that the Permitted Transferee fails to do so.

(3) If any Shareholder who has sold, transferred or assigned Shares to a Permitted Transferee pursuant to the provisions of Section 5.08(1) fails to comply with any of the provisions of Section 5.08(2) or if at any time there is a failure by any person to comply with the provisions of Section 5.08(1), the other Shareholders (the “**Offerees**”) will have the right after the Corporation has received actual knowledge of such failure to purchase all, but not less than all, of the Shares (the “**Offered Shares**”) owned by the Permitted Transferee (the “**Offeror**”).

(4) The Offerees will have the right to purchase the Offered Shares in the proportions and for the price and upon the terms and conditions determined in accordance with the provisions of Section 5.04, the necessary changes being made.

5.09 **Pledge of Shares**

Any Shareholder may pledge, charge, mortgage or otherwise encumber the Shares beneficially owned by such Shareholder to a bank or other financial institution, provided that such bank or financial institution acknowledges to the parties to this Agreement in writing in advance that the pledge, charge, mortgage or encumbrance of such Shares will at all times be subject to all the terms and conditions of this Agreement, including the prohibition against pledging, charging, mortgaging or otherwise encumbering such Shares contained in Section 5.02 except as permitted pursuant to this Section 5.09.

5.10 **Mandatory Offer to Purchase – Piggyback Rights**

(1) Notwithstanding any other provision hereof, if any person, including any Shareholder (the “**Offeror**”), agrees to acquire Shares from any Shareholder and, following such acquisition, the Offeror would directly or indirectly beneficially own 25% or more of the Shares, the Offeror will only be permitted to acquire such Shares, and the Shareholders who are to sell such Shares to the Offeror will only be permitted to sell them, if the Offeror first makes an offer (an “**Offer to Purchase**”) to the other Shareholders (the “**Offerees**”) to purchase all, but not less than all, of the Shares then outstanding that the Offeror does not then own or have a right to acquire for cash at the price to be determined in accordance with the provisions of Section 5.10(2).

(2) The Offer to Purchase described in Section 5.10(1) must be given to the other Shareholders in a notice (the “**Notice**”) which Notice must provide that the price to be paid for each Share pursuant to the Offer to Purchase (the “**Purchase Price**”) is the same as that upon which the Offeror has agreed to purchase from the Shareholders who have agreed to sell Shares.

(3) Within 10 Business Days of the Notice being given, each Offeree will be entitled to accept the Offer to Purchase by giving notice of the acceptance thereof to the Offeror, to the other Offerees and to the Corporation.

(4) The Offeror will purchase all the Shares beneficially owned by each Offeree who accepts the Offer to Purchase at the Purchase Price and the transaction of purchase and sale will be completed within 30 Business Days (or such longer period as may reasonably be required to comply with all applicable statutory and regulatory requirements) of the expiry of the 10 Business Day period specified in Section 5.10(1). The transaction will be completed at the Corporation's registered office where delivery of the Shares must be made by the Offerees accepting the Offer to Purchase with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque, bank draft or wire transfer by the Offeror. If, at the time of completion, any Offered Shares are subject to any lien, charge, encumbrance or other right of others, the Offeror will be entitled to deduct from the purchase money to be paid to the applicable Offeree the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Offeree, of the obligations secured thereby.

(5) If any Shareholder obligated to sell in accordance with the foregoing provisions of this Section 5.10 (the "**Selling Shareholder**") defaults in transferring any of the Shares the Selling Shareholder is obligated to transfer to the Offeror as provided for in this Section 5.10, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of Shares, to enter the name of the Offeror in the registers of the Corporation as the holder of the Shares purchased by the Offeror, and cause to be issued to the Offeror share certificates for such Shares in the name of the Offeror. The Corporation will hold the purchase money received by it in trust on behalf of the Selling Shareholder and will not commingle the purchase money with the Corporation's assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offeror and, after the name of the Offeror has been entered in the registers of the Corporation, the purchase and sale will be deemed completed at the price and on the terms and conditions contemplated herein and the Offeror will for all purposes own the Shares purchased by it. Upon such registration, the Selling Shareholder will cease to have any right to or in respect of the Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented such Shares.

(6) For the purposes of this Section 5.10, the Corporation and the Shareholders acknowledge that no sale or transfer of Shares to any Offeror will be authorized or permitted and no such person (unless already a Shareholder) will be entitled to become a party to this Agreement unless and until the Offer to Purchase is made and, if accepted by one or more Shareholders, the purchase and sale of such Shares is completed.

5.11 **Obligation to Sell – Drag-Along Rights**

(1) If, after complying with the provisions of Section 5.03, any Shareholder or group of Shareholders holding 70% or more of the Shares (the "**Majority Shareholders**") desires to sell all, but not less than all, of the Shares held by the Majority Shareholders, the Majority

Shareholders may secure from an arm's length (as defined in the Tax Act) third party (the "**Offeror**") a *bona fide* offer (an "**Offer to Purchase**") to all the Shareholders (the "**Offerees**") to purchase all the Shares for cash; provided such offer shall not require any Shareholder who holds less than 33% of the total number of Shares outstanding to make any representations and warranties to the Offeror other than the following:

- (a) The Shareholder is the beneficial and registered owner of the Shares free and clear of all liens, charges, encumbrances and any other rights of others;
- (b) The Shareholder has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Shares to the Purchaser free and clear of all liens, charges, encumbrances and any other rights of others; and
- (c) The Shareholder is not a non-resident person within the meaning of section 116 of the Tax Act.

(2) Upon receipt of the Offer to Purchase, together with notification from the Majority Shareholders of their intention to accept the Offer to Purchase, all the Offerees will be deemed to have accepted the Offer in accordance with its terms and conditions.

(3) If any Shareholder obligated to sell in accordance with the foregoing provisions of this Section 5.11 (the "**Selling Shareholder**") defaults in transferring any of the Shares that the Selling Shareholder is obligated to transfer to the Offeror as provided for in this Section 5.11, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of Shares, to enter the name of the Offeror in the registers of the Corporation as the holder of the Shares purchased by the Offeror, and cause to be issued to the Offeror share certificates for such Shares in the name of the Offeror. The Corporation will hold the purchase money received by it in trust on behalf of the Selling Shareholder and will not commingle the purchase money with the Corporation's assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offeror and, after the name of the Offeror has been entered in the registers of the Corporation as the holder of the Shares purchased by it, the purchase and sale will be deemed completed at the price and on the terms and conditions contemplated herein and the Offeror will for all purposes own the Shares purchased by it. Upon such registration, the Selling Shareholder will cease to have any right to or in respect of the Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented such Shares.

5.12 **Exclusivity of Sections**

Each of Sections 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10 and 5.11 are exclusive and the provisions thereof may only be relied upon by any party if the provisions of one of the other of such Sections are not at the same time being relied upon by the same or another party.

ARTICLE 6 - GENERAL

6.01 Confidentiality

None of the Shareholders may, without the prior written consent of the other Shareholders, at any time while such Shareholder is a shareholder of the Corporation and after such Shareholder ceases to be a shareholder of the Corporation, disclose to anyone or use for any purpose other than for the business of the Corporation any confidential information concerning the business and affairs of the Corporation and will hold all such information in strictest confidence.

6.02 Arbitration

Any controversy, question, claim or other dispute arising out of or relating to this Agreement must be conclusively settled by submission to arbitration in accordance with the rules of arbitration set out on Schedule A to this Agreement.

6.03 Further Assurances

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

6.04 Benefit of the Agreement

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

6.05 Entire Agreement

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

6.06 Amendments and Waivers

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

6.07 Assignment

Except as may be expressly provided in this Agreement, none of the parties may assign such party's rights or obligations under this Agreement without the prior written consent of all the other parties.

6.08 **Termination**

This Agreement will terminate upon:

- (a) the written agreement of all the Shareholders;
- (b) the dissolution or bankruptcy of the Corporation or the making by the Corporation of an assignment under the provisions of the *Bankruptcy and Insolvency Act* (Canada); or
- (c) one Shareholder becoming the beneficial owner of all the Shares.

6.09 **Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

6.10 **Notices**

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

To Gordon:

Mr. Fitzroy Gordon
2901 Bayview Avenue
Unit 91129
Toronto, Ontario
M2K 2Y6

E-mail: fg2020@gmail.com

To Blythe:

Mr. Delford Blythe
11 Wincott Drive
Unit 1511
Toronto, Ontario
M9R 2R9

E-mail: delfordblythe@rogers.com

To Hamblin:

Tony Hamblin
35 Bywood Drive
Toronto, Ontario
M9A 1M1

E-mail: thamblin@foundair.com
Attention: Tony Hamblin

To Luck:

5 McCallum Drive
Richmond Hill, Ontario
L4C 7T3

E-mail: sharonluck@rogers.com
Attention: Sharon Luck

To the Corporation:

2428 Islington Avenue
Suite 218
Toronto, Ontario
M9W 3X8

Fax: _____
Attention: President

or such other street address, individual or electronic communication number or address as may be designated by notice given by any party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fourth Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

6.11 **Governing Law**

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

6.12 **Counterparts**

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

6.13 **Electronic Execution**

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

IN WITNESS WHEREOF the parties have executed this Agreement.

MAJA MEDIA GROUP INC.

Per: _____
Fitzroy Gordon

JAMROCK INVESTMENTS INC.

Per: _____
Delford Blythe

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

)
)
)
) _____
) Tony Hamblin
)

2164322 ONTARIO INC.

Per: _____
Sharon Luck

**INTERCITY BROADCASTING NETWORK
INC.**

Per: _____

SCHEDULE A

Arbitration Rules

Jurisdiction and Scope

1. The Arbitral Tribunal (as defined below) appointed under these Rules will apply the rules and procedures of the *Arbitration Act, 1991* (Ontario) to any Arbitration conducted hereunder except to the extent they are modified by the express provisions of these Rules.
2. Each party acknowledges that it will not apply to the courts of Ontario or any other jurisdiction to attempt to enjoin, delay, impede or otherwise interfere with or limit the scope of the Arbitration or the powers of the Arbitral Tribunal; provided, however, that the foregoing will not prevent either party from applying to the courts of Ontario for a determination with respect to any matter or challenge provided for in the *Arbitration Act, 1991* (Ontario).
3. Each party further acknowledges that the award of the Arbitral Tribunal will be final and conclusive and there will be no appeal therefrom whatsoever to any court, tribunal or other authority.
4. The Arbitral Tribunal has the jurisdiction to deal with all matters relating to a Dispute including, without limitation, the jurisdiction:
 - (a) to determine any question of law, including equity;
 - (b) to determine any question of fact, including questions of good faith, dishonesty or fraud;
 - (c) to determine any question as to the Arbitral Tribunal's jurisdiction;
 - (d) to order any party to furnish further details, whether factual or legal, of that party's case;
 - (e) to proceed with the Arbitration notwithstanding the failure or refusal of any party to comply with these Rules or with the Arbitral Tribunal's orders or directions or to attend any meeting or hearing, but only after giving that party written notice that the Arbitral Tribunal intends to do so;
 - (f) to receive and take into account such written or oral evidence tendered by the parties as the Arbitral Tribunal determines is relevant, provided that such evidence is admissible in law;
 - (g) to make one or more interim awards including, without limitation, orders to secure any amount relating to the Dispute;

- (h) to order the parties to produce to the Arbitral Tribunal and to each other for inspection and to supply copies of any documents or classes of documents in their possession, power or control that the Arbitral Tribunal determines to be relevant; and
- (i) to express awards in any currency.

Place of Arbitration

- 5. The Arbitration will be conducted in the City of Toronto in the Province of Ontario at the location determined from time to time by the Arbitral Tribunal pursuant to Section 10 of these Rules.

Appointment of Arbitral Tribunal

- 6. As used in these Rules, the term “Arbitral Tribunal” means the Sole Arbitrator appointed pursuant to Section 7 of these Rules or the Arbitral Tribunal appointed pursuant to Section 8 of these Rules, as the case may be.
- 7. The Arbitration will be commenced by delivery of a written complaint (the “Complaint”) by the Applicant to the Respondent. The Complaint must describe the nature of the Dispute. The Applicant and the Respondent may agree in writing upon the appointment of a single Arbitrator who will determine the Dispute acting alone (the “Sole Arbitrator”) or upon the appointment of a three member Arbitral Tribunal. If within 15 days of the giving of the Complaint, the Applicant and the Respondent do not reach agreement on the appointment of the Sole Arbitrator, then each of the Applicant and the Respondent may appoint an Arbitrator and provide the other party with written notice of such appointment. If one party does not provide such written notice, then the arbitrator who has been appointed by the other party will be the Sole Arbitrator and will constitute the Arbitral Tribunal.
- 8. If the Applicant and the Respondent each appoint an Arbitrator pursuant to Section 7 of these Rules, then, within 15 days of the appointment of such Arbitrators, the Arbitrators so appointed will agree on the appointment of an additional Arbitrator as chair (the “Chair”) and give notice to the Applicant and the Respondent of such appointment, failing which the Chair may be appointed by a Judge of the Ontario Court (Superior Court of Justice) on the application of either the Applicant or the Respondent, on notice to the other. Upon the giving of notice by the Arbitrators of the appointment of the Chair, or the appointment by a Judge of the Chair, as the case may be, the Chair and the other Arbitrators previously appointed will constitute the Arbitral Tribunal.
- 9. Any decision of the Arbitral Tribunal (including, without limitation, its final award) made with respect to a Dispute or with respect to any aspect of, or any matter related to, the Arbitration (including, without limitation, the procedures of the Arbitration) will be made by either the Sole Arbitrator or by a majority of the Arbitral Tribunal, as the case may be. All decisions of the Arbitral Tribunal with respect to a Dispute,

except procedural decisions, will be rendered in writing and contain a recital of the facts upon which the decision is made and the reasons therefor.

Pleadings

10. (1) Within 30 days of the constitution of the Arbitral Tribunal, the Applicant must deliver to the Respondent and the Arbitral Tribunal a written statement (the "Claim") concerning the Dispute setting forth, with particularity, its position with respect to the Dispute and the material facts upon which it intends to rely.
- (2) If the Applicant fails to deliver a Claim within the time limit referred to in Section 10(1) above, the Arbitral Tribunal must terminate the proceedings.
- (3) Within 30 days after the delivery of the Claim, the Respondent may deliver to the Applicant and the Arbitral Tribunal a written response (the "Defence") setting forth, with particularity, its position on the Dispute and the material facts upon which it intends to rely and may also deliver to the Applicant and the Arbitral Tribunal a counter-claim (the "Counterclaim") setting forth, with particularity, any additional Dispute for the Arbitral Tribunal to decide.
- (4) If the Respondent fails to deliver within the time limit referred to in (3) above, the Arbitral Tribunal will continue the proceedings without treating such failure in itself as an admission of the Applicant's allegations.
- (5) Within 10 days after delivery of the Defence, the Applicant may deliver to the Respondent and the Arbitral Tribunal a written reply (the "Reply") to the Defence, setting forth, with particularity, its response, if any, to the Defence.
- (6) Within 30 days of the delivery of a Counter-Claim, the Applicant may deliver to the Respondent and the Arbitral Tribunal a Defence to such Counterclaim. If the Respondent fails to deliver a Defence to the Counterclaim within such [30] day period, the Arbitral Tribunal will continue the proceedings without treating such failure in itself as an admission of the Respondent's allegations set forth in the Counter-Claim.
- (7) Within 10 days after the delivery of a Defence to the Counterclaim, the Respondent may deliver to the Applicant and the Arbitral Tribunal a Reply to such Defence to Counterclaim.
- (8) Any Counterclaim will be deemed to the Arbitral Tribunal already appointed.

Meetings

11. The Chair will determine the time, date and location of meetings for the Arbitration and will give all the parties 15 days' prior written notice of such meetings.

12. All proceedings and the making of the award will be in private and the parties will ensure that the conduct of the Arbitration and the terms of the award will, subject to registration of the award in any court, be kept confidential unless the parties otherwise agree; provided, however, that such obligation to maintain confidentiality will not prohibit any party from complying with applicable law.
13. The parties may be represented or assisted by any person during the Arbitration. Where a party is represented by another person, such party will provide notice in writing of such representation to the other party and to the Arbitral Tribunal at least five days prior to any Arbitration proceeding.
14. The first Arbitration meeting must be held within 30 days of the expiry of the pleadings procedure set forth in Section 10 of these Rules. The award of the Arbitral Tribunal must be made within 90 days of the first Arbitration meeting.

Disclosure/Confidentiality

15. All information disclosed, including all statements made and documents produced, in the course of the Arbitration will be held in confidence and no party will rely on, or introduce as evidence in any subsequent proceeding, any admission, view, suggestion, notice, response, discussion or position of either the Applicant or the Respondent or any acceptance of a settlement proposal or recommendation for settlement made during the course of the Arbitration, except (i) as required by law or (ii) to the extent that disclosure is reasonably necessary for the establishment or protection of a party's legal rights against a third party or to enforce the award of the Arbitral Tribunal or to otherwise protect a party's rights under these Rules.

Miscellaneous

16. The parties may modify any period of time provided for in these Rules by mutual agreement.
17. The language of the Arbitration will be English.
18. Nothing contained in these Rules prohibits a party hereto from making an offer of settlement relating to a Dispute during the course of an Arbitration.
19. In determining the allocation between the parties of the costs of the Arbitration, including the professional fees of the Arbitral Tribunal and the administrative costs associated with the Arbitration, the Arbitral Tribunal may invite submissions as to costs and may consider, among other things, an offer of settlement made by a party to the other party prior to or during the course of an Arbitration. Unless otherwise directed by the Arbitral Tribunal, all costs of the Arbitral Tribunal will be paid equally by the Applicant and the Respondent.
20. The award will be rendered in writing and will contain a recital of the facts upon which the award is made and the reasons therefor.