

HPB INVESTMENTS INC.

and

BRADSTONE FINANCIAL CORP.

And

2457104 ONTARIO INC.

AMALGAMATION AGREEMENT

Dated as of March 24, 2015

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AMALGAMATION AGREEMENT

THIS AGREEMENT is made and effective as of March 24, 2015,

BETWEEN:

HPB INVESTMENTS INC., a company incorporated under the laws of the province of Ontario

(“**HPB**”)

- and -

BRADSTONE FINANCIAL CORP., a company incorporated under the laws of the province of Ontario

(“**Bradstone**”)

- and –

2457104 ONTARIO INC., a company incorporated under the laws of the Province of Ontario

(“**Subco**”)

WHEREAS:

- A. Subco is a wholly-owned subsidiary of HPB; and
- B. Bradstone and Subco have agreed to amalgamate under the provisions of the *Business Corporations Act* (Ontario) on the terms and conditions described in this Agreement and continue as one corporation.

NOW THEREFORE in consideration of the mutual 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 do hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS, INTERPRETATION AND SCHEDULES

Section 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) “**Agreement**” means this amalgamation agreement, together with the schedules attached hereto, as amended, amended and restated or supplemented from time to time;
- (b) “**Amalco Cash Balance**” means cash or cash equivalents in the minimum amount of \$150,000;
- (c) “**Amalco**” means Bradstone Financial Holdings Ltd. the corporation to be formed by the amalgamation of Bradstone and Subco (or such other name as shall be approved by the Parties and the Registrar);
- (d) “**Amalco Share**” means common shares in the capital of Amalco;
- (e) “**Amalgamation**” means the amalgamation of Bradstone and Subco under Section 174 of the OBCA and in accordance with the terms and conditions of this Agreement;
- (f) “**Amalgamating Corporations**” means together, Bradstone and Subco;
- (g) “**applicable privacy laws**” means any and all applicable Laws relating to privacy and the collection, use and disclosure of personal information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada);
- (h) “**Applicable Securities Laws**” means the applicable securities laws, regulations and rules, all policies thereunder and the rules of applicable stock exchanges;
- (i) “**Bradstone Board**” means the board of directors of Bradstone;
- (j) “**Bradstone Documents**” means all documents provided by Bradstone to HPB describing the business, operations and future plans of Bradstone;
- (k) “**Bradstone Financial Statements**” means the audited consolidated balance sheets, audited consolidated statements of operations, comprehensive loss and deficit and audited consolidated statements of cash flows of Bradstone for the financial year ended December 31, 2014, December 31, 2013 and December 31, 2012, together with the notes thereto and the auditors’ report thereon;
- (l) “**Bradstone Shareholders**” means, at any time, the holders of Bradstone Shares;
- (m) “**Bradstone Shares**” means, together, the Subordinate Voting Shares and the Multiple Voting Shares;
- (n) “**Business Day**” means any day, other than a Saturday, a Sunday or a statutory holiday when banks are generally open for business in Toronto, Ontario;
- (o) “**Completion Deadline**” means the date by which the Transaction is to be completed, which date shall be no later than May 31, 2015, or such later date as may be agreed to by the Parties;

- (p) “**Consulting Payment**” has the meaning ascribed thereto in section 2.14;
- (q) “**Convertible Securities**” means options, warrants, calls, conversion privileges, convertible securities, exchangeable securities and other rights to acquire common voting shares;
- (r) “**CSE**” means the Canadian Securities Exchange;
- (s) “**Dissent Rights**” means the rights of dissent in respect of the Amalgamation provided pursuant to Section 185 of the OBCA;
- (t) “**Dissenting Shareholder**” means a registered HPB Shareholder, who, in connection with the resolution approving the Amalgamation at the HPB Meeting which approves and adopts this Agreement, exercised Dissent Rights within the time limits and in the manner prescribed by section 185 of the OBCA and whose Dissent Rights remain valid immediately before the Effective Time;
- (u) “**Effective Date**” means the effective date indicated upon the certificate of amalgamation issued pursuant to the Amalgamation;
- (v) “**Effective Time**” means 12:01 a.m. (Toronto Time) on the Effective Date;
- (w) “**Encumbrance**” includes, without limitation, any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (x) “**Exchange Ratio**” means the exchange by Bradstone Shareholders for HPB Shares on a one for one basis;
- (y) “**Governmental Entity**” means any applicable: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, stock exchange or agency, whether domestic or foreign; (ii) any subdivision, agency, 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;
- (z) “**HPB Board**” means the board of directors of HPB;
- (aa) “**HPB Circular**” means the management information circular in respect of the HPB Meeting;
- (bb) “**HPB Director Payments**” has the meaning set out in section 2.12 herein;
- (cc) “**HPB Documents**” means all press releases, forms, reports, schedules, financial statements, management’s discussion and analysis of financial conditions and operations,

certifications, annual information forms, management information circulars, material change reports and other documents required to be filed by HPB under Applicable Securities Law (such forms, reports, schedules, statements, certifications and other documents to include any financial statements or other documents, including any schedules included therein);

- (dd) “**HPB Financial Statements**” means the audited consolidated balance sheets, audited consolidated statements of operations, comprehensive income (loss) and deficit and audited consolidated statements of cash flows of HPB for the financial years ended December 31, 2014, December 31, 2013 and December 31, 2012 together with notes thereto and the auditors reports thereon;
- (ee) “**HPB Meeting**” means the meeting, including any adjournments or postponements thereof, of the HPB Shareholders to be held to consider, and, if deemed advisable, to approve, among other things, the Amalgamation, the Share Consolidation, the change of the name of HPB to “Bradstone Capital Corp.”, the matters mandated by the Ontario Securities Commission in the revocation of HPB’s cease order dated December 31, 2014, the approval of the new HPB Option Plan, the creation of the new HPB Shares, amendments to HPB’s by-laws, creation of a series of preferred shares, approval of the new HPB Board, the change of HPB’s registered address and the approval of the HPB Director Payments;
- (ff) “**HPB Option Plan**” means an amended stock option plan to be approved at the HPB Meeting to be structured as a 10% rolling option plan;
- (gg) “**HPB Shareholders**” means, at any time, the holders of HPB Shares;
- (hh) “**HPB Shareholder Approval**” means the approval of the Amalgamation by at least 66 2/3% of the votes cast by the HPB Shareholders present in person or by proxy at the HPB Meeting voting together as a single class;
- (ii) “**HPB Shares**” mean common shares in the capital of HPB;
- (jj) “**IFRS**” means, at any given date, International Financial Reporting Standards, which include standards and interpretations adopted by the International Accounting Standards Board (IASB), applied on a consistent basis;
- (kk) “**Laws**” means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity whether foreign or domestic;
- (ll) “**Liability**” of any Person means and includes: (i) any right against such Person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; (ii) any right against such Person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and (iii) any obligation of such Person for

the performance of any covenant or agreement (whether for the payment of money or otherwise);

(mm) “**Material Adverse Effect**” means, in respect of HPB, Subco, or Bradstone as applicable, an effect that is, or would reasonably be expected to be, material and adverse to the business, properties, assets, Liabilities, obligations (including any contingent Liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, condition (financial or otherwise), operations or results of operations of HPB, Subco, or Bradstone, respectively, taken as a whole, other than any change, effect, event or occurrence:

- (i) relating to the global, national or regional economy, political conditions or securities markets in general;
- (ii) relating to a change in the market trading price of securities of HPB or Bradstone, related to this Agreement and the Transaction or the announcement thereof;
- (iii) the exchange rate between the United States dollar and the Canadian dollar;
- (iv) relating to any generally applicable change in applicable Laws (other than orders, judgments or decrees against that Party or any of its Subsidiaries) or in IFRS or other applicable accounting standards;
- (v) relating to any natural disaster or the commencement, occurrence or continuation of any war, armed hostilities or act of terrorism; or
- (vi) attributable to the announcement or pendency of this Agreement or the Transaction, or otherwise contemplated by or resulting from the terms of this Agreement,

provided, however, that such effect referred to in clause (i), (ii), (v) (vi) or (vii) above does not primarily relate only to (or have the effect of primarily relating only to) that Party and its Subsidiaries, taken as a whole, or disproportionately adversely affect that Party and its Subsidiaries taken as a whole, compared to other companies of similar size operating in the industry in which that Party and its Subsidiaries operate.

(nn) “**misrepresentation**” has the meaning set out in the *Securities Act* (Ontario);

(oo) “**Multiple Voting Shares**” means the multiple voting shares, entitled to four votes per share, in the capital of Bradstone;

(pp) “**Name Change**” means the proposed change of the name of HPB to “Bradstone Capital Corp.” to be approved at the HPB Meeting;

(qq) “**New HPB Shares**” means the creation of the two new classes of shares of HPB to be approved at the HPB Meeting, being the subordinate voting shares and the multiple voting shares with the rights, privileges, restrictions and conditions attaching to the New HPB Shares as outlined in Schedule “A” hereto;

- (rr) “**OBCA**” means the *Business Corporations Act* (Ontario), as amended;
- (ss) “**Party**” means either of HPB, Bradstone, or Subco, as the context requires, and “**Parties**” means collectively, HPB, Bradstone, and Subco;
- (tt) “**Person**” means any individual, partnership, company, corporation, firm, unincorporated association, joint venture, trust, the Crown or any other agency or instrumentality thereof or any other judicial entity or person, government (including any Governmental Entity) or any other entity, whether or not having legal status;
- (uu) “**SEC**” means the United States Securities and Exchange Commission;
- (vv) “**Securities Authorities**” means the securities regulatory authorities in each of the provinces of British Columbia, Alberta, and Ontario;
- (ww) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval;
- (xx) “**Share Consolidation**” means the proposed share consolidation of the HPB Shares by HPB, on a 1 for 12 basis, to be approved at the HPB Meeting;
- (yy) “**Subordinate Voting Shares**” means the subordinate voting shares, entitled to one vote per share, in the capital of Bradstone;
- (zz) “**Subsidiary**” has the meaning set out in the OBCA and “**Subsidiaries**” means more than one Subsidiary;
- (aaa) “**Subco Share**” means common shares in the capital of Subco;
- (bbb) “**Tax**” and “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including 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, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, licence taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, severance, social security, workers’ compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, 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 entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;
- (ccc) “**Tax Act**” means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended;

- (ddd) “**Tax Returns**” means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any taxing authority or required to be made, prepared or filed with any taxing authority relating to Taxes;
- (eee) “**Transaction**” means the Amalgamation and all the transactions ancillary thereto as contemplated herein; and
- (fff) “**TSXV**” means the TSX Venture Exchange.

In addition, words and phrases used but not otherwise defined herein and defined in the OBCA shall have the same meaning herein as in the OBCA unless the context otherwise requires.

Section 1.2 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

Section 1.3 Number, Gender and Persons

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter.

Section 1.4 Date for any Action

If the date on which any action is required to be taken hereunder by any Party is not a Business Day in the place such action is required to be taken, such action shall be required to be taken on the next succeeding day that is a Business Day in such place.

Section 1.5 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

Section 1.6 Currency

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of Canada.

Section 1.7 Invalidation of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Laws, the Parties hereto waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties hereto will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

Section 1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meaning attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

Section 1.9 Knowledge

Where the phrases “to the knowledge of HPB,” or “to HPB’s knowledge” or “to the knowledge of Bradstone” or “to Bradstone’s knowledge” are used: (i) in respect of HPB or Bradstone, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon: (A) in the case of HPB, the actual knowledge (after reasonable inquiry) of Michael Allen; and (B) in the case of Bradstone, the collective actual knowledge (after reasonable inquiry of those who ought to know) of Gord Ewart and Jason Ewart.

Section 1.10 Including

In this Agreement, the words “include” or “including” mean “include (or including) without limitation” and the words “include” or “including” are not to be considered an exhaustive list.

ARTICLE 2 THE AMALGAMATION

Section 2.1 Implementation Steps

- (a) HPB shall call and convene the HPB Meeting at which the HPB Shareholders will be asked to approve the Amalgamation and any ancillary matters.
- (b) HPB covenants in favour of Bradstone that it shall in its capacity as the sole shareholder of Subco, approve and execute a special resolution approving the Amalgamation as soon as reasonably practicable and, in any event, no later than March 31, 2015, or such other date as may be agreed to by HPB and Bradstone.
- (c) Following the approval of this Agreement by the shareholders of the Amalgamating Corporations in accordance with the OBCA and with the terms of this Agreement, and

subject to the satisfaction or waiver of all conditions precedent set forth in this agreement, Bradstone and Subco shall jointly file the Articles of Amalgamation with the director, as provided under the OBCA.

Section 2.2 Effects of the Amalgamation

At the Effective Time, the following shall occur and shall be deemed to occur without any further act or formality:

- (a) Subco and Bradstone shall amalgamate to form Amalco and shall continue as one company under the OBCA in the manner set out in Section 2.8 hereof and with the effect as of the Effective Time;
- (b) immediately upon the Amalgamation:
 - (i) Other than those held by Dissenting Shareholders, each one (1) Bradstone Share shall be exchanged for fully-paid and non-assessable New HPB Shares at the Exchange Ratio, such that Subordinate Voting Shares are exchanged for subordinate voting shares of HPB and Multiple Voting Shares are exchanged for multiple voting shares of HPB;
 - (ii) Each Subco Share shall be exchanged for one (1) fully-paid and non-assessable Amalco Share;
 - (iii) all of the property and assets of each of Bradstone and Subco shall be the property and assets of Amalco and Amalco shall be liable for all of the liabilities and obligations of each of Bradstone and Subco; and
 - (iv) Amalco shall be a wholly-owned subsidiary of HPB.

Section 2.3 Transmittal Letters

At the time of the mailing of the HPB Circular, or any time thereafter, but in any event not later than three Business Days following the Effective Date, HPB will cause its transfer agent to send (by regular mail) to each Person who was a holder of a Bradstone Share immediately before the Effective Time at his address shown on Bradstone's register of shareholders, a transmittal letter specifying the consideration the Person is entitled to receive pursuant to the Amalgamation (being the one for one Exchange Ratio) and will request the Person to surrender for cancellation the certificates representing their Bradstone Shares.

Section 2.4 Delivery of Security Following Amalgamation

(a) Issuance of Certificates

As soon as practicable following the Effective Time, HPB shall cause its transfer agent to send to each Bradstone Shareholder, upon receipt of completed transmittal letters contemplated in Section 2.3 and physical share certificates evidencing their respective

Bradstone Shares together with such other documents and instruments as HPB and its transfer agent may reasonably require, where applicable, by ordinary first class mail, certificates evidencing the HPB Shares to which such holder shall have become entitled in accordance with subsection 2.2(b)(i) hereof. HPB shall cause its transfer agent to deal with Bradstone Shareholders who do not hold physical share certificates in a comparable manner to ensure that they receive their entitlement to HPB Shares.

- (b) **Fractional Shares.** No fractional HPB Shares will be issued or delivered to any Bradstone Shareholder otherwise entitled thereto, if any. Instead, the number of HPB Shares issued to each exchanging holder of Bradstone Shares will be rounded to the nearest whole number (without compensation therefor).
- (c) **Lost Certificates.** In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Bradstone Shares which were exchanged for HPB Shares in accordance with subsection 2.2(b)(i) hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, HPB shall cause its transfer agent to deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing the HPB Shares which such holder is entitled to receive in accordance with subsection 2.2(b)(i) hereof. When authorizing such delivery of a certificate representing the HPB Shares which such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom a certificate representing such HPB Shares is to be delivered shall, as a condition precedent to the delivery of such HPB Shares, give a bond satisfactory to HPB and its transfer agent in such amount as HPB and its transfer agent may direct, or otherwise indemnify HPB, Amalco and HPB's transfer agent in a manner satisfactory to HPB and its transfer agent, against any claim that may be made against HPB, Amalco or HPB's transfer agent with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Amalco.
- (d) **Limitation and Prescription.** To the extent that a former securityholder of Bradstone shall not have complied with the provisions of Section 2.4 hereof on or before the date which is six (6) years after the Effective Date (the "**final prescription date**"), then the HPB Shares which such former securityholder of Bradstone was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof, and the interest of the former securityholder of Bradstone in such HPB Shares shall be terminated as of such final prescription date.

Section 2.5 Consultation

Upon execution of this Agreement, HPB and Bradstone shall issue a joint press release which announces that the Parties have entered into this Agreement and providing such further information concerning the Transaction as the Parties may agree. HPB and Bradstone shall consult with each other in respect to issuing any press release or otherwise making any public statement with respect to this Agreement or the Amalgamation, its business or operations and in making any filing with any Governmental Entity, Securities Authority or stock exchange with respect thereto. Each of HPB and Bradstone shall use commercially reasonable efforts to enable

the other Party to review and comment on all such press releases, public statements and filings prior to the release or filing, respectively, thereof, provided, however, that the obligations herein shall not prevent a Party from making, after consultation with the other Party, such disclosure as is required by applicable Laws or the rules and policies of any applicable stock exchange. Reasonable consideration shall be given to any comments made by the other Party.

Section 2.6 Dissenting Shareholders

- (a) Each HPB Shareholder may exercise Dissent Rights in connection with the Amalgamation pursuant to and in the manner set forth in section 185 of the OBCA. HPB shall give Bradstone (i) prompt notice of any written notices of exercise of Dissent Rights, withdrawals of such notices, and any other instruments served pursuant to the OBCA and received by HPB; and (ii) the opportunity to participate in all negotiations and proceedings with respect to such rights. Without the prior written consent of Bradstone, except as required by applicable Law, HPB shall not make any payment with respect to any such rights or offer to settle or settle any such rights.
- (b) HPB Shares which are held by a Dissenting Shareholder shall not be exchanged as prescribed by subsection 2.2(b)(i). However, if a Dissenting Shareholder fails to perfect or effectively withdraw its claim under section 185 of the OBCA or forfeits its right to make a claim under section 185 of the OBCA or if its rights as a HPB Shareholder are otherwise reinstated, such HPB Shareholder's shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by Section 2.2.

Section 2.7 HPB Circular

- (a) As promptly as reasonably practicable following execution of this Agreement, but in any event within the time prescribed by applicable Laws in order to hold the HPB Meeting by no later than May 31, 2015, HPB, in consultation with Bradstone, shall prepare the HPB Circular together with any other documents required by applicable Laws in connection with the HPB Meeting. HPB shall file the HPB Circular in all jurisdictions where the same is required to be filed and mail the HPB Circular as required under applicable Laws. On the date thereof, the Parties shall each ensure that the HPB Circular complies in all material respects with all applicable Laws, including matters mandated by the OSC Undertaking, and that it contains sufficient detail to permit the HPB Shareholders to form a reasoned judgment concerning the matters to be placed before them at the HPB Meeting.
- (b) HPB shall ensure that the HPB Circular complies in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, that the HPB Circular does not contain any misrepresentation other than with respect to information relating to Bradstone including the Bradstone Shares, or information provided by Bradstone.
- (c) Bradstone shall also use best efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert

information required to be included in the HPB Circular. Bradstone shall ensure that such information does not include any misrepresentation.

- (d) All information relating solely to Bradstone and the Bradstone Shares included in the HPB Circular shall be in form and content satisfactory to Bradstone, acting reasonably and shall not contain any misrepresentations.
- (e) The Parties shall each promptly notify each other if at any time before the Effective Date either becomes aware that the HPB Circular contains a misrepresentation, or that otherwise requires an amendment or supplement to the HPB Circular and the Parties shall co-operate in the preparation of any amendment or supplement to the HPB Circular as required or appropriate, and HPB shall promptly mail or otherwise publicly disseminate any amendment or supplement to the HPB Circular to HPB Shareholders and, if required by applicable Laws, file the same with any Governmental Entity and as otherwise required.

Section 2.8 Amalco

Following the Amalgamation, Amalco shall be organized as follows:

- (a) The name of Amalco shall be Bradstone Capital Corp. or such other name as may be approved by Bradstone and HPB.
- (b) The registered office of Amalco shall be 273 Tweed Street, Cobourg, Ontario, K9A 2R8.
- (c) There shall be no restrictions on the business that Amalco may carry on or on the powers that Amalco may exercise.
- (d) The authorized capital of Amalco shall be an unlimited number of common shares.
- (e) If Amalco:
 - (i) is not a reporting issuer or an investment fund within the meaning of applicable securities legislation; and
 - (ii) has not distributed to the public (excluding accredited investors within the meaning of applicable securities legislation) any of its securities;

then no securities in the capital of Amalco (other than non-convertible debt securities) shall be transferred without either:

- (i) the previous consent of the board of directors expressed by a resolution passed by the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or
- (ii) the previous consent of the holders of at least 51% of the securities of that class for the time being outstanding expressed by a resolution passed by the security

holders or by an instrument or instruments in writing signed by such security holders.

- (f) The stated capital account in the records of Amalco for Amalco Shares shall be equal to the stated capital attributed to the shares of the Amalgamating Corporations.
- (g) The board of directors of Amalco shall consist of not less than one (1) and not more than ten (10) directors, until changed in accordance with the OBCA. Until changed by the shareholders of Amalco, or by the directors of Amalco if authorized by the shareholders of Amalco, the number of directors of Amalco shall be five (5).
- (h) The first directors of Amalco shall be the persons whose name and residential addresses appears below:

Name	Residence	Resident
Chris Carmichael	[address redacted]	Canada
Sven Kraumanis	[address redacted]	Canada
Jason Ewart	[address redacted]	Canada
Michael Allen	[address redacted]	Canada
Alec Regis	[address redacted]	Canada

The first directors named above shall hold office from the Effective Date until the later of the close of the first annual meeting of shareholders of Amalco and the date on which a successor is elected or appointed.

- (i) The by-laws of Amalco shall be, to the extent not inconsistent with this Agreement, the by-laws of Subco, unless and until repealed or amended.
- (j) The first auditors of Amalco shall be MNP LLP, Chartered Accountants. The first auditors of Amalco shall hold office until the first annual meeting of shareholders of Amalco following the Amalgamation, or until their successor is appointed.
- (k) The fiscal year end of Amalco shall be December 31.

Section 2.9 Structuring

The Parties and their advisors shall in good faith consider and investigate whether the transactions contemplated by this Agreement may be effected in a manner which is more tax efficient than that set out herein. If, following such investigation, the Parties deem it necessary or advisable, the Parties shall amend this Agreement in order to provide for a more tax efficient structure. Notwithstanding the foregoing, neither HPB nor Bradstone shall be obligated to agree to any amendment if such amendment would have adverse tax or other consequences to: (i) HPB or the HPB Shareholders; or (ii) Bradstone or the Bradstone Shareholders.

Section 2.10 Closing

The closing of the Amalgamation will take place at the offices of Chitiz Pathak LLP, 320 Bay Street, Toronto, Ontario M5H 4A6, at 11:00 a.m. (Toronto Time) on the Effective Date, or at such other time and place as may be agreed to by the Parties.

Section 2.11 Directors and Officers

The services of all directors and officers of HPB, other than Michael Allen, shall be terminated immediately prior to Effective Time.

Section 2.12 HPB Directors

On the Effective Date, Michael Allen and Harry Blum, shall be entitled, upon execution and delivery of a mutual release, in form and substance satisfactory to HPB and Bradstone, each acting reasonably, to the repayment of amounts owing to them by HPB amounting to \$109,603 in the aggregate (the “**HPB Director Payments**”), with such payment to be in the form of 1,565,757 HPB subordinate voting shares at a deemed issuance price of \$0.07 per share.

Section 2.13 Other HPB Director Payments

Effective immediately following the Effective Time, HPB shall enter into an agreement to repay monies owed to the directors of HPB in addition to the HPB Director Payments (the “**Additional HPB Payments**”) of up to an approximate amount of \$100,000 but may exceed \$100,000. The Additional HPB Payments will be secured against the assets of Amalco payable as to (i) 50% within 12 months from the Effective Date subject to an interest rate of 5%; and (ii) 50% within 18 months from the Effective Date subject to an interest rate of 5%. In the event that Michael Allen ceases to be a director of HPB, all amounts owing to HPB directors with respect to the Additional HPB Payments become due and payable immediately.

Section 2.14 Consulting Payment

HPB shall enter into an agreement, in a form to be agreed upon by the Parties acting reasonably, to repay the \$45,000 plus HST owing to Westhampton Professional Services Inc., with such payment to occur on the Effective Date (the “**Consulting Payment**”).

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of Bradstone

Bradstone hereby represents and warrants to HPB and Subco, and hereby acknowledges that HPB and Subco are relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Transaction, as follows:

- (a) Organization. Bradstone has been organized and is validly subsisting under the laws of the province of Ontario and has full corporate or legal power and authority to own its properties and assets and to conduct its business as currently owned and conducted.

Bradstone is registered, licensed or otherwise qualified as an extra-provincial corporation, a corporation (in accordance with the laws of the country of domicile) or a foreign corporation in each jurisdiction where the nature of the business or its activities or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect.

- (b) Capitalization. The authorized capital of Bradstone consists of an unlimited number of Multiple Voting Shares and Subordinate Voting Shares. As at the date hereof, there were: (i) 17,335,578 Subordinate Voting Shares outstanding; and (ii) 8,667,353 Multiple Voting Shares outstanding. There are no Convertible Securities or other rights, agreements, amalgamations or commitments (pre-emptive, contingent or otherwise) obligating Bradstone to issue or sell any Bradstone Shares or any securities or obligations of any kind convertible into or exchangeable for any Bradstone Shares. All issued and outstanding Bradstone Shares have been duly authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Bradstone having the right to vote with the Bradstone Shareholders on any matter. There are no outstanding contractual obligations of Bradstone to repurchase, redeem or otherwise acquire any outstanding Bradstone Shares or with respect to the voting or disposition of any outstanding Bradstone Shares. Bradstone is not a party to any shareholder, pooling, voting trust or similar agreement relating to the issued and outstanding securities of Bradstone.
- (c) Authority. Bradstone has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Bradstone as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Bradstone and the completion by Bradstone of the transactions contemplated by this Agreement have been authorized by the directors of Bradstone and no other corporate proceedings on the part of Bradstone are necessary to authorize this Agreement or to complete the transactions contemplated hereby. This Agreement has been duly executed and delivered by Bradstone and constitutes a legal, valid and binding obligation of Bradstone, enforceable against Bradstone in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Bradstone of this Agreement and the performance by Bradstone of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:
- (i) result in a violation, contravention or breach of, or constitute a default under, or entitle any Person to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:
- A. the notice of articles or articles (or their equivalent) of Bradstone;

- B. any Law to which Bradstone is subject to or bound;
 - C. any contractual agreement, license or permit to which Bradstone is bound or is subject to or of which Bradstone is the beneficiary;
- (ii) give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness owing by Bradstone to come due before its stated maturity or cause any available credit to cease to be available;
 - (iii) except as contemplated hereby, result in the imposition of any Encumbrance upon any of the property or assets of Bradstone or give any Person the right to acquire any of Bradstone's assets, or restrict, hinder, impair or limit the ability of Bradstone to conduct the business of Bradstone as and where it is now being conducted; or
 - (iv) except as contemplated herein, result in the termination of any employment agreement with, or in any material payment (including severance, unemployment compensation, "golden parachute", bonus or otherwise) becoming due to, any director, officer or employee of Bradstone or increase any benefits otherwise payable under any pension or benefits plan of Bradstone or result in the acceleration of the time of payment or vesting of any such benefits,

which would, in the case of (i) to (iv), individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Bradstone (A) in connection with the execution and delivery of this Agreement or the performance by it of its obligations hereunder or the consummation by Bradstone of the Transaction or (B) in order that the authority of Bradstone to carry on its business in the ordinary course and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the transactions contemplated herein and in the Amalgamation, other than: (i) shareholder approval in respect of this Agreement and the transactions contemplated herein; (ii) filings required under the OBCA; (iii) filings with and approvals required by Securities Authorities and the TSXV; and (iv) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect.

- (d) Bradstone Director Approvals. The Bradstone Board has authorized entering into, executing and delivering this Agreement, and performing the obligations set out herein and to proceed with the Transaction.
- (e) Subsidiaries. Aside from ownership of 2,514,890 common shares (representing a 24.1% ownership stake) and of Marathon Mortgage Corporation, Bradstone does not own, directly or indirectly, voting or equity interests in any other companies or entities and has no agreement or other commitment to acquire such interest.

- (f) No Defaults. Bradstone is not in default under, and, to the knowledge of Bradstone, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Bradstone under any contract, agreement or licence, to which any of them is a party or by which any of them is bound that would, individually or in the aggregate, have a Material Adverse Effect.
- (g) Absence of Changes. Except as set forth in the Bradstone Documents or contemplated by this Agreement, since December 31, 2014:
- (i) Bradstone has conducted its business only in the ordinary course of business consistent with past practice;
 - (ii) Bradstone has not incurred or suffered a change that would have a Material Adverse Effect;
 - (iii) Other than the change of its corporate name from GC Marathon Financial Corp. to Bradstone Financial Corp. on January 19, 2015, Bradstone has not effected any amendment to, or proposed to amend, its notice of articles or articles;
 - (iv) there has not been any acquisition or agreement to acquire by amalgamating, merging, consolidating or entering into a business combination with, purchasing substantially all the assets of or otherwise acquiring, any business or any corporation, partnership, association or other business organization or division thereof, which transaction would be material to Bradstone;
 - (v) there has not been any sale, lease, transfer, mortgage, hypothecation or other disposition of any of Bradstone's assets or properties, real, personal or mixed, immovable or movable (including securities), that are material, individually or in the aggregate, to Bradstone outside of the normal course of business;
 - (vi) other than in the ordinary course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Bradstone of any debt for borrowed money, any creation or assumption by Bradstone of any Encumbrance, any making by Bradstone of any loan, advance or capital contribution to or investment in, or the assumption, guarantee, endorsement or responsibility by Bradstone for the obligations of, any other Person or any entering into, amendment of, relinquishment, termination or non-renewal Bradstone of any contract, agreement, licence, lease transaction, commitment or other right or obligation that would, individually or in the aggregate, or is reasonably likely, to have a Material Adverse Effect;
 - (vii) Bradstone has not effected or passed any resolution or agreed to any subdivision, consolidation, redemption, purchase, offer to purchase or any other acquisition or reclassification of any of the outstanding Bradstone Shares, declaration or payment of any dividends on or making of other distributions (whether in cash, shares or property, or any combination thereof) or reduction in the stated capital in respect of its shares;

- (viii) other than in the ordinary course of business consistent with past practice, there has not been, nor has Bradstone agreed to, any material increase in or modification of the compensation payable to or to become payable by Bradstone to any of its directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit amalgamation made to, for or with any of such directors or officers;
 - (ix) Bradstone has not incurred any damage, destruction or loss, whether or not covered by insurance, that could reasonably be expected to have a Material Adverse Effect;
 - (x) Bradstone's ownership stake in Marathon Mortgage Corporation is as set out in Bradstone's audited financial statements dated January 17, 2015 in all material respects;
 - (xi) Bradstone has not effected any material change in its accounting methods, principles or practices; and
 - (xii) Bradstone has not adopted any, or materially amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (h) Contracts and Commitments. Bradstone has performed in all material respects all its obligations required to be performed by it to date under the material contracts to which Bradstone is a party or by which it is bound. Bradstone is not in breach or default under any material contract to which it is a party or bound, and Bradstone does not have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default, except in each case where any such breach or default would not, individually or in the aggregate, reasonably be expected to result in, a Material Adverse Effect. Bradstone does not know of and has not received written notice of any breach or default under (and, to the knowledge of Bradstone, no condition exists that with the passage of time or the giving of notice or both would result in such a breach or default under) any such material contract by any other party thereto except where any such violation or default would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material contracts to which Bradstone is a party or by which it is bound: (i) are valid, binding, in full force and effect in all material respects and enforceable by Bradstone in accordance with their respective terms, subject, however, to limitations with respect to enforcement imposed by Law in connection with bankruptcy or similar proceedings, the equitable power of the courts to stay proceedings before them and the execution of judgments and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the courts from which they are sought; and (ii) do not, by their terms, require the consent of any of the parties thereto to the Amalgamation or the Transaction. No material contract or other agreement to which Bradstone is a party commits Bradstone to a capital expenditure in excess of \$25,000.

(i) Employment Agreements.

- (i) Except for statutory or common law obligations, Bradstone is not a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment or consulting agreement with, any director or officer of Bradstone that cannot be terminated without payment of a maximum of one month of that individual's salary;
- (ii) Bradstone is not subject to any claim for wrongful dismissal, constructive dismissal or any tort claim, actual or pending or, to the knowledge of Bradstone, threatened, or any litigation, actual or pending or, to the knowledge of Bradstone, threatened, relating to employment or termination of employment of employees or independent contractors;
- (iii) Bradstone has operated in accordance with all applicable Laws with respect to employment and labour, including, but not limited to, employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights and labour relations and there are no current, pending, or, to the knowledge of Bradstone, threatened material proceedings before any board or tribunal with respect to any of the above areas; and
- (iv) Bradstone: (A) is not a party to any collective bargaining agreement; (B) is, to the knowledge of Bradstone, not subject to any application for certification or pending, threatened or apparent union organizing campaigns for employees not covered under a collective bargaining agreement; or (C) is subject to any current, pending, or to the knowledge of Bradstone, threatened, strike or lockout.

(j) Financial Matters. The Bradstone Financial Statements were prepared in accordance with IFRS, consistently applied, and fairly present in all material respects the consolidated financial condition of Bradstone at the respective dates indicated and the results of operations of Bradstone for the periods covered on a consolidated basis. Bradstone does not have any Liability or obligation (including, without limitation, Liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes other than Taxes not yet due), whether accrued, absolute, contingent or otherwise, not reflected in the Bradstone Financial Statements, except Liabilities and obligations incurred in the ordinary course of business, which Liabilities or obligations would not reasonably be expected to have a Material Adverse Effect.

(k) Liabilities. There are no Liabilities of Bradstone whether direct, indirect, absolute, contingent or otherwise that are not disclosed or reflected in the Bradstone Financial Statements, except: (i) those incurred in the ordinary course of their respective businesses since December 31, 2014; (ii) Liabilities for expenditures required by law since December 31, 2014; and (iii) Liabilities for reasonable expenditures made in connection with the Transaction.

- (l) Books and Records. The corporate records and minute books of Bradstone have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not omit material information required to be included. Financial books and records and accounts of Bradstone: (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Bradstone; and (iii) accurately and fairly reflect the basis for the Bradstone Financial Statements.
- (m) Litigation. There is no claim, demand, dispute, notification of Liabilities, cause of action, action, suit, proceeding or investigation pending or in progress or, to the knowledge of Bradstone, threatened against or relating to Bradstone affecting any of its properties or assets before any Governmental Entity that individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect or that would materially impede the consummation of the Transaction. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Bradstone, threatened against or relating to Bradstone before any Governmental Entity. Neither Bradstone nor any of its properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of Bradstone to conduct its business in all material respects as it has been carried on prior to the date hereof, that would materially impede the consummation of the Transaction, or that would have a Material Adverse Effect.
- (n) Operational Matters. Except as would not have or reasonably be expected to have a Material Adverse Effect:
- (i) all rentals, payments and obligations and other payments due or payable on or prior to the date hereof under or with respect to the direct or indirect assets of Bradstone have been properly and timely paid; and
 - (ii) all costs, expenses, and Liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which Bradstone is directly or indirectly bound, have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.
- (o) Off-Balance Sheet Transactions. Bradstone is not a party to any “off-balance sheet” transactions or arrangements.
- (p) Insurance. Bradstone maintains policies of insurance with reputable insurers and in amounts covering such risks and with those deductibles as are adequate and usual for companies of a similar size operating in the real estate investment industry. The policies and the coverage provided thereunder are in full force and effect and Bradstone is in good standing under each policy. Bradstone has not received notice of, nor have any knowledge of, any fact, condition or circumstance which might reasonably form the basis of any claim, dispute, action, litigation or similar proceeding against Bradstone which is

not in all material respects covered by insurance (subject to standard deductibles) maintained by it and which could have a Material Adverse Effect.

- (q) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:
- (i) Bradstone has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, such Tax Returns are complete and correct in all material respects;
 - (ii) Bradstone has: (A) duly and timely paid all Taxes due and payable by it; (B) duly and timely withheld all Taxes and other amounts required by Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Law to be remitted by it; and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it;
 - (iii) the charges, accruals and reserves for Taxes reflected on the Bradstone Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Bradstone, adequate under IFRS to cover Taxes with respect to Bradstone for the periods covered thereby;
 - (iv) for the purposes of the Tax Act and any other relevant Tax purposes, Bradstone is resident in Canada; and
 - (v) there are no Encumbrances for Taxes upon any properties or assets of Bradstone (other than Encumbrances relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included in the Bradstone Financial Statements).
- (r) Tax Proceedings. There are no proceedings, investigations, audits, assessments, reassessments or claims now pending or, to the knowledge of Bradstone, threatened against Bradstone that propose to assess Taxes in addition to those reported in the Tax Returns and no waiver of any statute of limitations with respect to Taxes has been given or requested with respect to Bradstone.
- (s) Non-Arm's Length Transactions. Except as contemplated herein and except for agreements entered into in the ordinary course of business of Bradstone, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by Bradstone) between Bradstone on the one hand, and any: (i) officer or director of Bradstone; (ii) any holder of record or, to the knowledge of Bradstone, beneficial owner of 5% or more of the voting securities of Bradstone; or

- (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (t) Pension and Employee Benefits. Bradstone does not have any benefit plans. Bradstone has complied in all material respects with all applicable Laws relating to wages, fringe benefits and the payment of withholding and similar Taxes and all applicable provisions of all applicable Laws dealing with employees and employee pension and other benefit plans, has made all filings required to be made in connection therewith and have made in a timely manner all contributions to any such plan that it is required to make the omission of which would constitute a Material Adverse Effect.
- (u) Reporting Status. Bradstone is not a reporting issuer not in any jurisdiction in Canada and the Bradstone Shares are not listed or traded on any stock exchange or qualification system.
- (v) Reports. Bradstone's sole shareholder, GC Global Capital Corp., has filed the requisite materials with, and received the approval of, the TSXV with respect to the Transaction.
- (w) Restrictions on Business Activities. Except as contemplated herein, there is no agreement, judgment, injunction, order or decree binding upon Bradstone that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing any material business practice of Bradstone, any acquisition of material property by Bradstone or the conduct of business by Bradstone as currently conducted.
- (x) No Cease Trade. Bradstone is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Bradstone, no investigation or other proceedings involving Bradstone that may operate to prevent or restrict trading of any securities of Bradstone are currently in progress or pending before any applicable stock exchange or Securities Authority.
- (y) Registration Rights. No holder of securities issued by Bradstone has any contractual right to compel Bradstone to register or otherwise qualify such securities for public sale in the United States.
- (z) No Option on Assets. Other than as contemplated in this Agreement, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Bradstone of any of the assets of Bradstone.
- (aa) Certain Contracts. Other than as contemplated in this Agreement, Bradstone is not a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to: (i) limit the manner or the localities in which all or any material portion of the business of Bradstone is conducted; (ii) limit any business practice of Bradstone in any material respect; or (iii) restrict or require any acquisition or disposition of any property by Bradstone in any material respect.
- (bb) No Agreement to Merge. Except as contemplated hereby, Bradstone does not have any agreement of any nature whatsoever to acquire, merge or enter into any business combination with any entity, or to acquire or lease any other business operations.

- (cc) Disclosure of Material Contracts. All contracts and agreements material to Bradstone have been disclosed to HPB or are disclosed in the Bradstone Documents and Bradstone has not approved, entered into any binding agreement in respect of, or has any knowledge of, the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by Bradstone, whether by asset sale, transfer of shares or otherwise.
- (dd) No Broker's Commission. Bradstone has not entered into any agreement that would entitle any Person to any valid claim against Bradstone or HPB for a broker's commission, finder's fee, financial advisory fee or any like payment in respect of the Transaction or any other matter contemplated by this Agreement.
- (ee) Vote Required. The approval of the sole Bradstone shareholder is the only vote of the holders of any class or series of the securities of Bradstone necessary to approve this Agreement and the Amalgamation.
- (ff) Full Disclosure. The information and statements contained in this Agreement are true and correct in all material respects and together with the Bradstone Documents, constitute full, true and plain disclosure of all material facts relating to Bradstone, contain no misrepresentations and do not omit a material fact which is necessary to make the information and statements contained therein not misleading in light of the circumstances in which they were made.

Section 3.2 Representations and Warranties of HPB

HPB hereby represents and warrants to Bradstone, and hereby acknowledges that Bradstone is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation, as follows:

- (a) Organization. HPB has been organized and is validly subsisting under the laws of the province of Ontario and has full corporate or legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. HPB is registered and licensed in each jurisdiction where the nature of the business or its activities or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect.
- (b) Capitalization. The authorized capital of HPB consists of an unlimited number of HPB Shares. As at the date hereof, there were 15,780,000 HPB Shares outstanding. Except pursuant to this Agreement, there are no Convertible Securities or other rights, agreements, amalgamations or commitments (pre-emptive, contingent or otherwise) obligating HPB to issue or sell any HPB Shares, any securities or obligations of any kind convertible into or exchangeable for any HPB Shares. All issued and outstanding HPB Shares have been duly authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights.

(c) Authority. HPB has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by HPB as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by HPB and the completion of the transactions contemplated by this Agreement have been authorized by its board of directors and no other corporate proceedings on the part of HPB are necessary to authorize this Agreement or to complete the Transaction. This Agreement has been duly executed and delivered by HPB and constitutes a legal, valid and binding obligation of HPB enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by HPB of this Agreement and the performance by HPB of its obligations hereunder and the completion of the transactions contemplated by this Agreement, do not and will not:

- (i) result in a violation, contravention or breach of, or constitute a default under, or entitle any Person to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:
 - A. the articles of HPB;
 - B. any Law to which HPB is subject or bound, or
 - C. any contract, agreement or licence or permit to which HPB is bound or is subject to or of which HPB is the beneficiary;
- (ii) give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness owing by HPB, to come due before its stated maturity or cause any available credit to cease to be available;
- (iii) result in the imposition of any Encumbrance upon any of the property or assets of HPB or give any Person the right to acquire any HPB's assets, or restrict, hinder, impair or limit the ability of HPB to conduct the business of HPB as and where it is now being conducted; or
- (iv) result in the termination of any employment agreement with, or in any material payment (including severance, unemployment compensation, "golden parachute", bonus or otherwise) becoming due to, any director, officer or employee of HPB or increase any benefits otherwise payable under any pension or benefits plan of HPB or result in the acceleration of the time of payment or vesting of any such benefits,

which would, in the case of (i) to (iv), individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by HPB (A) in connection

with the execution and delivery of this Agreement or the performance by it of its obligations hereunder or the consummation by HPB of the Transaction or (B) in order that the authority of HPB to carry on its business in the ordinary course and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Transaction and in the Amalgamation other than filings with and approvals required by Securities Authorities.

- (d) Director Approvals. The HPB Board has authorized the entering into of this Agreement and the performance by it of its obligations hereunder.
- (e) HPB Subsidiaries. Aside from its wholly owned subsidiary Subco, HPB does not have any subsidiaries and HPB does not own, directly or indirectly, voting or equity interests in any other companies or entities and has no agreement or other commitment to acquire such interest.
- (f) No Defaults. HPB is not in default under and to the knowledge of HPB there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by HPB under any contract, agreement or licence to which any of them is a party or by which any of them is bound that would, individually or in the aggregate, have a Material Adverse Effect.
- (g) Absence of Changes. Except as set forth in the HPB Documents or contemplated by this Agreement, since December 31, 2014, except as expressly contemplated by this Agreement:
 - (i) HPB has not conducted any business;
 - (ii) HPB has not incurred or suffered a change that would have a Material Adverse Effect;
 - (iii) HPB has not effected any amendment to, or proposed to amend, its notice of articles or articles;
 - (iv) there has not been any acquisition or agreement to acquire by amalgamating, merging, consolidating or entering into a business combination with, purchasing substantially all the assets of or otherwise acquiring, any business or any corporation, partnership, association or other business organization or division thereof, which transaction would be material to HPB;
 - (v) there has not been any sale, lease, transfer, mortgage, hypothecation or other disposition of any of HPB's assets or properties, real, personal or mixed, immovable or movable (including securities), that are material, individually or in the aggregate, to HPB;
 - (vi) there has not been any incurrence, assumption or guarantee by HPB of any debt for borrowed money, any creation or assumption by HPB of any Encumbrance, any making by HPB of any loan, advance or capital contribution to or investment in, or the assumption, guarantee, endorsement or responsibility by HPB for the

obligations of, any other Person or any entering into, amendment of, relinquishment, termination or non-renewal by HPB of any contract, agreement, licence, lease transaction, commitment or other right or obligation that would, individually or in the aggregate, or is reasonably likely to, have a Material Adverse Effect;

- (vii) HPB has not effected or passed any resolution or agreed to any subdivision, consolidation, redemption, purchase, offer to purchase or any other acquisition or reclassification of any of the outstanding HPB Shares, declaration or payment of any dividends on or making of other distributions (whether in cash, shares or property, or any combination thereof) or reduction in the stated capital in respect of its shares;
 - (viii) there has not been any compensation payable to or to become payable by HPB to any of its directors, officers, employees or consultants;
 - (ix) HPB has not effected any material change in its accounting methods, principles or practices; and
 - (x) HPB has not adopted any, or materially amended any bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (h) Contracts and Commitments. HPB is not a party to any material contract or agreement.
- (i) Employment Agreements. HPB does not have any employees.
- (j) Books and Records. The corporate records and minute books of HPB have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not omit material information required to be included. Financial books and records and accounts of HPB: (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of HPB; and (iii) accurately and fairly reflect the basis for the HPB Financial Statements.
- (k) Financial Matters. The HPB Financial Statements were prepared in accordance with IFRS, consistently applied, and fairly present in all material respects the financial condition of HPB at the respective dates indicated and the results of operations of HPB for the periods covered. HPB does not have any Liability or obligation (including, without limitation, Liabilities or obligations to fund any operations or work program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, not reflected in the HPB Financial Statements, except Liabilities and obligations incurred in the ordinary and regular course of business that would not reasonably be expected to have a Material Adverse Effect.
- (l) Liabilities. There are no Liabilities of HPB whether direct, indirect, absolute, contingent or otherwise that are not disclosed or reflected in the HPB Financial Statements, except

- (i) those incurred in the ordinary course of business since December 31, 2014; (ii) Liabilities for expenditures required by law since December 31, 2014; and (iii) Liabilities for reasonable expenditures made in connection with the Transaction.
- (m) Litigation. There is no claim, demand, dispute, notification of Liabilities, cause of action, action, suit, proceeding or investigation pending or in progress or, to the knowledge of HPB, threatened against or relating to HPB affecting any of their respective properties or assets before any Governmental Entity which individually or in the aggregate has, or would reasonably be expected to have, a Material Adverse Effect or that would materially impede the consummation of the Transaction. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of HPB, threatened against or relating to HPB before any Governmental Entity. Neither HPB nor any of its properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of HPB to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the Transaction, or that would have a Material Adverse Effect.
- (n) Operational Matters. Except as would not have or reasonably be expected to have a Material Adverse Effect:
- (i) all rentals, payments and obligations and other payments due or payable on or prior to the date hereof under or with respect to the direct or indirect assets of HPB have been properly and timely paid; and
- (ii) all costs, expenses, and Liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which HPB is directly or indirectly bound, have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.
- (o) Off-Balance Sheet Transactions. HPB is not a party to any “off-balance sheet” transactions or arrangements.
- (p) Insurance. HPB is not a party to any insurance policy.
- (q) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:
- (i) HPB has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and such Tax Returns are complete and correct in all material respects;
- (ii) HPB has: (A) duly and timely paid all Taxes due and payable by it; (B) duly and timely withheld all Taxes and other amounts required by Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Law to be remitted by it; and (C) duly and timely collected all amounts on account of sales or transfer taxes,

including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it;

- (iii) the charges, accruals and reserves for Taxes reflected on the HPB Financial Statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of HPB, adequate under IFRS to cover Taxes with respect to HPB for the periods covered thereby;
- (iv) HPB has not acquired property from a non-arm's length Person, within the meaning of the Tax Act: (A) for consideration the value of which is less than the fair market value of the property; or (B) as a contribution of capital for which no shares were issued by the acquirer of the property;
- (v) for the purposes of the Tax Act and any other relevant Tax purposes, HPB is resident in Canada; and
- (vi) there are no Encumbrances for Taxes upon any properties or assets of HPB (other than Encumbrances relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included in the HPB Financial Statements).
- (r) Tax Proceedings. There are no proceedings, investigations, audits, assessments, reassessments or claims now pending or, to the knowledge of HPB, threatened against HPB that propose to assess Taxes in addition to those reported in the Tax Returns and no waiver of any statute of limitations with respect to Taxes has been given or requested with respect to HPB.
- (s) Non-Arm's Length Transactions. Except for the HPB Director Payments, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to indebtedness by HPB) between HPB on the one hand, and any: (i) officer or director of HPB; (ii) any holder of record or, to the knowledge of HPB, beneficial owner of 5% or more of the voting securities of HPB; or (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (t) Reporting Status. HPB is a reporting issuer not in default in the Provinces of Ontario, British Columbia, and Alberta. The HPB Shares are not listed or posted on any stock exchange.
- (u) Reports. HPB has made all filings as required under Applicable Securities Laws. HPB has filed with the Securities Authorities a true and complete copy of the HPB Documents. The HPB Documents, at the time filed or, if amended, as of the date of such amendment complied in all material respects with the requirements of Applicable Securities Law, except where such non-compliance has not had and would not reasonably be expected to have a Material Adverse Effect. HPB has not filed any confidential material change or

other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential.

- (v) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon HPB that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing any material business practice of HPB, any acquisition of material property by HPB or the conduct of business by HPB as currently conducted.
- (w) No Cease Trade. HPB is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of HPB, no investigation or other proceedings involving HPB that may operate to prevent or restrict trading of any securities of HPB are currently in progress or pending before any applicable stock exchange or Securities Authority.
- (x) Registration Rights. No holder of securities issued by HPB has any contractual right to compel HPB to register or otherwise qualify such securities for public sale in the United States.
- (y) No Option on Assets. No Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from HPB of any of the material assets of HPB, other than as described or contemplated in this Agreement.
- (z) Certain Contracts. Except pursuant to the order granted by the OSC lifting the previously issued cease trade order on the HPB Shares, HPB is not a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to: (i) limit the manner or the localities in which all or any material portion of the business of HPB are conducted; (ii) limit any business practice of HPB in any material respect; or (iii) restrict or require any acquisition or disposition of any property by HPB in any material respect.
- (aa) No Agreement to Merge. Except as contemplated hereby, HPB does not have any agreement of any nature whatsoever to acquire, merge or enter into any business combination with any entity, or to acquire or lease any other business operations.
- (bb) No Significant Transactions. Other than the Transaction contemplated by this Agreement, there are no “significant acquisitions”, “significant dispositions” and “significant probable acquisitions”, as such terms are defined in Applicable Securities Laws, for which HPB is required, pursuant to Applicable Securities Laws, to prepare additional financial disclosure for the HPB Circular.
- (cc) Disclosure of Material Contracts. Other than as contemplated in this Agreement, HPB is not a party to any contracts and agreements material to HPB.
- (dd) HPB Shares. The HPB Shares to be issued pursuant to the Amalgamation will, upon issue, be issued as fully paid and non-assessable shares of HPB, provided that they are issued in accordance with the Amalgamation.

- (ee) No Broker's Commission. HPB has not entered into any agreement that would entitle any Person to any valid claim against Bradstone or HPB for a broker's commission, finder's fee, financial advisory fee or any like payment in respect of the Transaction or any other matter contemplated by this Agreement.
- (ff) Full Disclosure. The information and statements contained in this Agreement are true and correct in all material respects and together with the HPB Documents, constitute full, true and plain disclosure of all material facts relating to HPB, contain no misrepresentations and do not omit a material fact which is necessary to make the information and statements contained therein not misleading in light of the circumstances in which they were made.

Section 3.3 Representations and Warranties of Subco

Subco hereby represents and warrants to Bradstone, and hereby acknowledges that Bradstone is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation, as follows:

- (a) Organization. Subco has been organized, is validly subsisting under the laws of the province of Ontario and has full corporate or legal power and authority to conduct its business as currently owned and conducted. All of the issued and outstanding shares and other ownership interests in Subco have been duly authorized and are validly issued, and are fully paid and non-assessable. All of the outstanding shares of Subco are owned, directly or indirectly, by HPB. Except pursuant to restrictions on transfer contained in the articles or by-laws (or their equivalent) of Subco, the outstanding shares of Subco are owned free and clear of all Encumbrances.
- (b) Capitalization. The authorized capital of Subco consists of an unlimited number of Subco Shares. As at the date hereof, there are 100 Subco Shares outstanding. Except as set forth pursuant to this Agreement, there are no Convertible Securities or other rights, agreements, amalgamations or commitments (pre-emptive, contingent or otherwise) obligating Subco to issue or sell any Subco Shares, any securities or obligations of any kind convertible into or exchangeable for any Subco Shares or any other Person.
- (c) Authority. Subco has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Subco as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Subco and the completion of the transactions contemplated by this Agreement have been authorized by its board of directors and no other corporate proceedings on the part of Subco are necessary to authorize this Agreement or to complete the Transaction. This Agreement has been duly executed and delivered by Subco and constitutes a legal, valid and binding obligation of Subco enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Subco of this Agreement and the performance by Subco of its obligations hereunder and the completion of the transactions

contemplated by this Agreement, do not and will not result in a violation, contravention or breach of, or constitute a default under, or entitle any Person to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:

- A. the notice of articles or articles (or their equivalent) of Subco;
- B. any Law to which Subco is subject or bound, or
- C. any contract, agreement or licence or permit to which Subco is bound or is subject to or of which Subco is the beneficiary;

which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Subco (A) in connection with the execution and delivery of this Agreement or the performance by it of its obligations hereunder or the consummation by Subco of the Transaction or (B) in order that the authority of Subco to carry on its business in the ordinary course and in the same manner as presently conducted remains in good standing and in full force and effect as of and following the closing of the Transaction and in the Amalgamation.

- (d) Director Approvals. The board of directors of Subco has authorized the entering into of this Agreement and the performance by it of its obligations hereunder.
- (e) Subco Subsidiaries. Subco has no subsidiaries.
- (f) Litigation. There is no claim, demand, dispute, notification of Liabilities, cause of action, action, suit, proceeding or investigation pending or in progress or, to the knowledge of Subco, threatened against or relating to Subco affecting any of its properties or assets before any Governmental Entity which individually or in the aggregate has, or would reasonably be expected to have, a Material Adverse Effect or that would materially impede the consummation of the Transaction. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Subco, threatened against or relating to Subco before any Governmental Entity.
- (g) Reporting Status. Subco is not a “reporting issuer” or equivalent under Applicable Securities Law.
- (h) No Agreement to Merge. Except for this Agreement or as contemplated hereby, Subco does not have any agreement of any nature whatsoever to acquire, merge or enter into any business combination with any entity, or to acquire or lease any other business operations.
- (i) Full Disclosure. The information and statements contained in this Agreement are true and correct in all material respects and constitute full, true and plain disclosure of all material facts relating to Subco, contain no misrepresentations and do not omit a material

fact which is necessary to make the information and statements contained therein not misleading in light of the circumstances in which they were made.

Section 3.4 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall terminate and merge at the Effective Time on the completion of the Transaction. Any investigation by HPB or Bradstone and their respective advisors shall not mitigate, diminish or affect the representations and warranties contained in this Agreement.

ARTICLE 4 COVENANTS

Section 4.1 Covenants of Bradstone

Subject to Section 6.1, Bradstone hereby covenants and agrees with HPB as follows:

- (a) Proceedings. In a timely and expeditious manner, Bradstone shall take all such actions and do all such acts and things as are specified herein.
- (b) Copy of Documents. Bradstone shall furnish promptly to HPB a copy of any material filing under any applicable Law and any material dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting the Transaction.
- (c) Information for HPB Circular. In a timely and expeditious manner, Bradstone shall provide information as may be reasonably requested by HPB or as required by applicable Laws with respect to Bradstone and its businesses and properties for inclusion in the HPB Circular or in any amendment or supplement to the HPB Circular that complies in all material respects with all applicable Laws on the date of the mailing thereof and containing all material facts relating to Bradstone required to be disclosed in the HPB Circular and not containing any misrepresentation or untrue statement of material fact or omit to state a material fact required to be stated therein in order to make any information so furnished for use in any such document not misleading in light of the circumstances in which it is provided with respect thereto. Bradstone shall fully cooperate with HPB in the preparation of the HPB Circular and shall provide such assistance as HPB may reasonably request in connection therewith.
- (d) Usual Business. Other than in contemplation of or as required to give effect to the Transaction, Bradstone shall conduct business only in, and not take any action except in, the ordinary course of business and consistent with past practice.
- (e) Certain Actions Prohibited. Other than in contemplation of or as required to give effect to the Transaction or as required by applicable Law, Bradstone shall not, without the prior written consent of HPB (such consent not to be unreasonably withheld), directly or indirectly, do or permit to occur any of the following:
 - (i) expend or commit to expend any amount above \$10,000;

- (ii) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to do so, any shares of, or any Convertible Securities or rights of any kind to acquire any shares of, Bradstone;
- (iii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other Persons), sell, lease, encumber or otherwise dispose of, any property or assets or enter into any agreement or commitment in respect of any of the foregoing outside of the ordinary course of business;
- (iv) amend or propose to amend the articles (or their equivalent) of Bradstone as they exist at the date of this Agreement;
- (v) reduce its stated capital, or split, combine or reclassify any of the Bradstone Shares, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the Bradstone Shares;
- (vi) redeem, purchase or offer to purchase any Bradstone Shares and any options or obligations or rights under existing contracts, agreements and commitments;
- (vii) adopt resolutions or enter into any agreement providing for the reorganization, amalgamation, arrangement, merger, consolidation, liquidation or dissolution of Bradstone with any other Person or any other extraordinary transaction in respect of Bradstone or adopt any plan of liquidation;
- (viii) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity;
- (ix) (A) satisfy or settle any claim, dispute, Liability or obligation, except such as have been included in the Bradstone Financial Statements; (B) grant any waiver, exercise any option or relinquish any contractual rights; or (C) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments;
- (x) incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money;
- (xi) except as required by IFRS, any other generally accepted accounting principles to which Bradstone may be subject, or any applicable Law, make any changes to the existing accounting practices of Bradstone, or make any material Tax election inconsistent with past practice;
- (xii) adopt any stock option plan or any other bonus, profit sharing, option, deferred compensation, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees;

- (xiii) enter into or modify any agreements or arrangements or take any other action that would reasonably be expected to adversely affect the value of the assets or shares of Bradstone;
 - (xiv) enter into or amend any agreements, arrangements or transactions with any related entity; or
 - (xv) enter into, without the prior consent of HPB, new commitments of a capital expenditure nature or incur any new Liabilities other than: (A) expenditures required by Law; and (B) expenditures made in connection with or in the furtherance of the Transaction.
- (f) Employment Arrangements. Except as contemplated hereby, Bradstone shall not, without the prior written consent of HPB, enter into or modify any employment, consulting or severance agreement, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of Bradstone.
- (g) Insurance. Bradstone shall use commercially reasonable efforts to cause their respective current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of internationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.
- (h) Certain Actions. Bradstone shall:
- (i) not take any action, or refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to impede the completion of the Transaction or would render, or that could reasonably be expected to render, any representation or warranty made by Bradstone in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made, or which would have a Material Adverse Effect; and
 - (ii) promptly notify HPB of: (A) any change, event, occurrence or state of facts that would reasonably be expected to have a Material Adverse Effect, (B) any Governmental Entity or third Person complaints, investigations or hearings (or communications indicating that the same may be contemplated), (C) any breach by Bradstone of any covenant or agreement contained in this Agreement, and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Bradstone contained in this Agreement, if made on

or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect.

- (i) Contractual Obligations. Without the prior written agreement of HPB or as contemplated by this Agreement, Bradstone shall not renew or modify in any respect any material contract, agreement, lease, commitment or amalgamation to which Bradstone is a party or by which either of them is bound, except insofar as may be necessary to permit or provide for the completion of the Transaction.
- (j) Satisfaction of Conditions. Bradstone shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Transaction subject to the terms of this Agreement, including using its commercially reasonable efforts to:
 - (i) cause GC Global Capital Corp. to obtain the approval for the Amalgamation in accordance with the requirements of TSXV;
 - (ii) obtain all other consents, approvals and authorizations as are required to be obtained by Bradstone under any applicable Laws or from any Governmental Entity that would, if not obtained, materially impede the completion of the Transaction or have a Material Adverse Effect;
 - (iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Transaction and participate and appear in any proceedings of any Party hereto before any Governmental Entity;
 - (iv) obtain all third party consents and approvals and give any notices required under any of the material contracts;
 - (v) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the Transaction or seeking to stop, or otherwise adversely affecting the ability of Bradstone to consummate the Transaction;
 - (vi) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by Bradstone; and
 - (vii) co-operate with HPB in connection with the performance by HPB of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Bradstone to pay or cause to be paid any monies or incur any Liability to cause such performance to occur.
- (k) Keep Fully Informed. Subject to applicable Laws, Bradstone shall use commercially reasonable efforts to keep HPB informed as to the material decisions or actions required

to be made with respect to the operation of its business and matters affecting the Transaction.

- (l) Co-operation. Bradstone shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the Transaction and take all reasonable action necessary to be in compliance with such Laws.
- (m) Representations. Bradstone shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Bradstone contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (n) Continuing Review. Subject to applicable Laws, Bradstone shall continue to make available and cause to be made available to HPB and its agents and advisors all documents, agreements, corporate records and minute books as may be necessary to enable HPB to effect a thorough examination of Bradstone and the business, properties and financial status thereof, and shall cooperate with HPB in securing access for HPB to any documents, agreements, corporate records or minute books not in the possession or under the control of Bradstone. Subject to applicable Laws, upon reasonable notice, Bradstone shall afford the officers, employees, counsel, accountants and other authorized representatives and advisors of HPB reasonable access, during normal business hours from the date hereof until the earlier of the Effective Time and the termination of this Agreement, to the properties, books, contracts and records as well as to the management personnel of Bradstone and during such period, Bradstone shall furnish promptly to HPB all information concerning the business, properties and personnel of Bradstone as HPB may reasonably request, except as limited by any applicable privacy laws.
- (o) Closing Documents. Bradstone shall execute and deliver, or cause to be executed and delivered, at the closing of the Transaction such customary agreements, certificates, resolutions, and other customary closing documents as may be reasonably required by HPB, all in form satisfactory to HPB, acting reasonably.
- (p) Marathon Mortgage Corporation. Bradstone shall obtain financial statements and other information from Marathon Mortgage Corporation such that HPB can meet all of its applicable securities law disclosure requirements as a reporting issuer.
- (q) OSC Undertaking. Bradstone shall fully comply with the undertaking it provided to the OSC dated March 2, 2015 in connection with the Transaction.
- (r) Amalco Cash Balance. Bradstone shall undertake a financing in a minimum amount of the Amalco Cash Balance.
- (s) Completion Date. Bradstone shall use commercially reasonable efforts to complete the Transaction on or prior to the Completion Deadline.
- (t) Agreements. Bradstone shall not release any third party (except in accordance with the terms of such agreements) from any confidentiality or standstill agreement to which Bradstone and such third party are parties or amend any of the foregoing and shall

exercise all rights to require the return of information regarding Bradstone previously provided to such parties.

- (u) Indemnification. Bradstone shall indemnify and save harmless HPB and the directors, officers and agents of HPB from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which HPB, or any director, officer or agent thereof may be subject or which HPB or any director, officer or agent thereof may suffer or incur, whether under the provisions of statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any misrepresentation or alleged misrepresentation in information concerning Bradstone contained or incorporated by reference in the HPB Circular.

Section 4.2 Covenants of HPB

HPB and Subco hereby covenant and agree with Bradstone as follows:

- (a) Proceedings. In a timely and expeditious manner, HPB and Subco shall take all such actions and do all such acts and things as are specified herein (including issuing the HPB Shares contemplated pursuant to the Amalgamation).
- (b) HPB Circular. HPB shall use all commercially reasonable efforts to prepare, in consultation with Bradstone, the HPB Circular and any other documents required under Applicable Securities Law in connection with the HPB Meeting and listing of the HPB Shares on the CSE. HPB shall use commercially reasonable efforts to obtain consents of auditors and other advisors to use financial, technical or expert information in the HPB Circular.
- (c) HPB Meeting. HPB shall cause the Name Change, the Share Consolidation and the creation of the New HPB Shares to be considered for approval at the HPB Meeting, and upon the approval thereof, the HPB Shares shall be converted into subordinate voting shares of HPB.
- (d) Copy of Documents. HPB shall furnish promptly to Bradstone a copy of any material filing under any applicable Law and any material dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting the Transaction.
- (e) Usual Business. Other than in contemplation of or as required to give effect to the Transaction, HPB shall, and shall cause Subco to, conduct business only in, and not take any action except in the ordinary course of business and consistent with past practice.
- (f) Certain Actions Prohibited. Other than in contemplation of or as required to give effect to the Transaction or as required by applicable Law, neither HPB nor Subco shall, without the prior written consent of Bradstone (such consent not to be unreasonably withheld), directly or indirectly, do or permit to occur any of the following, except where to do so would be in the ordinary course of business and consistent with past practice:

- (i) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on or agree do so, any shares of, or any Convertible Securities or rights of any kind to acquire any shares of HPB;
 - (ii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been or may be exercised or initiated by other Persons), sell, lease, encumber or otherwise dispose of any property or assets or enter into any agreement or commitment in respect of any of the foregoing outside of the ordinary course of business;
 - (iii) amend or propose to amend the articles (or their equivalent) of HPB;
 - (iv) reduce its stated capital, or split, combine or reclassify any of the HPB Shares or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the HPB Shares;
 - (v) redeem, purchase or offer to purchase any HPB Shares and any options or obligations or rights under existing contracts, agreements and commitments;
 - (vi) adopt resolutions or enter into any agreement providing for the reorganization, amalgamation, arrangement, merger, consolidation, liquidation or dissolution of HPB or Subco with any other Person or any other extraordinary transaction in respect of HPB, Subco or adopt any plan of liquidation;
 - (vii) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity;
 - (viii) (A) satisfy or settle any claim, dispute, Liability or obligation, except such as have been included in HPB Financial Statements; (B) grant any waiver, exercise any option or relinquish any contractual rights; or (C) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments;
 - (ix) enter into or amend any agreements, arrangements or transactions with any related entity; or
 - (x) enter into or modify in any material respect any agreements or amalgamations or take any other action that would reasonably be expected to have a Material Adverse Effect.
- (g) Certain Actions. HPB shall:
- (i) comply promptly with all requirements which applicable Law may impose on HPB with respect to the Transaction;
 - (ii) not take any action, or refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to

materially impede the completion of the Transaction or would render, or that could reasonably be expected to render, any representation or warranty made by HPB in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made, or which would have a Material Adverse Effect, and

- (iii) promptly notify Bradstone of: (A) any change, event, occurrence or state of facts that would reasonably be expected to have a Material Adverse Effect, (B) any material Governmental Entity or third Person complaints, investigations or hearings (or communications indicating that the same may be contemplated), (C) any material breach by HPB of any covenant or agreement contained in this Agreement, and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of HPB contained in this Agreement, if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect.
- (h) Contractual Obligations. HPB and Subco shall provide notice to Bradstone in the event HPB, Subco enter into, renew or modify in any respect any material contract, agreement, lease, commitment or amalgamation to which HPB, Subco is a party or by which either of them is bound, except insofar as may be necessary to permit or provide for the completion of the Transaction.
- (i) Satisfaction of Conditions. HPB and Subco shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all of the conditions precedent to its obligations to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Transaction, including using its commercially reasonable efforts to:
 - (i) obtain all consents, approvals and authorizations as are required to be obtained by HPB or Subco under any applicable Law or from any Governmental Entity that would, if not obtained, materially impede the completion of the Transaction or have a Material Adverse Effect;
 - (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Transaction and participate, and appear in any proceedings of, any Party hereto before any Governmental Entity;
 - (iii) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the Transaction or seeking to stop, or otherwise adversely affecting the ability of the Parties hereto to consummate, the Transaction;
 - (iv) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by HPB or Subco;

- (v) co-operate with Bradstone in connection with the performance by Bradstone of its obligations hereunder, provided however that, other than as contemplated hereby, the foregoing shall not be construed to obligate HPB to pay or cause to be paid any monies to cause such performance to occur;
 - (vi) obtain all third party consents and approvals and give any notices required under any of the material contracts; and
 - (vii) reserve a sufficient number of HPB Shares for issuance upon completion of the Amalgamation.
- (j) Keep Fully Informed. Subject to applicable Laws, HPB shall use commercially reasonable efforts to keep Bradstone informed as to the material decisions or actions required to be made with respect to the operation of its business and matters affecting the Transaction.
- (k) Cooperation. HPB and Subco shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the Transaction and take all reasonable action necessary to be in compliance with such Laws.
- (l) Representations. Each of HPB and Subco shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of HPB and Subco contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (m) Continuing Review. Subject to applicable Laws, HPB and Subco shall continue to make available and cause to be made available to Bradstone and its agents and advisors all documents, agreements, corporate records and minute books as may be necessary to enable Bradstone to effect a thorough examination of HPB and Subco and the business, properties and financial status thereof, and shall cooperate with Bradstone in securing access for Bradstone to any documents, agreements, corporate records or minute books not in the possession or under the control of HPB. Subject to applicable Laws, upon reasonable notice, HPB shall afford the officers, employees, counsel, accountants and other authorized representatives and advisors of Bradstone reasonable access, during normal business hours from the date hereof until the earlier of the Effective Time and the termination of this Agreement, to the properties, books, contracts and records as well as to the management personnel of HPB and during such period, HPB and Subco shall furnish promptly to Bradstone all information concerning the business, properties and personnel of HPB and Subco as Bradstone may reasonably request, except as limited by any applicable privacy laws.
- (n) Closing Documents. HPB and Subco shall execute and deliver, or cause to be executed and delivered at the closing of the Transaction such customary agreements, certificates, resolutions and other closing documents as may be reasonably required by Bradstone, all in form satisfactory to Bradstone, acting reasonably.

- (o) OSC Undertaking. HPB shall fully comply with the undertaking it provided to the OSC dated March 2, 2015 in connection with the Transaction.
- (p) Listing. HPB will take all actions necessary to cause the HPB Shares to be listed and posted for trading on the CSE.
- (q) Completion Date. HPB shall use commercially reasonable efforts to complete the Transaction on or prior to the Completion Deadline.
- (r) Consideration Paid to Dissenters. HPB shall pay to any Dissenting Shareholders the full value of their HPB Shares.

Section 4.3 Confidentiality

Until the earlier of two years following the Effective Date or the termination of this Agreement, all information discovered or acquired by each of the Parties (the “**Confidential Information**”), in any form whether written, electronic or verbal, as to financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the other Party, will be kept confidential by each Party hereto and not be utilized for any purpose except in connection with the Amalgamation, notwithstanding either the termination of this Agreement or its completion, other than information that:

- (a) was generally available to the public prior to the date of this agreement or has become, other than due to the default of the other Party, generally available to the public;
- (b) was available to a Party on a non-confidential basis before the date of this Agreement;
- (c) has become available to a Party on a non-confidential basis from a Person who is not otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the Party; or
- (d) a Party is legally required or compelled to disclose under applicable Law or in any governmental, administrative, or judicial process.

No Confidential Information may be released to third parties other than legal counsel and other advisors to the Parties without the prior consent of the provider thereof, except to the extent that such Confidential Information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents. Notwithstanding the generality of the foregoing, the Parties acknowledge and agree that this Agreement will be publically filed by HPB under its profile on the SEDAR website at www.sedar.com promptly following execution.

ARTICLE 5 CONDITIONS

Section 5.1 Mutual Conditions

The respective obligations of the Parties to complete the Transaction are subject to the fulfillment of the following conditions at or before the Effective Time or such other time as is specified below:

- (a) the HPB Shareholder Approval shall have been obtained, including the Share Consolidation, the Name Change, and the creation of the Subordinate HPB Shares and the Multiple HPB Shares;
- (b) the Effective Time shall occur on or before the Completion Deadline;
- (c) there shall not be in force any Law, ruling, order or decree, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Transaction in accordance with the terms of this Agreement or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Transaction that has a Material Adverse Effect;
- (d) each of the Parties shall have obtained all consents, approvals, and authorization (including, without limitation, all stock exchange, securities commission and other regulatory approvals) required or necessary to permit, the completion of the Amalgamation and the transactions contemplated herein, on terms that are satisfactory to each of Bradstone and HPB, each acting reasonably;
- (e) the distribution of the HPB Shares pursuant to the Transaction shall be exempt from, or otherwise not subject to, the prospectus and registration requirements of applicable Canadian securities laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian securities laws and shall not be subject to resale restrictions under applicable Canadian securities laws (other than as applicable to control persons or pursuant to Section 2.6 of National Instrument 45-102);
- (f) Amalco or HPB will have working capital in an amount not less than the Amalco Cash Balance; and
- (g) this Agreement shall not have been terminated pursuant to Article 7 hereof.

The foregoing conditions are for the mutual benefit of the Parties and may be waived in respect of a Party, in whole or in part by such Party in writing at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Completion Deadline or, if earlier, the date required for the satisfaction thereof, then, subject to Section 5.4 of this Agreement either Party may terminate this Agreement by written notice to the other Party in

circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such terminating Party.

Section 5.2 Conditions Precedent to the Obligations of Bradstone

The obligation of Bradstone to complete the Transaction is subject to the fulfillment of the following additional conditions at or before the Effective Date or such other time as is specified below:

- (a) the representations and warranties made by HPB and Subco in this Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date) and HPB and Subco shall each have provided Bradstone with a certificate of an officer of HPB and Subco, respectfully, certifying as to such matters;
- (b) HPB and Subco shall have each performed and complied in all material respects with its covenants and obligations herein and HPB and Subco shall have each provided to Bradstone a certificate of an officer thereof, certifying that, as of the Effective Date, they have so complied with their covenants and obligations herein;
- (c) the CSE shall have conditionally approved the listing thereon of the subordinate voting shares of HPB to be issued pursuant to the Amalgamation as of the Effective Time;
- (d) the directors and officers of HPB have resigned, and replacements appointed or elected as applicable to take their places such that the HPB Board and the officers of HPB mirror that of Amalco;
- (e) from the date of this Agreement to the Effective Date, there shall not have occurred, and HPB shall not have incurred or suffered, any one or more changes, effects, events, occurrences or state of facts that, either individually or in the aggregate, has, a Material Adverse Effect, as a whole; and
- (f) HPB and Subco shall each have provided Bradstone with:
 - (i) Certified copies of the resolutions duly passed by the HPB Board and the board of directors of Subco, respectively, approving this Agreement and the consummation of the transactions contemplated hereby;
 - (ii) Copy of the scrutineer's report of HPB's transfer agent from the HPB Meeting confirming that the HPB Shareholders approved the Transaction; and
 - (iii) Certified copies of the resolutions of the sole shareholder of Subco approving this Agreement and the consummation of the transactions contemplated hereby.

The foregoing conditions are for the benefit of Bradstone and may be waived, in whole or in part, by Bradstone in writing at any time. If any of such conditions shall not be complied with or waived by Bradstone on or before the Completion Deadline or, if earlier, the date required for the

performance thereof, then, subject to Section 5.4 hereof, Bradstone may terminate this Agreement by written notice to HPB in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Bradstone.

Section 5.3 Conditions Precedent to the Obligations of HPB

The obligation of HPB to complete the Transaction is subject to the fulfillment of the following additional conditions at or before the Effective Date or such other time as is specified below:

- (a) the representations and warranties made by Bradstone in this Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date) and Bradstone shall each have provided HPB with a certificate of an officer of Bradstone certifying as to such matters;
- (b) Bradstone shall have performed and complied in all material respects with its covenants and obligations herein and Bradstone shall have provided to HPB, a certificate an officer thereof certifying that, as of the Effective Date, Bradstone has so complied with its covenants and obligations herein;
- (c) HPB shall have entered into agreements with the appropriate parties with respect to the Director Payments, the Additional HPB Payments and the Consulting Payment.
- (d) from the date of this Agreement to the Effective Date, there shall not have occurred, and Bradstone shall not have incurred or suffered, any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, a Material Adverse Effect, taken as a whole; and
- (e) Bradstone shall have provided HPB with certified copies of the resolutions duly passed by the Bradstone Board approving this Agreement and the consummation of the transactions contemplated hereby.

The foregoing conditions are for the benefit of HPB and may be waived, in whole or in part, by HPB in writing at any time. If any of such conditions shall not be complied with or waived by HPB on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to Section 5.4 hereof, HPB may terminate this Agreement by written notice to Bradstone in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by HPB.

Section 5.4 Notice and Cure Provisions

Each Party shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, would be likely to or could reasonably be expected to:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any respect on the date hereof or on the Effective Date;

- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other Party contained in Section 5.1, Section 5.2 or Section 5.3, as the case may be.

Subject as herein provided, a Party may (i) elect not to complete the Transaction by virtue of the conditions contained in Section 5.1, Section 5.2 or Section 5.3 hereof not being satisfied or waived or exercise any termination right, arising therefrom or (ii) exercise any termination right arising therefrom; provided, however, that (A) the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be, and (B) if any such notice is delivered, and a Party is proceeding diligently, at its own expense, to cure such matter, if such matter is susceptible of being cured, the Party that has delivered such notice may not terminate this Agreement until the earlier of the Completion Deadline and the expiration of a period of 15 days from the date of delivery of such notice. If such notice has been delivered prior to the date of the HPB Meeting, the HPB Meeting shall be adjourned or postponed until the expiry of such period.

Section 5.5 Merger of Conditions

If no notice has been sent by either Party pursuant to Section 5.4 prior to the Effective Time, the conditions set out in Section 5.1, Section 5.2 or Section 5.3 hereof shall be conclusively deemed to have been satisfied, fulfilled or waived as of the Effective Time.

ARTICLE 6 NON-SOLICITATION

Section 6.1 Mutual Covenant Regarding Non-Solicitation

Bradstone and HPB shall, and shall direct and cause its respective officers, directors, employees, representatives, advisors and agents and its subsidiaries and their representatives, advisors, agents, officers, directors and employees to immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any parties that may be ongoing with respect to an Acquisition Proposal whether or not initiated by Bradstone, HPB or any of their respective representatives.

ARTICLE 7 AMENDMENT AND TERMINATION

Section 7.1 Amendment

This Agreement may, at any time and from time to time before or after the holding of the HPB Meeting be amended by mutual written agreement of the Parties without, except as required by applicable Law, further notice to or authorization on the part of the HPB Shareholders and any such amendment may, without limitation:

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

Section 7.2 Termination

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by the mutual written consent of HPB, Subco, and Bradstone;
- (b) by either HPB or Bradstone, if there shall be any Law that makes consummation of the Transaction illegal or otherwise prohibited;
- (c) by either HPB or Bradstone, if the Effective Date does not occur on or prior to the Completion Deadline provided, however, that the right to terminate this Agreement under this subsection 7.2(c) shall not be available to any Party whose failure or whose Subsidiary's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before such date;
- (d) by either HPB or Bradstone, if any condition set out in Section 5.1 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Completion Deadline provided, however, that the right to terminate this Agreement under this subsection 7.2(d) shall not be available to any Party whose failure or whose affiliate's failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before such date
- (e) by Bradstone if either HPB or Subco is in breach of any of its representations, warranties, or fails to perform any of its covenants made in this Agreement which breach or failure to perform individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Effect or materially impedes or would reasonably be expected to materially impede the completion of the Transaction, and HPB fails to cure such breach in accordance with section 5.4 herein;
- (f) by HPB if Bradstone is in breach of any of its representations, warranties, or fails to perform any of its covenants made in this Agreement which breach or failure to perform individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Effect or materially impedes or would reasonably be expected to materially impede the completion of the Transaction, and Bradstone fails to cure such breach in accordance with section 5.4 herein;

- (g) by Bradstone if any condition set out in Section 5.2 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Completion Deadline;
- (h) by HPB if any condition set out in 5.3 has not been satisfied (or is incapable of being satisfied) or has not been waived on or before the Completion Deadline provided;
- (i) by HPB if Bradstone withdraws, amends, changes or qualifies, or proposes publicly to withdraw, amend, change or qualify, in any manner adverse to HPB, its recommendations, approvals or determinations referred to in Section 3.1(d); and
- (j) by Bradstone if the HPB Board or the board of directors of Subco withdraws, amends, changes or qualifies, or proposes publicly to withdraw, amend, change or qualify, in any manner adverse to Bradstone, its recommendations, approvals or determinations referred to in Section 3.2(d) and Section 3.3(d) respectively.

provided that any termination by a Party in accordance with paragraphs above shall be made by such Party delivering written notice thereof to the other Party prior to the Effective Date and specifying therein in reasonable detail the matter or matters giving rise to such termination right.

If this Agreement is terminated in accordance with paragraphs (g) to (k) above, the Party (the “**Terminator**”) providing such notice of termination shall be entitled to the reimbursement of all costs and expenses (including but not limited to its legal and accounting costs) incurred in connection with the preparation, execution, delivery and performance of this Agreement and all documents and instruments executed pursuant to this Agreement and all transactions contemplated by this Agreement, howsoever incurred (the “**Costs**”). The Parties acknowledges that the Cost is a payment of liquidated damages which is a genuine pre-estimate of the damages that the Terminator will suffer or incur as a result of the event giving rise to such damages and the resultant non-completion of the Transaction and is not a penalty. Upon receipt by the Terminator of any Costs pursuant to this Section 7.2, the Terminator shall have no further claim against the other Party in respect of the failure to complete the Transaction, provided that nothing in this Section 7.2 shall preclude the Terminator from seeking injunctive relief to restrain any breach or threatened breach by the other Party of any of its obligations hereunder or otherwise to obtain specific performance without the necessity of the Terminator posting a bond or security in connection therewith. The Parties hereby irrevocably waive any right they may have to raise as a defence that the provisions of this Section 7.2 or any such provisions or the amounts therein are excessive or punitive.

ARTICLE 8 GENERAL

Section 8.1 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party shall be in writing and shall be delivered by hand to the Party to which the notice is to be given at the following address, or sent by facsimile or email to the following numbers or email addresses or to such other address, facsimile number, or email address as shall be specified by a Party by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on

the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by facsimile or email be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:00 p.m. (Toronto time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties shall be as follows:

(a) if to HPB:

HPB Investments Inc.
11 King St. W., Suite 700, Box 27
Toronto, Ontario
M5H 4C7

Attention: Michael Allen, Chief Executive Officer
Facsimile: 416-480-2646
Email: MAllen@collinsbarrow.com

(b) if to Bradstone:

Bradstone Financial Corp.
25 Adelaide Street East, Suite 1300
Toronto, Ontario
M5C 3A1

Attention: Jason Ewart, Chief Operating Officer and Director
Facsimile: (416) 483-1516
Email: jewart@gcglobalcapital.ca

in each case, with a copy (which shall not constitute notice) to:

Chitiz Pathak LLP
320 Bay Street, Suite 1600
Toronto, Ontario M5H 4A6
Attention: Ryan Hunter
Facsimile: (416) 368-0300
Email: rhunter@chitizpathak.com

Section 8.2 Remedies

The Parties acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by either Party or its representatives and advisors and that such breach may cause the non-breaching Party irreparable harm. Accordingly, the Parties agree that, in the event of any such breach or threatened breach of this Agreement by one of the Parties, Bradstone (if HPB or Subco is the breaching Party) or HPB (if Bradstone is the breaching Party) will be entitled, without the requirement of posting a bond or other security, to seek equitable relief,

including injunctive relief and specific performance. Subject to any other provision hereof, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the Parties.

Section 8.3 Expenses

The Parties agree that all out-of-pocket expenses incurred in connection with this Agreement and the Transaction, the HPB Meeting, and the preparation and mailing of the HPB Circular, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, shall be a payment obligation of Amalco.

Section 8.4 Time of the Essence

Time shall be of the essence in this Agreement.

Section 8.5 Entire Agreement

This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements (including without limitation the letter of intent between HPB and Bradstone dated January 26, 2015), understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

Section 8.6 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Amalgamation.

Section 8.7 Governing Law

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

Section 8.8 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by facsimile or PDF shall be effective as delivery of a manually executed counterpart of this Agreement, and either Party delivering an executed counterpart of the signature page to this Agreement by facsimile or email to the other Party shall thereafter also promptly deliver a manually executed original counterpart of this Agreement to such other Party, but the failure to

deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

Section 8.9 Waiver

No waiver or release by a Party shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 7.1.

Section 8.10 No Personal Liability

- (a) No director or officer of Bradstone shall have any personal Liability whatsoever (other than in the case of fraud or willful misconduct) to HPB or Subco under this Agreement or any other document delivered in connection with this Agreement or the Transaction by or on behalf of Bradstone.
- (b) No director or officer of HPB shall have any personal Liability whatsoever (other than in the case of fraud or willful misconduct) to Bradstone under this Agreement or any other document delivered in connection with this Agreement or the Transaction by or on behalf of HPB.

Section 8.11 Enurement and Assignment

This Agreement shall enure to the benefit of the Parties and their respective successors and permitted assigns and shall be binding upon the Parties and their respective successors. This Agreement may not be assigned by any Party without the prior written consent of each of the other Parties.

[Remainder of page intentionally left blank.]

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

HPB INVESTMENTS INC.

Per: *"Signed"*

Name: Michael Allen

Title: President

BRADSTONE FINANCIAL CORP.

Per: *"Signed"*

Name: Jason Ewart

Title: President and CEO

2457104 ONTARIO INC.

Per: *"Signed"*

Name: Michael Allen

Title: President

Schedule "A"

Rights, Privileges, Restrictions and Conditions attaching to the New HPB Shares, being the Subordinate Voting Shares and Multiple Voting Shares.

SUBORDINATE VOTING SHARES AND MULTIPLE VOTING SHARES

1. VOTING RIGHTS

1.1 The holders of the Subordinate Voting Shares shall be entitled to one (1) vote for each Subordinate Voting Share held by them at all meetings of shareholders.

1.2 Subject to the other provisions hereinafter set out, the holders of the Multiple Voting Shares shall be entitled to four (4) votes for each Multiple Voting Share held by them at all meetings of shareholders.

2. LIQUIDATION, DISSOLUTION OR OTHER DISTRIBUTION OF ASSETS

In the event of the voluntary or involuntary liquidation, dissolution, winding-up or other distribution of assets of the Corporation, the holders of the Subordinate Voting Shares and of the Multiple Voting Shares shall be entitled to receive the remaining property of the Corporation, *pari passu*, subject to the other provisions set forth herein, to receive such dividends as may be declared by the directors of the Corporation from time to time.

3. DIVIDENDS

The holders of the Subordinate Voting Shares and of the Multiple Voting Shares shall be entitled, *pari passu*, subject to the other provisions herein, to receive such dividends as may be declared by the directors of the Corporation from time to time.

4. CONVERTIBILITY

The holders of the Multiple Voting Shares shall have the right, at any time, to require that the Corporation exchange Multiple Voting Shares held by them into Subordinate Voting Shares, on the basis of one (1) Subordinate Voting Share for each Multiple Voting Share to be exchanged. Such exchange shall be completed by the remittance to the Corporation of a written notice to that effect together with the share certificates duly endorsed for transfer to the Corporation.

5. AMENDMENTS SUBJECT TO CONFIRMATION BY ARTICLES OF AMENDMENT

Subject to confirmation by articles of amendment and the issue of a Certificate of Amendment, the directors of the Corporation may, at any time or from time to time, adopt a resolution whereby the terms hereof may be altered, amended or repealed or the application thereof suspended in any particular case and changes made in the rights, privileges, restrictions and conditions attached to one or more classes of shares of the Corporation, but no such resolution shall have any force or effect until after it has been sanctioned by the vote of the holders of at least sixty-six and two thirds percent (66 2/3%) in value of shares of each class affected by such

amendment, in each case voting separately as a class at a meeting of meetings specially called for such purpose.