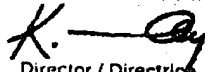


APRIL 01 AVRIL, 2011



Director / Directrice
 Business Corporations Act / Loi sur les sociétés par actions

**ARTICLES OF ARRANGEMENT
 STATUTS D'ARRANGEMENT**

Form 8
 Business
 Corporations
 Act

Formule 8
 Loi sur les
 sociétés par
 actions

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
 Dénomination sociale de la société: (Écrire en LETTRES MAJUSCULES SEULEMENT):

N	E	W	P	O	R	T																

2. The new name of the corporation if changed by the arrangement: (Set out in BLOCK CAPITAL LETTERS)
 Nouvelle dénomination sociale de la société si elle est modifiée par suite de l'arrangement: (Écrire en LETTRES MAJUSCULES SEULEMENT)

3. Date of incorporation/amalgamation: / Date de la constitution ou de la fusion:

2011 - 02 - 18

Year, Month, Day / année, mois, jour

4. The arrangement has been approved by the shareholders of the corporation in accordance with section 182 of the Business Corporation Act. / Les actionnaires de la société ont approuvé l'arrangement conformément à l'article 182 de la Loi sur les sociétés par actions.

5. A copy of the arrangement is attached to these articles as Exhibit "A". / Une copie de l'arrangement constitue l'annexe "A".

6. The arrangement was approved by the court on / La cour a approuvé l'arrangement le

2011 - 03 - 29

Year, Month, Day / année, mois, jour

and a certified copy of the Order of the court is attached to these articles as Exhibit "B". / Une copie certifiée conforme de l'ordonnance de la cour constitue l'annexe "B".

7. The terms and conditions to which the scheme is made subject by the Order have been complied with.
 Les conditions que l'ordonnance impose au projet d'arrangement ont été respectées.

These articles are signed in duplicate. / Les présents statuts sont signés en double exemplaire.

NEWPORT INC.

Name of Corporation / Dénomination sociale de la société

By/
 Par:



Signature / Signature

DIRECTOR

Description of Office / Fonctions

**ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST**

IN THE MATTER OF an application under section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, and Rule 14.05 of the *Rules of Civil Procedure*

AND IN THE MATTER OF a proposed arrangement involving
NEWPORT PARTNERS INCOME FUND, NEWPORT INC.,
NP TRUSTEE INC., NEWPORT PARTNERS COMMERCIAL TRUST,
NEWPORT PARTNERS GP INC., NPY BENEFICIARY INC., NPY GP TRUST,
NEWPORT PRIVATE YIELD LP AND NP HOLDINGS LP

NEWPORT PARTNERS INCOME FUND, NEWPORT INC.,
NP TRUSTEE INC., NEWPORT PARTNERS COMMERCIAL TRUST,
NEWPORT PARTNERS GP INC., NPY BENEFICIARY INC., NPY GP TRUST,
NEWPORT PRIVATE YIELD LP AND NP HOLDINGS LP

THE HONOURABLE MR
JUSTICE ROBLIN

Applicants
TUESDAY THE
29th DAY OF MARCH, 2011

ORDER

THIS APPLICATION made by the Applicants pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "*OBCA*") for an Order approving the proposed plan of arrangement (the "*Arrangement*") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the Affidavit of Keith Halbert sworn February 17, 2011, the Supplementary Affidavit of Keith Halbert sworn March 28, 2011 and the exhibits thereto, filed, and on hearing the submissions of counsel for the Applicants, no one appearing for any holder of units (the "*Unitholders*") of Newport Partners Income Fund (the

"Fund"), although notice was given in accordance with the February 22, 2011 Order of the Honourable Madam Justice Mesbur (the "Interim Order")

UPON BEING SATISFIED that: (i) the special meeting of the Unitholders was called, held and conducted in accordance with the terms of the Interim Order and (ii) the Unitholders approved the Arrangement in accordance with the terms of the Interim Order,

1. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this Order, is an arrangement within the meaning of section 182 of the *OBCA* and is fair and reasonable to all affected parties.

2. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this Order, shall be and is hereby approved.

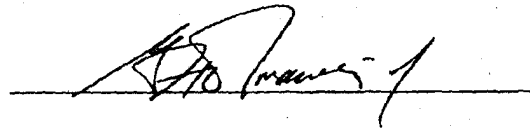
3. **THIS COURT ORDERS** that this Order is binding on each of the Applicants including without limitation, the Fund and its successor, Newport Inc., and any further successors thereof, and these proceedings may be continued by Newport Inc. or any of its successors, as applicant and such applicant shall be entitled at any time to move to vary this final Order, to seek the advice and direction of this Court as to the implementation of this final Order and to apply for such further Order or Orders as may be appropriate.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAR 29 2011

PER/PAR:

NB



SCHEDULE "A"

PLAN OF ARRANGEMENT MADE PURSUANT TO SECTION 182 OF THE *ONTARIO BUSINESS CORPORATIONS ACT*

ARTICLE I - INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below (and grammatical variations of such terms shall have corresponding meanings):

"Arrangement" means the arrangement pursuant to section 182 of the OBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or made at the direction of the Court in the Final Order;

"Arrangement Agreement" means the agreement dated February 25, 2011 among New Newport, the Fund, NP Commercial Trust, NPY LP, NP Holdings LP, NP Trustee Inc., GP Inc., NPY Beneficiary Inc., and NPY GP Trust with respect to the Arrangement, as it may be amended from time to time;

"Certificate" means the certificate of arrangement issued by the OBCA Director pursuant to subsection 183(2) of the OBCA;

"Circular" means the management information circular of the Fund dated February 25, 2011, together with all appendices thereto, sent to Unitholders in connection with the Meeting;

"Court" means the Ontario Superior Court of Justice;

"Declaration of Trust" means the second amended and restated declaration of trust dated August 8, 2005 and as further amended by an amending agreement dated March 21, 2007 governing the Fund;

"Effective Date" means April 1, 2011;

"Effective Time" means 12:01 a.m. (Eastern Standard Time) on the Effective Date;

"Final Order" means the final order of the Court approving the Arrangement as such order may be amended or varied at any time prior to the Effective Time, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal by any court of competent jurisdiction;

"Fund" means Newport Partners Income Fund, an unincorporated open-ended trust established under the laws of Ontario;

"Fund Unit" means the beneficial interests in the Fund designated as such in the Declaration of Trust;

"GP Inc." means Newport Partners GP Inc., a corporation incorporated under the laws of Ontario;

"Interim Order" means the order of the Court dated February 22, 2011 under section 182(5) of the OBCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Meeting" means the special meeting of Unitholders held to consider, among other things, the Arrangement and any adjournments thereof;

"New Newport" means Newport Inc., a corporation existing under the laws of Ontario;

"NPY Beneficiary Inc." means NPY Beneficiary Inc., a corporation existing under the laws of Ontario;

"NP Commercial Trust" means Newport Partners Commercial Trust, a trust settled under the laws of Ontario by the NPCT Declaration of Trust;

"NP Holdings LP" means Newport Partners Holdings LP, a limited partnership established under the laws of Ontario pursuant to the NP Holdings LP Agreement;

"NP Holdings LP Agreement" means the limited partnership agreement of NP Holdings LP dated June 23, 2005, as amended and restated on August 8, 2005, December 12, 2005 and January 11, 2011, and as amended from time to time;

"NP Trustee Inc." means Newport Partners Trustee Inc., a corporation existing under the laws of Ontario;

"NPCT Declaration of Trust" means the amended and restated declaration of trust dated August 8, 2005, as amended from time to time governing NP Commercial Trust;

"NPCT Notes" means the Series 1 unsecured subordinated demand notes bearing interest at the rate of 3% per annum issued pursuant to the NPCT Note Indenture;

"NPCT Note Indenture" means the note indenture between NPCT and CIBC Mellon dated August 8, 2005, as amended from time to time, providing for the issue of the NPCT Notes;

"NPY GP Trust" means NPY GP Trust, a trust settled under the laws of Ontario by the NPY GP Trust Declaration;

"NPY GP Trust Declaration" means the amended and restated declaration of trust dated August 8, 2005 governing NPY GP Trust, as amended from time to time;

"NPY LP" means Newport Private Yield LP, a limited partnership established under the laws of Ontario pursuant to the NPY LP Agreement;

"NPY LP Agreement" means the second amended and restated limited partnership agreement of NPY LP dated August 5, 2005, as amended on January 12, 2011, and as further amended from time to time;

"OBCA" means the *Business Corporations Act*, as amended, including the regulations promulgated thereunder;

"OBCA Director" means the director appointed under the OBCA;

"Person" means RIRDER D-A;

"Plan of Arrangement" means this Plan of Arrangement, as amended or supplemented from time to time in accordance with the terms hereof;

"Shareholders" means the holders of Shares;

"Shares" means the common shares in the capital of New Newport;

"Special Voting Fund Units" means the beneficial interests in the Fund designated as such in the Declaration of Trust;

"Subsidiary" means, with respect to any Person, a subsidiary (as that term is defined in the OBCA (for such purposes, if such person is not a corporation, as if such person were a corporation)) of such Person and includes any limited partnership, joint venture, trust, limited liability company, unlimited liability company or other entity, whether or not having legal status, that would constitute a subsidiary (as described above) if such entity were a corporation;

"Trustees" means the trustees of the Fund; and

"Units" means the Fund Units and the Special Voting Fund Units.

1.2 Interpretation

In this Plan of Arrangement:

- (a) **Headings** - The division of this Plan of Arrangement into Articles, Sections and Schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- (b) **References** - Unless otherwise indicated, all references to Articles and Sections are to Articles and Sections of this Plan of Arrangement.
- (c) **Number and Gender** - Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing any gender include all genders.

ARTICLE II - PURPOSE AND EFFECT OF ARRANGEMENT

2.1 Arrangement

This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement Agreement and constitutes an arrangement as referred to in section 182 of the OBCA.

2.2 Binding Effect

The Arrangement will become effective at, and be binding at and after, the Effective Time on New Newport, the Fund, NP Commercial Trust, NPY LP, NP Holdings LP, NP Trustee Inc., GP Inc., NPY Beneficiary Inc. and NPY GP Trust and all registered and beneficial holders of Units without any further act or formality required on the part of any Person.

2.3 Articles of Arrangement

The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement shall be and is effective and that each of the provisions of Article 3 shall be and is effective in the sequence and as at the time set out therein.

2.4 Effective Time

Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time. Each of the events set out in **Article III** shall be mutually conditional such that no event set out in **Article III** may occur without all steps occurring.

ARTICLE III - ARRANGEMENT

3.1 The Arrangement

At the Effective Time, each of the events below will be deemed to occur sequentially without further act or formality:

- (a) each of the Declaration of Trust, the NPCT Declaration of Trust, the NPCT Note Indenture, the NPY LP Agreement, the NPY GP Trust Declaration and the NP Holdings LP Agreement will be amended to the extent necessary to facilitate the Arrangement;
- (b) each Securities-Based Incentive Plan of the Fund will be assumed by New Newport and will be amended to reflect the Arrangement (in particular, to provide that options issuable under such plans will be exercisable for Shares instead of Fund Units), and each option outstanding under such plans will be assumed by New Newport and will be exchanged for an option under such plans, as assumed and amended as aforesaid, exercisable for a number of Shares equal to the number of Fund Units that would have been issued upon exercise of the exchanged option prior to the Effective Time (subject to any necessary adjustment, if any, that the New Newport board of directors may make to such exchanged option to ensure that the fair market value of such options is no greater than the fair market value of the options exchanged);
- (c) the sole outstanding Share of New Newport issued to the Fund in connection with the incorporation and organization of New Newport will be purchased by New Newport in consideration for \$1.00 and cancelled;

- (d) each outstanding Fund Unit will be sold, assigned and transferred to New Newport (free of any claims) in exchange for one Share and all outstanding Special Voting Fund Units, if any, will be redeemed and cancelled for no consideration;
- (e) (i) NP Commercial Trust will distribute all of its assets, including all outstanding units of NPY LP, all outstanding Class B and Class C units of NP Holdings LP and all outstanding shares of NPY Beneficiary Inc. and GP Inc., to the Fund; (ii) the Fund will assume all liabilities of NP Commercial Trust, including all debt owing by such trust to the Fund evidenced by the NPCT Notes, which notes will be settled; and (iii) NP Commercial Trust will be wound up and dissolved; and
- (f) (i) the Fund will transfer all of its assets, including all outstanding units of NPY LP, all outstanding Class B and Class C units of NP Holdings LP and all outstanding shares of each of NPY Beneficiary Inc., GP Inc. and NP Trustee Inc., to New Newport; (ii) New Newport will assume all liabilities of the Fund, including the New Debentures; and (iii) the Fund will be wound up and dissolved.

3.2 Transfers Free and Clear of Title Restrictions

Any transfer of any securities of a holder pursuant to the Arrangement shall be free and clear of any liens, claims, encumbrances, charges, adverse interests or security interests.

ARTICLE IV - OUTSTANDING CERTIFICATES

4.1 Unit Certificates

From and after the Effective Time, all certificates that represented Units immediately prior to the Effective Time will cease to represent any rights with respect to such Units and will represent only the right to receive the Shares of New Newport to which the holders thereof are entitled under the Arrangement.

4.2 Settlement of Trades

Following the Effective Time, delivery of certificates that formerly represented Units of the Fund shall constitute "good delivery" in respect of settlement of transfers of Shares of New Newport by registered security holders.

4.3 No Fractional Shares

No fractional Shares will be issued pursuant to the Arrangement.

ARTICLE V - AMENDMENTS

5.1 Amendments to Plan of Arrangement

The Effective Time or the Effective Date may be changed by the Fund by notice in writing to New Newport, NP Commercial Trust, NPY LP, NP Holdings LP, NP Trustee Inc.,

GP Inc., NPY Beneficiary Inc. and NPY GP Trust and any other amendment to this Plan of Arrangement:

- (a) may be made at any time prior to the Effective Time by the Fund if it concerns a matter which, in the reasonable opinion of the Fund, is of an administrative nature and required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Unitholder;
- (b) may be proposed by the Fund at any time prior to or at the Meeting, with or without any other prior notice or communication to Unitholders, and such amendment, if so proposed and accepted by the Unitholders voting at the Meeting in the manner required by the Interim Order, shall become part of this Plan of Arrangement for all purposes; or
- (c) may be made at any time prior to the Effective Time by the Fund if such amendment is filed with the Court and, if required by the Court, approved by Unitholders in such manner as is required by the Court.