

ESCROW AGREEMENT

THE CORPORATION OF THE TOWN OF COCHRANE, an
Ontario municipal corporation;

(hereinafter called the "**Purchaser**")

OF THE FIRST PART

- and -

**THE CORPORATION OF THE TOWN OF IROQUOIS
FALLS**, an Ontario municipal corporation;

(hereinafter called the "**Vendor**")

OF THE SECOND PART

- and -

MILLER THOMSON LLP, a partnership of lawyers;

(hereinafter sometimes called the "**Escrow Agent**")

OF THE THIRD PART

FOR GOOD AND VALUABLE CONSIDERATION now paid by each of the parties hereto to each of the other parties hereto, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed by the parties hereto as follows:

1. This Agreement relates to the closing of the purchase and sale transaction involving the purchase by the Purchaser of three hundred and thirty (330) issued common shares of each of Northern Ontario Wires Inc., and Northern Ontario Energy Inc., from the Vendor pursuant to a share purchase agreement of even date herewith between the Vendor and the Purchaser (the "**Share Purchase Agreement**").
2. The parties hereto acknowledge and agree that they have delivered certain documents and executed certain agreements on the date hereof and the Purchaser has paid the Purchase Price (as defined in the Share Purchase Agreement) with the understanding and agreement that the transaction contemplated by the Share Purchase Agreement be closed in escrow and that the documents and Purchase Price payment tabled at closing on the date hereof and referred to in the list of closing documents attached hereto as Schedule "A" be held in escrow by Miller Thomson LLP until escrow is terminated as hereinafter provided. Miller Thomson LLP is directed by the Vendor and the Purchaser to invest the Purchase Price payment in an interest bearing deposit account with a Canadian Chartered Bank. Upon termination of the escrow pursuant to Section 7(a) hereof, the interest

earned on such deposit shall be paid to the Vendor. Upon termination of the escrow pursuant to Section 7(b) hereof, the interest earned on such deposit shall be paid to the Purchaser.

3. The parties hereto further acknowledge and agree that the escrow shall be terminated and deliveries and transaction completed upon the Purchaser being satisfied, acting reasonably, that the following condition has been met, namely:
 - (a) the approval of the Ontario Energy Board required in connection with the completion of the transaction contemplated by the Share Purchase Agreement shall have been obtained.
4. The parties hereto further acknowledge and agree that the escrow shall be terminated and deliveries and transaction completed upon the Vendor being satisfied, acting reasonably, that the following conditions have been met, namely:
 - (a) the Purchase Price payment as provided for in Section 2.3 of the Share Purchase Agreement has been made by the Purchaser and is being held in escrow by Miller Thomson LLP pursuant to this Agreement until escrow is terminated as hereinafter provided;
 - (b) the approval of the Ontario Energy Board required in connection with the completion of the transaction contemplated by the Share Purchase Agreement shall have been obtained.
5. The parties hereto acknowledge and agree that the Purchaser reserves the right, in its sole discretion, at any time, to waive any of the foregoing conditions in Section 3 hereof, in whole or in part, without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part and to terminate the escrow.
6. The parties hereto acknowledge and agree that the Vendor reserves the right, in its sole discretion, at any time, to waive any of the foregoing conditions in Section 4 hereof, in whole or in part, without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part and to terminate the escrow.
7. The parties hereto acknowledge and agree that the escrow contemplated herein:
 - (a) shall be terminated upon the Purchaser being satisfied, acting reasonably, that the condition set forth in Section 3 hereof has been met, and upon the Vendor being satisfied, acting reasonably, that the conditions set forth in Section 4 hereof have been met, whereupon the documents and Purchase Price (and interest earned thereon) held in escrow by Miller Thomson LLP will be delivered to the parties to whom they are to be delivered and, in such event, each party hereto shall be released from all obligations under this Agreement; or
 - (b) unless terminated earlier by the Purchaser or the Vendor in accordance with the terms outlined above, shall be terminated at 4:00 p.m. on February 16, 2009 (unless such date is amended to an earlier or later date as agreed to by the parties) and the purchase and sale transaction contemplated herein shall not be completed

and the Purchase Price (and interest earned thereon) and the documents referred to in Section 2 above and otherwise contemplated herein shall be forthwith returned by Miller Thomson LLP to the parties from whom they were delivered and in such event each party hereto shall be released from all obligations under this Agreement and the Share Purchase Agreement and the Vendor and the Purchaser shall take all such actions as may be required to re-establish the Vendor's ownership of the Purchased Shares (as defined in the Share Purchase Agreement) and to re-elect the Vendor's nominees to the Board of Directors of Northern Ontario Wires Inc. and Northern Ontario Energy Inc.

8. In taking any action hereunder, the Escrow Agent shall in no event be liable for any act performed or omitted to be performed by it hereunder in the absence of gross negligence or wilful misconduct in breach of the terms of this Agreement and it shall be under no obligation to institute or to defend any action, suit or legal proceeding in connection herewith or to take any other action likely to involve it in expense unless first indemnified to its satisfaction by the party or parties that desire it to take such action.
9. Any dispute between the Vendor and the Purchaser under or relating in any way to the interpretation or implementation of any of the provisions of this Agreement which the Vendor and the Purchaser are unable to resolve themselves shall be submitted to and resolved by arbitration as provided for in Section 7.4.1 of the Share Purchase Agreement.
10. It is understood and agreed that should any dispute arise with respect to this Agreement or the delivery, ownership, right of possession and/or disposition of the items held in escrow or should any claim be made upon the Escrow Agent or the funds held in escrow by a third party, the Escrow Agent shall be entitled (at its sole option and election) to institute interpleader proceedings or any other appropriate judicial proceedings in any court of competent jurisdiction to determine the rights of the parties. Should interpleader proceedings or other judicial proceedings be instituted, or should the Escrow Agent become involved in litigation in any matter whatsoever on account of this Agreement, the non-prevailing party or parties, their successors and assigns shall pay the Escrow Agent its reasonable legal fees and any other disbursements, expenses, loss, costs or damages in connection with or resulting from such litigation. The items held in escrow by the Escrow Agent shall be delivered by the Escrow Agent to the court in which the event the Escrow Agent shall be released from any further obligations and liabilities hereunder. The Vendor and the Purchaser shall bear all costs of such proceedings equally.

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11. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

DATED this 16th day of October, 2008.

**THE CORPORATION OF THE TOWN
OF COCHRANE**

Per: _____

Title

Per: _____

Title

I/We have the authority to bind the corporation

**THE CORPORATION OF THE TOWN
OF IROQUOIS FALLS**

Per: _____

Title

Per: _____

Title

I/We have the authority to bind the corporation

MICHEL MORRISSETTE
Clerk Administrator

MILLER THOMSON LLP

Per: _____

Michael Pace, Partner

I/We have the authority to bind the corporation