INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT, dated as of June 25, 2009.

AMONG:

STERLING SHOES INCOME FUND, an unincorporated trust established under the laws of the Province of British Columbia (the "**Fund**")

\- and -

SS HOLDINGS TRUST, an unincorporated trust established under the laws of the Province of British Columbia (the "**Trust**")

\- and -

STERLING SHOES LIMITED PARTNERSHIP, a limited partnership established under the laws of the Province of Manitoba (the "**Partnership**")

\- and -

STERLING SHOES GP INC., a corporation incorporated under the laws of the Province of British Columbia (the "**GP**")

(Sterling, the Trust, the Partnership and the GP are collectively referred to herein as "**Sterling**")

\- and -

Colin Romain

("**Romain**")

WHEREAS:

(a) Romain is a trustee, director and/or officer of the Fund, the Trust, the GP and/or the Partnership;

(b) Pursuant to the constating documents (as defined in paragraph 1.2 hereof) , Sterling has agreed to indemnify Romain; and

(c) In furtherance of its agreement to indemnify Romain, in consideration of the covenants contained herein, in consideration of Romain agreeing to act as trustee, director or officer of the Fund, the Trust, the GP and/or the Partnership, and in consideration of the sum of $10 paid by each of the parties hereto to the others (the receipt and sufficiency whereof is hereby acknowledged), the parties agree with each other as follows:

1. INDEMNITY

1.1. **Indemnity**

Subject to subsection 1.2, and with court approval pursuant to section 4 in respect of an action by or on behalf of Sterling to procure a judgement in its favour, Sterling agrees to indemnify Romain and the heirs, executors, administrators and other personal representatives of Romain (collectively, the **"Indemnitees"** and individually, **"Indemnitee"**) against and from all Claims (as defined below) reasonably incurred by him or her in respect of any Proceeding (as defined below), to which he or she is, directly or indirectly, a party by reason of being or having been a trustee, director and/or officer (or as an individual acting in a similar capacity) of Sterling of another corporation, partnership, joint venture or other entity at the request of Sterling (a **"Related Entity"**).

"Claims" means all liabilities, damages, costs, charges, claims and all expenses of whatever nature or kind (including, without limitation, court fees, legal expenses, on a solicitor and own client basis, other professional fees and all out-of-pocket expenses for attending discoveries, trials, hearings and meetings), including any amount paid to settle an action or satisfy a judgement or any fine or penalty levied.

"Proceeding" means any claim, action, suit, application, litigation, charge, complaint, prosecution, assessment, reassessment, investigation, inquiry, hearing or proceeding of any nature or kind whatsoever, whether civil, criminal, administrative, regulatory, investigative or otherwise, whether anticipated, threatened, pending, commenced, continuing or completed, and any appeal or appeals therefrom.

1.2. **Conditions**

Notwithstanding the provisions of subsection 1.1, Sterling shall not be obligated to indemnify or save harmless the Indemnitees against and from any Claim if a judgement or order of a court from which there is no appeal or no appeal is taken within the time allowed specifically finds:

(a) that in respect thereof Romain failed to act honestly and in good faith as required by the constating documents of Sterling and the Related Entity, as applicable, or otherwise by applicable lawor failed to exercise that degree of care, diligence or skill that a reasonably prudent person would exercise in comparable circumstances; or

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that Romain did not have reasonable grounds for believing that his or her conduct was lawful.

"constating documents" includes (i) the amended and restated declaration of trust dated as of July 11, 2005, pursuant to which the Fund was established, as it may be further amended, supplemented or restated from time to time; (ii) the declaration of trust dated as of June 17, 2005 pursuant to which the Trust was established, as it may be amended, supplemented or restated from time to time; (iii) the amended and restated limited partnership agreement in respect of the Partnership dated as of November 3, 2005, as it may be amended, restated or supplemented from time to time; (iv) the Articles of the GP, as they may be amended, restated or supplemented from time to time; and (v) the agreement dated July 12, 2005 between the Fund, the Trust, the GP and Inc providing for, among other things, the governance of the GP.

1.3. **Advancement of Defence Costs**

Sterling shall advance from time to time to the Indemnitees reasonable amounts in respect of costs, charges and expenses, including, without limitation, legal and investigative fees and charges, to enable the Indemnitees to defend any Claim.

1.4. **Repayment of Defence Costs**

If a court makes a determination from which there is no appeal or no appeal is taken within the time allowed that one or more of the conditions in subsection 1.2 applies to any Claim or if payments made by Sterling in respect of a Claim are otherwise prohibited as set out in section 2.1, the Indemnitees shall forthwith repay all amounts in respect of costs, charges and expenses advanced to the Indemnitees by Sterling in respect of that Claim.

2. **INDEMNITY PAYMENTS**

2.1. **Restrictions for Illegality of Indemnity**

Sterling is not obliged under section 1 to make any payment that is prohibited by the constating documents of Sterling or any Related Entity, applicable law or any court order in force at the date the payment must be made or that requires court approval that has not been obtained.

2.2. **Actual Payment**

Sterling shall pay all amounts due to the Indemnitees hereunder forthwith upon written demand by the Indemnitees, which demand shall be accompanied by reasonable documentation of the amounts incurred and for which payment is being required. The Indemnitees shall be entitled to demand payment whether or not actual payment of the Claim has been made by the Indemnitees provided that the amount of the Claim has been determined.

3. **TAXABLE BENEFITS**

Sterling shall gross up any indemnity payment made pursuant to this Indemnity Agreement by the amount of any tax payable (after reflecting any deductible expense in respect of which the indemnity payment is made) by the Indemnitees to Canada Revenue Agency pursuant to the *Income Tax Act* (Canada) in respect of such payment and shall pay the grossed up amount to the Indemnitees.

4. **ENFORCEMENT COSTS**

4.1. **Application to Court**

If any payment by Sterling under section 1 first requires the approval of any court, Sterling at its own expense and in good faith will promptly take proceedings to obtain that approval.

In the event of a dispute under this indemnity, Sterling shall apply to the court to approve payment under this indemnity forthwith upon receiving a written request from the Indemnitiees to do so.

Sterling shall indemnify the Indemnitees for the amount of all costs actually and reasonably incurred by any or all of them in obtaining any court approval required to enable or require Sterling to make a payment under section 1 and this section 4 and in enforcing this Indemnity

Agreement, including without limitation all legal fees (on a solicitor and own client basis) and disbursements actually and reasonably incurred.

4.2. Independent Counsel for Court Approval

The Indemnitees, or any of them, may each retain their own independent legal counsel for the purpose of obtaining court approval under subsection 4.1 and the cost of such representation actually and reasonably incurred shall be considered a Claim to which this Indemnity Agreement applies.

5. DIRECTOR OR OFFICER CEASING TO ACT

Romain may resign at any time as a trustee, director and/or officer of Sterling or any Related Entity. The obligations of Sterling hereunder continue after and are not affected in any way by Romain ceasing to be a trustee, director and/or officer of Sterling or any Related Entity whether by resignation, retirement, removal, death, incapacity, disqualification under applicable law or otherwise.

6. RE-ELECTION/RE-APPOINTMENT

The obligations of Sterling under this Indemnity Agreement continue after and are not affected in any way by the re-election or re-appointment from time to time of Romain as a trustee, director and/or officer of Sterling or any Related Entity.

7. CONTINUING INDEMNITY

7.1. Other Compensation

The obligations of Sterling under this Indemnity Agreement are not diminished or in any way affected by:

(a) **Financial Interest:** Romain holding from time to time any direct or indirect financial interest in Sterling or a Related Entity;

(b) **Salary/Compensation:** Payment by Sterling or by any Related Entity to Romain of any trustee or director’s fees or any salary, wages, bonuses or other compensation;

(c) **Interested Contracts:** Payment by Sterling or by any Related Entity to Romain or to any firm of which Romain is a shareholder, partner, associate or employee of any amounts for property transferred or services rendered, provided that Romain has made all disclosure required under the constating documents of Sterling or any Related Entity or applicable law of his or her interest in such payments;

(d) **D & O Insurance:** Any directors’ or officers’ liability insurance placed by or for the benefit of the trustees, directors and officers of Sterling or any Related Entity; or

(e) **Other Indemnitees:** Payment to Romain by any unitholder or shareholder of Sterling or of any Related Entity or by any other person pursuant to any other contract of indemnity.

Notwithstanding paragraphs (d) and (e), if any amount is paid by Sterling to an Indemnitee pursuant to this Indemnity Agreement, Sterling shall be subrogated to the rights, if any, of the Indemnitee to recover the amount under any directors’ and officers’ liability insurance or from any unitholder or shareholder of Sterling, any Related Entity or any other person. The Indemnitees shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable Sterling effectively to bring suit to recover such rights.

7.2. **Non-Waiver**

No waiver by either party of any default or breach of any of the terms, covenants or conditions or obligations of the other party under this Indemnity Agreement shall constitute a waiver of any prior, concurrent, or subsequent default or breach of the same, or any other term, covenant, condition, or obligation of such party under this Indemnity Agreement.

8. **PROCEEDINGS**

8.1. **Indemnitee Cooperation**

The Indemnitees shall give written notice to Sterling as soon as reasonably possible after becoming aware of any Proceeding in respect of which Sterling may be required to make any payments pursuant to this Indemnity Agreement. The Indemnitees shall give Sterling such information and cooperation as Sterling may reasonably require from time to time in respect of all matters contemplated by this Indemnity Agreement.

8.2. **Defence of Proceedings**

Sterling shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnitees of any proceeding with respect to a Claim; provided that the defence shall be through a legal counsel acceptable to the Indemnitees, acting reasonably. The Indemnitees shall have the right to employ separate counsel in any such proceeding and participate in its defence, but the fees and expenses of that counsel shall be at the expense of the Indemnitees unless:

(a) Sterling fails to assume the defence of that proceeding on behalf of the Indemnitees within five business days after receiving notice of the proceeding;

(b) the employment of that counsel has been authorized by Sterling; or

(c) the parties to any such proceeding include both the Indemnitees and Sterling and the Indemnitees have been advised by counsel that joint representation is inadvisable as a result of actual or potential conflict of interest or the possibility of different legal defences being available to Indemnitees than to Sterling, in which case, Sterling shall not have the right to assume the defence of the suit on behalf of the Indemnitees but shall be liable to pay the legal fees and expenses (on a solicitor and own client basis) actually and reasonably incurred by the Indemnitees.

In no event, however, shall Sterling be liable under this Indemnity Agreement to pay the fees and expenses of more than one law firm in any one jurisdiction acting as counsel on behalf of the Indemnitees.

8.3. **Settlement of Claims**

The Indemnitees will not settle any proceeding that may result in Sterling being required to make any payment pursuant to this Indemnity Agreement without the prior written consent of Sterling, which shall not be unreasonably withheld or delayed. Notwithstanding any other provision of this Indemnity Agreement, the indemnities that it contains shall not apply in respect of any liability to the extent of any actual prejudice caused to Sterling if the Indemnitees:

(a) admit any facts or allegations concerning the Claim;

(b) admit any liability in respect of the Claim; or

(c) settle the Claim;

in each case without the prior written consent of Sterling (which shall not be unreasonably withheld or delayed).

Sterling shall not agree to any settlement on behalf of the Indemnitees without their prior written consent.

8.4. **Sterling Cooperation**

Sterling agrees to notify Romain in writing as soon as reasonably practicable after becoming aware of any Proceeding against Romain. Sterling agrees to give Romain such information and cooperation as he or she may reasonably require from time to time in respect of all matters under this Indemnity Agreement.

8.5 **Inspection of Documents**

The Indemnitees and their advisors shall at all times be entitled to review during regular business hours all documents, records and other information with respect to Sterling any Related Entity and which may be reasonably necessary in order for the Indemnitiees to defend themselves any Proceeding, provided that the Indemnitiees shall maintain all such information in strictest confidence except to the extent necessary for such defence. This section 8.5 shall not apply where the Proceeding is initiated by Sterling or any Related Entity.

9. **INSURANCE**

9.1. **Maintenance of Insurance Coverage**

Unless otherwise agreed between the parties hereto, Sterling shall purchase and maintain, or cause to be purchased and maintained, while Romain remains a trustee, director or officer of Sterling and for a period of six years thereafter, directors' and officers' errors and omissions insurance for the benefit of Romain on terms no less favourable in terms of coverage and amounts, to the extent permitted by law and available on reasonable commercial terms, than such insurance maintained in effect by Sterling on the date hereof. Sterling will provide to Romain a copy of each such insurance policy upon request.

9.2. **No Insurance Coverage**

The indemnification provided pursuant to this Indemnity Agreement is intended to be available in all circumstances permitted under the Act and, without limitation, is intended to be available in circumstances where any insurance coverage maintained by Sterling is not available, either because the insurer is denying coverage, the actions are not covered due to an exemption or exclusion from the terms of the insurance policy or otherwise, or where Sterling determined for whatever reason not to obtain or maintain insurance coverage.

Sterling will advise the Indemnitees promptly after it becomes aware of any material change in or withdrawal or lapse in coverage of any insurance policy for Sterling's (or any applicable Related Entity's) existing trustees, directors and officers, details of any claims made under such policy and the triggering of any extended reporting period applicable to any such policy.

10. **MISCELLANEOUS**

10.1. **Effective Date.**

Notwithstanding the date of its execution and delivery, this Agreement shall be conclusively deemed to commence on, and be effective as of, the day upon which Romain first became or becomes a trustee, director and/or officer of Sterling or applicable Related Entity.

10.2. **Severability**

Should any part, term or condition hereof be declared illegal or unenforceable or in conflict with any law, the validity of the remaining portions or provisions of this Indemnity Agreement shall not be affected thereby.

10.3. **Counterparts**

This Indemnity 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 document.

10.4. **Headings**

Section headings are for convenience only and do not control or affect the meaning or interpretation of any terms or provisions of this Indemnity Agreement.

10.5. **Modification and Waiver**

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto.

10.6. **Notices**

All notices, requests, demands and other communications provided for by this Indemnity Agreement shall be in writing and shall be sent to the address of the parties indicated below or to such other address as such party may have specified in notice. Any notice given will be conclusively deemed to have been given or made, if delivered, on the day of delivery, or if sent by facsimile, on the day that transmission is successfully completed provided that if such successful completion is after 5:00 p.m. local time, then such facsimile will be deemed to have been delivered on the next business day.

If to Romain, to the address appearing on the signature page hereof.

If to the Fund, the Trust, the GP and or the Partnership, to:

Sterling Shoes GP Inc.
2580 Viscount Way
Richmond, B.C., V6V 1N1

Attention: Chief Financial Officer
Facsimile: (604) 278-7751

10.7. **Governing Law**

The parties agree that this Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof. The courts of the Province of British Columbia shall have exclusive jurisdiction with respect to all matters dealing with the enforcement of or otherwise arising out of or in connection with this indemnity, and by accepting and relying hereon the Indemnitees expressly and irrevocably submit and attorn to the exclusive jurisdiction of, and irrevocably agree to be bound by a judgement of, any such court relating to all such matters.

10.8. **Indemnities Cumulative**

The indemnities provided by this Agreement are in addition to, and not in substitution for, any other right or entitlement which Romain may have to be indemnified by Sterling or any other person. For greater certainty, the indemnities provided in the constating documents are incorporated herein by reference and where there is a conflict between this Agreement and an indemnity provided in the constating documents, the provisions of this Agreement shall prevail.

10.9. **Enurement and Assignment**

This Agreement enures to the benefit of Romain and the heirs, executors, administrators and personal representatives of Romain and shall be binding upon Sterling's successors and assigns. This Agreement is not assignable by either party without the prior written consent of the other party.

10.9 **Enforcement**

If a claim for indemnity hereunder is not paid by Sterling, or on its behalf, within thirty days after a written demand has been received by Sterling, the Indemnitees may at any time thereafter bring suit against Sterling to recover the unpaid amount of such demand and if successful, in whole or in part, shall also be entitled to be paid the costs and expenses of prosecuting such claim.

10.10 **Joint and Several Liability**

The liability of the Fund, the Trust, the Partnership and the GP hereunder shall be joint and several.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

STERLING SHOES INCOME FUND, by its administrator, Sterling Shoes Limited Partnership, by its general partner, Sterling Shoes GP Inc.

By: *"signed"*
Name: Jeremy Horwitz
Title: President & CEO

By: *"signed"*
Name: Daniel Gumprich
Title: Chief Financial Officer

SS HOLDINGS TRUST, by its administrator, Sterling Shoes Limited Partnership, by its general partner, Sterling Shoes GP Inc.

By: *"signed"*
Name: Jeremy Horwitz
Title: President & CEO

By: *"signed"*
Name: Daniel Gumprich
Title: Chief Financial Officer

STERLING SHOES LIMITED PARTNERSHIP, by its general partner, Sterling Shoes GP Inc.

By: *"signed"*
Name: Jeremy Horwitz
Title: President & CEO

By: *"signed"*
Name: Daniel Gumprich
Title: Chief Financial Officer

STERLING SHOES GP INC.

By: *"signed"*
Name: Jeremy Horwitz
Title: President & CEO

By: *“signed”*
Name: Daniel Gumprich
Title: Chief Financial Officer

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“signed”) *“signed”*
Witness) Name: Colin Romain

Address: