

CREDIT AGREEMENT

Between

STRAT-B ROYALTIES LIMITED PARTNERSHIP

as Borrower

and

BANK OF MONTREAL

as Lender

Dated as of November 15, 2022



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CREDIT AGREEMENT

THIS AGREEMENT dated as of November 15, 2022 is made

AMONG:

STRAT-B ROYALTIES LIMITED PARTNERSHIP, as Borrower

AND:

BANK OF MONTREAL, as Lender

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following words and phrases shall have the respective meanings set forth below:

“Acceleration Date” means the earlier of:

- (a) the occurrence of an Insolvency Event; and
- (b) the delivery by the Lender to the Borrower of a written notice that the Obligations are immediately due and payable, following the occurrence and during the continuation of an Event of Default other than an Insolvency Event.

“Acquisition” means, at any time any transaction (including a transaction which comprises a number or series of transactions) resulting, directly or indirectly, in a Credit Party acquiring (i) in excess of 50% of the Equity Securities of a Person; or (ii) assets comprising all or substantially all of the assets of a Person, or of any business or division of a Person and includes, without limitation, the Acquisition Transaction.

“Acquisition Agreement” means the acquisition agreement dated November 14, 2022 between SBS Franchising, the Borrower and DIV pursuant to which the Borrower acquired the Transferred Assets from SBS Franchising for a purchase price of up to US\$59,400,000 plus the Incremental Earn-Out, which purchase price is to be financed in part by an advance under the Credit Facilities, and pursuant to which:

- (a) The Borrower used cash received from DIV's subscription for Units in the Borrower to finance the acquisition of the Transferred Assets; and

(b) the parties entered into the Licence and Royalty Agreement, the Governance Agreement, and the Stratus GSAs.

“Acquisition Documents” means the Acquisition Agreement and all other agreements, documents, instruments and assurances required or contemplated in connection with the Acquisition Transactions including the Licence and Royalty Agreement, the Governance Agreement, the Borrower LP Agreement, and the Stratus GSAs.

“Acquisition Transactions” means the transactions contemplated by the Acquisition Agreement including the acquisition by the Borrower of the Transferred Assets from Stratus Franchising.

“Adjusted Term SOFR” mean with respect to any tenor, the per annum rate equal to the sum of (i) Term SOFR plus (ii) of 0.11448% (11.448 basis points) for one-month, 0.26161% (26.161 basis points) for three-months, and 0.42826% (42.826 basis points) for six-months.

“Advance” means an extension of credit by the Lender to the Borrower pursuant to this Agreement, including for greater certainty an extension of credit in the form of a Loan, an Overdraft or a Term SOFR Loan.

“Affiliate” means, with respect to any Person, any Person directly or indirectly controlling, Controlled by or under direct or indirect common Control with such other Person.

“Agreement” means this credit agreement (including the exhibits and schedules) as it may be amended, replaced or restated from time to time.

“AML Legislation” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and all other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, whether within Canada or elsewhere, including any guidelines or orders thereunder.

“Applicable Law” means, in respect of any Person, property, transaction or event, all laws, statutes, rules, by laws and regulations and all applicable official directives, orders, judgments and decrees of Governmental Authorities having the force of law and binding, or in respect of or applicable to such Person, property, transaction or event.

“Applicable Margin” means with respect to any Availment Option and in respect of any Fiscal Quarter, the percentage in the column relating to such Availment Option in the following table which corresponds to the Senior Funded Debt to EBITDA Ratio in respect of such Fiscal Quarter described in the first column, which percentage shall be subject to adjustment from time to time as provided in Section 3.1.4:

Senior Funded Debt to EBITDA Ratio	Applicable Margin for US Dollar Base Rate Loans and Overdrafts	Applicable Margin for Term SOFR Loans	Applicable Margin for Standby Fee
< 2.5x	[percentage redacted]	[percentage redacted]	[percentage redacted]
≥2.5x to ≤3.00x	[percentage redacted]	[percentage redacted]	[percentage redacted]

“Arm’s Length” means “arm's length” within the meaning of that expression for the purposes of the Income Tax Act (Canada).

“ASPE” means the accounting standards for private enterprises in Canada as approved by the Canadian Accounting Standards Board in effect from time to time applied on a consistent manner from period to period.

“Associate” has the meaning ascribed thereto in the CBCA.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 3.6.

“Availment Option” means a method of borrowing which is available to the Borrower as provided herein.

“Banking Services Agreements” means all agreements, if any, from time to time made between any Credit Party and the Lender or any of its Affiliates in respect of cash management, payroll or other banking services, including agreements relating to any corporate MasterCards issued by the Lender to a Credit Party’s employees from time to time.

“Base Rate” means, for any day, the rate per annum equal to the greatest of:

- (a) the rate of interest announced or otherwise established by the Lender from time to time as its prime commercial rate, or its equivalent, for U.S. Dollar loans to borrowers located in the United States as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Lender’s best or lowest rate), and
- (b) the sum of (i) the rate determined by the Lender to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum quoted to the Lender at approximately 10:00 a.m. (or as soon thereafter as is practicable) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) by two or more Federal funds brokers selected by the Lender for sale to the Lender at face value of US Dollar funds in the secondary market in an amount equal or comparable to the principal amount for which such rate is being determined, plus (ii) 1/2 of 1%, and
- (c) the sum of (i) Term SOFR for a one-month tenor in effect on such day plus (ii) 1.11448%.

Any change in the Base Rate due to a change in the prime rate, the quoted federal funds rates or Term SOFR, as applicable, shall be effective from and including the effective date of the change in such rate. If the Base Rate is being used as an alternative rate of interest pursuant to Sections 3.6, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined

without reference to clause (c) above, provided that if Base Rate as determined above shall ever be less than the Floor, then Base Rate shall be deemed to be the Floor.

“Benchmark” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 3.6.

“Benchmark Replacement” means, either of the following to the extent selected by Lender in its unilateral discretion,

- (a) Daily Simple SOFR; or
- (b) the sum of: (i) the alternate benchmark rate that has been selected by the Lender and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated bilateral credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated bilateral credit facilities.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or
- (b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such

Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative or not to comply with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided, that such non-representativeness or non-compliance will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or
- (c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative or do not, or as a specified future date will not, comply with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.6 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.6.

“BIA” means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time.

“Borrower” means STRAT-B Royalties Limited Partnership and its successors and permitted assigns.

“Borrower GP” means STRAT-B Royalties GP Inc. and its successors and permitted assigns.

“Borrower LP Agreement” means the amended and restated limited partnership agreement dated November 10, 2022 between the Borrower GP and DIV governing the Borrower, as may be further amended or restated from time to time.

“Business Day” means any day on which the Lender is open for normal banking business in Vancouver, British Columbia, Chicago, Illinois and Toronto, Ontario excluding Saturday, Sunday and any other day that is a statutory holiday in Vancouver, British Columbia, Chicago, Illinois or Toronto, Ontario.

“Canadian Dollars” or **“Cdn. \$”** means the lawful money of Canada.

“Capital Lease” means any lease, license or similar transaction which is determined to be a capital lease in accordance with IFRS, or any sale and lease back transaction or any other lease (whether a synthetic lease or otherwise) other than any lease that would in accordance with IFRS be determined to be an operating lease.

“Cash Equivalents” means:

- (a) treasury bills or other marketable direct obligations issued by, or unconditionally guaranteed by, the government of Canada or any province thereof or the government of the United States or any agency or instrumentality of any of them, and backed by the full faith and credit of Canada or any province thereof or the United States, as the case may be, in each case maturing within one year from the date of acquisition;
- (b) term deposits, guaranteed investment certificates, certificates of deposit, overnight bank deposits having maturities of one year or less from the date of acquisition or other debt obligations issued by any Schedule I Canadian chartered bank or any of its Affiliates; and
- (c) commercial paper of an issuer rated at least A-1+ or the equivalent thereof by Standard & Poor's Ratings Group, Inc. or at least P-1 or the equivalent thereof by Moody's Investors Service, Inc. or at least R-1 (Low) or the equivalent thereof by DBRS Limited, and in each case maturing within six months from the date of acquisition.

“Cash on Hand” means for any trailing 12 month test period, the greater of:

- (a) cash on hand plus the undrawn balance of Facility A as indicated in the balance sheet for the Financial Statements of the Borrower at the beginning of the 12 month test period;
- (b) nil;

provided that for the first 12 months following the Closing Date the test period shall commence as at the Closing Date.

“Cash Taxes” means for any Person for any period, the amount paid or payable by such Person in such period in respect of income and capital Taxes (whether relating to such period or any other period).

“CBCA” means the *Canada Business Corporations Act*.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following:

- (a) the adoption or taking effect of any Applicable Law;
- (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority; or
- (c) the making or issuance of any Applicable Law by any Governmental Authority.

“Change of Control” means the occurrence of any transaction or event as a result of which:

- (a) all the issued and outstanding Equity Securities of the Borrower GP cease to be legally and beneficially owned by DIV; or
- (b) all the partnership units in the Borrower cease to be legally and beneficially owned collectively by DIV and the Borrower GP; or
- (c) there occurs any other change of Control of any Credit Party (including the Borrower GP), as it exists as at the date of this Agreement.

“Closing Date” means the November 15, 2022, being the date on which the Acquisition Transactions completed.

“Collateral” means all property, assets and undertaking of the Credit Parties and DIV encumbered or intended to be encumbered by the Security, including the interest of the Borrower in the Licence and Royalty Agreement and the Stratus GSAs and the interest of DIV in units of the Borrower, together with all proceeds of the foregoing.

“Compliance Certificate” means a certificate delivered by the Chief Financial Officer or other Senior Officer of the Borrower to the Lender in the form of Exhibit E.

“Conforming Changes” means with respect to either the use of administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base

Rate,” the definition of “Business Day,” the definition of “Interest Period,” the definition of “U.S. Government Securities Business Day”, the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Control**” means, in respect of any Person, the power to direct or cause the direction of management and policies of such Person, directly or indirectly, through the ownership of voting equity securities, contract or otherwise; and “**Controlled**” has a corresponding meaning.

“**Conversion**” means the substitution of one Availment Option for another, and does not constitute a fresh or new Advance.

“**Conversion Notice**” means a notice substantially in the form of Exhibit C given by the Borrower to the Lender for the purposes of requesting a Conversion.

“**Credit Parties**” means the Borrower and the Guarantors; and “**Credit Party**” means any one of them as the context requires.

“**Daily Simple SOFR**” means, for any day, SOFR, with the conventions for this rate (which will include a [lookback) being established by the Lender in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for bilateral business loans; provided, that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion.

“**Default**” means an event which has occurred and is continuing, and which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“**Distributable Cash**” means with reference to any period, EBITDA for such period (commencing from and after but not before the Closing Date), minus all Interest, Cash Taxes, the aggregate of all principal payments and any other cash payments paid, payable or required to be made by the Credit Parties during such period, before making cash Distributions to Unitholders.

“**Distribution**” means:

- (a) any declaration or payment, directly or indirectly, to or on behalf of an employee, director, officer, holder of Equity Securities, partner or unitholder (including DIV, the Borrower GP and any other Unitholders) of any Credit Party, or to any Related Person thereto, by way of salary, bonus, commission, management fees, directors fees, dividends, redemption of shares or partnership units, expense and cost reimbursements, indemnity payments, distribution of profits and withdrawal of capital, and whether payments are made to such Persons in their capacity of shareholders, partners, unitholders, directors, officers,

employees, owners or creditors of any Credit Party or otherwise, or any other direct or indirect payment in respect of the earnings or capital of any Credit Party;

- (b) any repurchase, retraction or redemption of Equity Securities (including all units of the Borrower) of the Borrower or its Subsidiaries for cash or property;
- (c) any payment or repayment by a Person of any amount of any principal, interest, fees, bonuses or other amounts in respect of any Subordinated Debt, or in respect of any Funded Debt or other indebtedness owed to a holder of Equity Securities of such Person or to any Affiliate or other Related Person of such Person or holder of Equity Securities of such Person;
- (d) any loan or advance (including by way of set off against debt owed by the recipient of such loan or advance) that is made by a Person to or in favour of a holder of Equity Securities in such Person or to an Affiliate or other Related Person of such Person or a holder of Equity Securities of such Person except to the extent to which any such loan or advance is immediately used to subscribe for Equity Securities of such Person; or
- (e) the transfer by a Person of any of its property or assets for consideration of less than fair market value thereof, to any holder of Equity Securities of such Person or to an Affiliate or other Related Person of such Person or a holder of Equity Securities of such Person;

provided that payments in respect of salaries, commissions, bonuses and expense reimbursements from time to time to bona fide employees of any Credit Party shall not be considered Distributions so long as such payments are made in the ordinary course of business on commercially reasonable terms and in the ordinary course of the employment of such employee.

“Draw Request” means a notice in the forms of Exhibit A given by the Borrower to the Lender for the purpose of requesting the Advance.

“Distributions to Unitholders” means Distributions made by the Borrower to the Unitholders, including without limitation DIV, determined on a consolidated basis.

“DIV” means Diversified Royalty Corp. and its successors and assigns.

“EBITDA” means with reference to any period the earnings (as defined in the Borrower’s consolidated Financial Statements prepared in accordance with IFRS) of the Borrower and its Subsidiaries on a consolidated basis before deduction of Interest Expense, income taxes, depreciation and amortization, plus:

- (a) extraordinary and non-recurring losses for any trailing 12 month period acceptable to the Lender; and
- (b) transaction expenses with respect to the Acquisition Transactions of up to [redacted amount] to the extent deducted in the calculation of EBITDA; and
- (c) an amount equal to any loss as a result of fair value adjustments under interest rate Hedging Agreements;

minus:

- (d) extraordinary and non-recurring gains for any trailing 12 month period acceptable to the Lender; and
- (e) an amount equal to any gain as a result of fair value adjustments under interest rate Hedging Agreements,

all as determined on a consolidated basis in accordance with IFRS. For the purpose of calculating the trailing 12 month EBITDA for the first 12 months following the Closing Date in respect of the Senior Funded Debt to EBITDA Ratio but not for the purpose of calculating maximum cash Distributions to Unitholders, EBITDA shall be calculated using the following formula:

$$\text{EBITDA for the period following the Closing Date} \times \frac{12}{\text{Number of Months following the Closing Date}}$$

“Environmental Law” means all laws, rules, regulations, codes, ordinances, orders-in-council, orders, decrees, judgments or injunctions issued or promulgated by any Governmental Authority, relating in any way to the environment, the preservation or reclamation of natural resources or the management, presence, release or threatened release of any Hazardous Materials and which are legally binding on a Credit Party or any property or assets of a Credit Party.

“Equity Securities” means any share, interest, participation or other right to participate in the voting or equity ownership of a corporation or limited liability company and any equivalent ownership interest in any partnership, trust, joint venture or other Person, that is not a corporation including, in particular, but without limitation, any such share interest, participation or other right which carries a right to:

- (a) dividends or distributions of such partnership, trust, joint venture, corporation, limited liability company or Person;
- (b) participate in the earnings of such partnership, trust, joint venture, corporation, limited liability company or Person; or
- (c) upon the liquidation or winding up of such partnership, trust, joint venture, corporation, limited liability company or Person, be paid a sum or to share in its assets,

and includes without limitation any securities, instruments or contractual rights capable of being converted into, exchanged or exercised into any of the above-mentioned interests or shares, including options, warrants, conversion or exchange privileges and similar rights.

“Event of Default” is defined in Section 8.1.

“Exchange Rate” means, in connection with any amount of one currency to be converted into another currency pursuant to this Agreement for any reason, or vice versa, the spot rate of exchange for converting the first currency into such other currency or vice versa, as the case may be, quoted by the Lender as its offering rate for wholesale transactions at approximately noon (Toronto time) on the first Business Day of the month in which such conversion is required.

“Facilities” means Facility A and Facility B; and **“Facility”** means any of them as the context requires.

“Facility A” is defined in Section 2.1.1.

“Facility A Maximum Amount” means US\$500,000.

“Facility B” is defined in Section 2.1.2.

“Facility B Maximum Amount” means US\$15,000,000.

“Facility C” is defined in Section 2.1.3.

“Facility Closing” means disbursement by the Lender of the first Advance under the Facilities.

“Facility Closing Date” means the date on which the Facility Closing occurs.

“Financial Statements” means the financial statements of the Credit Parties prepared on the basis described in Section 5.4 hereof as at a specified date and for the period then ended and shall include a balance sheet, statement of income and retained earnings, statement of cash flows and application of funds, together with comparative figures in each case (where a comparative period on an earlier statement exists), all prepared, maintained and stated in accordance with IFRS consistently applied.

“First Ranking Security Interest” in respect of any Collateral means a Lien held by the Lender in such Collateral which is registered as required under this Agreement to record and perfect the charges contained therein; provided that such Collateral is not subject to any other Liens except Permitted Liens, and provided further that the Lien in such Collateral held by the Lender ranks in priority to any such Permitted Liens except those which may have priority in accordance with Applicable Law.

“Fiscal Quarter” means:

- (i) in respect of the Borrower, the Guarantors or DIV, a fiscal quarter ending on the last days of March, June, September and December, or such other date as may be agreed in writing by the Lender; and
- (ii) in respect of each of the Stratus Parties, a fiscal quarter ending on the last days of March, June, September and December, or such other date as may be agreed in writing by the Lender.

“Fiscal Year” means:

- (i) in respect of the Borrower, the Guarantors or DIV, a fiscal year ending on the last day of December in each year, or such other date as may be agreed in writing by the Lender; and
- (ii) in respect of each of the Stratus Parties, a fiscal year ending on the last day of December in each year, or such other date as may be agreed in writing by the Lender.

"Floor" means the rate per annum of interest equal to 1%.

"Funded Debt" means, with respect to any Person, without duplication:

- (a) money borrowed (including, without limitation, by way of overdraft) or indebtedness represented by notes payable and drafts accepted representing extensions of credit;
- (b) bankers' acceptances and similar instruments;
- (c) letters of credit, letters of guarantee and surety bonds issued at the request of such Person;
- (d) all Hedging Obligations and any other amounts owed under any hedge agreements upon termination of such hedge agreements, including without limitation net settlement amounts payable upon maturity and termination payments payable upon termination or early termination, which are not paid when due;
- (e) indebtedness secured by any Lien existing on Property of such Person, whether or not the indebtedness secured thereby shall have been assumed;
- (f) all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments, or that are not so evidenced but that would be considered by Applicable Accounting Principles to be indebtedness for borrowed money;
- (g) all redemption obligations and mandatory dividend obligations of such Person with respect to any Equity Securities issued by such Person and which are by their terms or pursuant to any contract, agreement or arrangement:
 - (i) redeemable, retractable, payable or required to be purchased or otherwise retired or extinguished, or convertible into debt of such Person: (A) at a fixed or determinable date; (B) at the option of any holder thereof; or (C) upon the occurrence of a condition not solely within the control and discretion of such Person; or
 - (ii) convertible into any other Equity Securities described in (i) above;
- (h) Capital Leases;
- (i) all obligations of such Person secured by Purchase Money Security Interests; and
- (j) any guarantee or indemnity (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner of any part or all of an obligation included in items (a) through (i) above;

including for greater certainty Subordinated Debt but excluding the following: accounts payable arising in the ordinary course of business, short term non-interest bearing liabilities and future income Taxes (both current and long term). Furthermore, Funded Debt shall not be offset, or reduced by, cash or Cash Equivalents.

“GAAP” means generally accepted accounting principles in Canada as approved by the Canadian Accounting Standards Boards as set out in the CPA Canada Handbook for an entity that prepares its financial statements in accordance with IFRS.

“Governance Agreement” means the governance agreement dated November 15, 2022 among DIV, the Stratus Parties, the Borrower and the Borrower GP, providing for, *inter alia* certain matters related to the conduct of the business of the Stratus Parties.

“Governmental Authority” means any:

- (a) federal, provincial, state, municipal, local or other governmental or public department, central bank, court or other agency, commission, board, bureau, agency or instrumentality, domestic or foreign, having jurisdiction to exercise executive, legislative, judicial, taxation, regulatory or administrative powers of or pertaining to government;
- (b) any subdivision or authority of any of the foregoing; or
- (c) any quasi-governmental, judicial or administrative body having jurisdiction to exercise any regulatory, expropriation or taxing authority over any Credit Party under or for the account of any of the foregoing.

“Guarantee” means any agreement by which any Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person or otherwise assures any creditor of such Person against loss, and shall include any contingent liability under any letter of credit or similar document or instrument.

“Guarantors” means the Borrower GP and all Subsidiaries of the Borrower from time to time.

“Hazardous Materials” means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, odour, radiation or other material which:

- (a) is or becomes regulated under or the subject of any Applicable Law relating to the preservation, protection, pollution or contamination of the environment; or
- (b) is, or is deemed under any Applicable Law to be, alone or in any combination, hazardous, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination, including asbestos or asbestos containing materials, polychlorinated biphenyls, petroleum and petroleum distillates.

“Hedging Transactions” means:

- (a) any and all interest rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-

currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement; and

- (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any international foreign exchange master agreement, or any other master agreement, including any such obligations or liabilities under any such master agreement and its related schedules, in each case for the purpose of hedging exposure to fluctuations in interest or exchange rates, or loan, credit exchange, security or currency valuations.

"Hedging Obligations" means all obligations of the Borrower to the Lender and any Affiliate of the Lender that has entered into a secured Hedge Transaction with the Borrower.

"IFRS" means International Financial Reporting Standards in Canada as approved by the Canadian Accounting Standards Board in effect from time to time applied in a consistent manner from period to period.

"Incremental Earn-Out" has the meaning given to such term in the Acquisition Agreement.

"Indemnitees" means the Lender and its respective successors and assigns, any agent of any of the Lender (specifically including a receiver or receiver-manager) and the respective officers, directors and employees of the foregoing.

"Insolvency Event" means, in respect of any Person:

- (a) such Person ceases to carry on its business; or commits an act of bankruptcy or becomes insolvent (as such terms are used in the BIA); or makes an assignment for the benefit of creditors, files a petition in bankruptcy, makes a proposal or commences a proceeding under Insolvency Legislation; or petitions or applies to any tribunal for, or consents to, the appointment of any receiver, trustee or similar liquidator in respect of all or a substantial part of its property; or admits the material allegations of a petition or application filed with respect to it in any proceeding commenced in respect of it under Insolvency Legislation; or takes any corporate action for the purpose of effecting any of the foregoing; or
- (b) any proceeding or filing is commenced against such Person seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment or composition of it or its debts under any Insolvency Legislation, or seeking appointment of a receiver, trustee, custodian or other similar official for it or any of its property or assets; unless:
 - (i) such Person is diligently defending such proceeding in good faith and on reasonable grounds as determined by the Lender acting reasonably and the same shall continue undismissed or unstayed and in effect, for any period of 60 consecutive days; and

- (ii) such proceeding does not in the reasonable opinion of the Lender materially adversely affect the ability of such Person to carry on its business and to perform and satisfy all of its obligations.

“Insolvency Legislation” means legislation in any applicable jurisdiction relating to reorganization, arrangement, compromise or re adjustment of debt, dissolution or winding up, or any similar legislation, and specifically includes for greater certainty the BIA, the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and the *Bankruptcy Code* (United States), in each case as may be amended or replaced from time to time.

“Interest” means interest on loans, stamping fees in respect of bankers’ acceptances, the difference between the proceeds received by the issuers of bankers’ acceptances and the amounts payable upon the maturity thereof, and any other charges or fees in connection with the extension of credit which are determined by reference to the amount of credit extended, plus standby fees in respect of the unutilized portion of any credit facility; but for greater certainty **“Interest”** shall not include any capitalized interest, agency fees, arrangement fees, structuring fees, fees relating to the granting of consents, waivers, amendments, extensions or restructurings, the reimbursement of costs and expenses, and any similar amounts which may be charged from time to time in connection with the establishment, administration or enforcement of credit facilities.

“Interest Expense” means, with respect to any Person for any period, the sum of (without duplication):

- (a) all cash Interest expense of such Person for such period on a consolidated basis, including:
 - (i) the amortization of debt discounts;
 - (ii) the amortization of all fees (including fees with respect to swap agreements) payable in connection with the incurrence of debt to the extent included in Interest expense;
 - (iii) standby fees in respect of undrawn debt; and
 - (iv) the portion of any payments or accruals with respect to Capital Lease obligations allocable to interest expense; and
- (b) capitalized interest of such Person.

For purposes of the foregoing, cash interest expense shall be determined after giving effect to any net payments made or received and costs incurred by the Borrower and the other Credit Parties with respect to Hedging Transactions, and interest on a Capital Lease obligation shall be deemed to accrue at an interest rate reasonably determined by the Borrower to be the rate of interest implicit in such Capital Lease obligation in accordance with IFRS.

“Interest Payment Date” means as to any Term SOFR Loan the last day of each Interest Period therefor and, in the case of any Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at three month intervals after the first day

of such Interest Period, and on the maturity date; provided that, as to any such Loan, (i) if any such date would be a day other than a Business Day, such date shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such date shall be the next preceding Business Day and (ii) the Interest Payment Date with respect to any Advance that occurs on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in any applicable calendar month) shall be the last Business Day of any such succeeding applicable calendar month.

“Interest Period” means the period commencing on the date a Term SOFR Loan is advanced, continued, or created by conversion and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter, as specified in the applicable Draw Request, Notice of Rollover or Notice of Conversion and, *provided*, that no Interest Period shall extend beyond the Maturity Date; whenever the last day of any Interest Period would otherwise be a day that is not a Business Day, the last day of such Interest Period shall be extended to the next succeeding Business Day, provided that, if such extension would cause the last day of an Interest Period for a Term SOFR Loan to occur in the following calendar month, the last day of such Interest Period shall be the immediately preceding Business Day; and for purposes of determining an Interest Period for a Term SOFR Loans, a month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month; provided, that if there is no numerically corresponding day in the month in which such an Interest Period is to end or if such an Interest Period begins on the last Business Day of a calendar month, then such Interest Period shall end on the last Business Day of the calendar month in which such Interest Period is to end; and no tenor that has been removed from this definition pursuant to Section 3.6 below shall be available for specification in such Draw Request, Notice of Rollover or Notice of Conversion.

“ISDA Master Agreement” means the 1992 ISDA Master Agreement (Multi-currency – Cross Border) or the 2002 ISDA Master Agreement (Multi-currency – Cross Border), each as published by the International Swap and Derivatives Association Inc. and each as amended, restated or replaced from time to time, and where the context permits or requires, includes all schedules, supplements, annexes and confirmations attached thereto or incorporated therein (including without limitation any credit support annex) entered into by a Credit Party with the Lender.

“Investment” means:

- (a) any loan or other extension of credit (including the delivery of Guarantees, indemnities or other financial assistance) or capital contribution (including a transfer of property) to, or acquisition of any Equity Securities, bonds, notes, debentures or other securities of, any Person;
- (b) any deposit accounts and certificates of deposit owned by a Person (other than deposit accounts and certificates of deposit maintained with the Lender); and
- (c) the purchase of any assets constituting all or part of a business unit from any Person,

“Laws” means all statutes, codes, ordinances, decrees, rules, regulations, municipal by laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of such laws, including general principles of common and civil law and equity or policies or guidelines, to the extent such policies or guidelines

have the force of law, binding on the Person referred to in the context in which such word is used; and “Law” means any of the foregoing.

“**Lender**” means the Bank of Montreal and its successors and permitted assigns.

“**Licence and Royalty Agreement**” means the license and royalty agreement dated November 15, 2022 between the Borrower and Stratus Franchising, pursuant to which Borrower grants to Stratus Franchising the exclusive right to use, *inter alia*, all registered and unregistered trademarks, copyright material and other intellectual property comprising the Transferred Assets throughout the world for a period of 50 years in consideration of the payment of a royalty by Stratus Franchising to the Borrower.

“**Lien**” means:

- (a) a lien, charge, mortgage, hypothec, legal hypothec, pledge, security interest or conditional sale agreement;
- (b) an assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation;
- (c) a garnishment;
- (d) any other encumbrance of any kind; and
- (e) any commitment or agreement to enter into or grant any of the foregoing.

“**Loan**” means a US Dollar Base Rate Loan; a Term SOFR Loan or an extension of credit by way of Overdraft under Facility A.

“**Loan Documents**” means collectively, this Agreement, the Security, any promissory notes issued by the Borrower to the Lender hereunder, all agreements (including confirmations) between the Borrower and the Lender and its Affiliates relating to individual Secured Hedge Transactions, any certificate completed and executed by a Credit Party, and all other certificates, instruments, agreements and other documents (including without limitation any agreements pertaining to Banking Services Agreements) delivered, or to be delivered, to the Lender under or in connection with this Agreement or the Facilities and any fee letters entered into between the Borrower and the Lender in respect of fees payable to the Lender.

“**Material Adverse Change**” means any change or event which results in a Material Adverse Effect.

“**Material Adverse Effect**” means any such matter, event or circumstance that individually or in the aggregate could, in the opinion of the Lender, acting reasonably, be expected to have a material adverse effect on:

- (a) the business, financial condition, operations, property, assets or undertaking of the Borrower and its Subsidiaries, taken as a whole;
- (b) the ability of the Borrower, or a Credit Party or any other Person to pay and perform its Obligations in accordance with this Agreement or any of the Security;

- (c) the validity or enforceability of this Agreement, any other Loan Document, the Licence and Royalty Agreement or the Stratus GSAs;
- (d) the rights and remedies of the Lender under the Loan Documents, the Licence and Royalty Agreement or the Stratus GSAs; or
- (e) the priority ranking of any of the Liens granted by the Security or the rights or remedies intended or purported to be granted to the Lender under or pursuant to the Security, other than Liens that the Lender in its reasonable discretion, considers immaterial or duplicative.

“Material Agreement” means an agreement now or hereafter existing made between any Credit Party and another Person which if terminated (other than at its scheduled maturity) would result, or would have a reasonable likelihood of resulting, in a Default, an Event of Default or a Material Adverse Change, including the Licence and Royalty Agreement, the Stratus GSAs and each of the other agreements listed in Schedule 4.1.12 attached hereto.

“Material Permit” means a licence, permit, approval, registration or qualification to do business issued by a Governmental Authority granted to or held by any Credit Party which if terminated and not replaced would result, or would have a reasonable likelihood of resulting, in a Default, an Event of Default or a Material Adverse Change.

“Maturity Date” means the fifth anniversary of the date of this Agreement.

“Net Issuance Proceeds” means, in respect of any issuance of debt or equity, cash proceeds (including cash proceeds as and when received in respect of non cash proceeds received or receivable in connection with such issuance), net of underwriting discounts and reasonable out of pocket fees, costs and expenses paid or incurred in connection therewith in favour of any Person not a Credit Party or any Related Person of a Credit Party.

“Net Proceeds” means proceeds in cash, cheques or other Cash Equivalents as and when received by the Person making a disposition of property or received under property insurance in respect of a loss covered thereby, net of: (a) in the event of a disposition (i) the direct costs relating to such disposition, excluding any such costs payable to a Credit Party or any Related Party of a Credit Party (ii) sale, use or other transaction Taxes paid or payable as a result thereof, and (iii) amounts required to be applied to repay principal, interest and prepayment premiums and penalties on any indebtedness secured by any Permitted Lien on such property having priority over the Security, and (b) in respect of proceeds received under property insurance in respect of a loss covered thereby, (i) all money actually applied to repair or replace the damaged or lost property (to the extent permitted under this Agreement or with the prior written consent of the Lender), (ii) the costs and expenses reasonably incurred in connection with the collection of such proceeds, award or other payments, and (iii) any amounts retained by or paid to parties having superior rights to such proceeds, awards or other payments under Applicable Law.

“Obligations” means, at any time all direct and indirect, contingent and absolute indebtedness, obligations and liabilities of the Borrower to the Lender under or in connection with this Agreement and the Security at such time, specifically including the Outstanding Advances and all accrued and unpaid interest thereon, and all obligations arising under or in connection with Secured Hedge Transactions and Banking Services Agreements, together with all fees, expenses

and other amounts payable pursuant to this Agreement and the Security; provided that if otherwise specified or required by the context, “**Obligations**” shall mean any portion of the foregoing.

“**Ordinary LP Units**” means the ordinary units of the Borrower issued by the Borrower to DIV.

“**Outstanding Advances**” means, at any time, the aggregate of all obligations of the Borrower to the Lender in respect of all Advances made under the Facilities (or if the context requires, under any Facility) which have not been repaid or satisfied at such time, determined as follows:

- (a) in the case of US Dollar Base Rate Loans and Overdrafts in US Dollars, the principal amount thereof; and
- (b) in the case of Term SOFR Loans, the principal amount thereof.

“**Overdraft**” means indebtedness of the Borrower to the Lender arising under Facility A in connection with all amounts debited to all overdraft accounts established by the Borrower with the Lender, including without limitation all cheques, transfers, withdrawals, interest, costs, charges and fees debited to such accounts.

“**Permitted Distributions**” means the following Distributions:

- (a) payment for expenses for accounting and other shared services paid by the Borrower to the Borrower GP in the maximum amount of [redacted amount] in the aggregate in any Fiscal Year for all amounts paid under clauses (a), (b) and (c) of this definition, provided that no such Distributions may be made if a Default or an Event of Default has occurred and is continuing or if a Default or Event of Default could result from making such Distribution including default under any financial covenant;
- (b) payment to reimburse the Borrower GP for out-of-pocket expenses incurred by the Borrower GP to non-affiliated third parties that are not Related Persons, payable by the Borrower to the Borrower GP pursuant to Section 7.9 of the Borrower LP Agreement, in an amount not to exceed [redacted amount] in the aggregate in any Fiscal Year for all amounts paid under clauses (a), (b) and (c) of this definition, provided that no such Distributions may be made if a Default or an Event of Default has occurred and is continuing or if a Default or Event of Default could result from making such Distribution including default under any financial covenant;
- (c) directors' fees paid to directors of the Borrower GP in the maximum amount of [redacted amount] in the aggregate in any Fiscal Year for all amounts paid under clauses (a), (b) and (c) of this definition, provided that no such distributions may be made if a Default or an Event of Default has occurred and is continuing or if a Default or Event of Default could result from making such Distribution including default under any financial covenant;
- (d) cash Distributions to Unitholders made in compliance with the financial covenant in Section 5.3.2 hereof provided that no such Distributions may be made if a Default or an Event of Default has occurred and is continuing or if a Default or Event of Default could result from making such Distribution including default under any financial covenant; and

- (e) payment of debt owing by the Borrower to DIV in the maximum aggregate amount of [redacted amount] in respect of cash transaction expenses for the Acquisition Transactions funded by DIV; provided that no such Distributions may be made if a Default or an Event of Default has occurred and is continuing or if a Default or Event of Default could result from making such Distribution including default under any financial covenant.

“Permitted Funded Debt” means, without duplication:

- (f) indebtedness secured by Permitted Liens;
- (g) debt owing by the Borrower to DIV in the maximum aggregate amount of [redacted amount] in respect of cash transaction expenses for the Acquisition Transactions funded by DIV subject to the terms of the subordination and postponement agreement executed and delivered by DIV to the Lender; and
- (h) other Funded Debt consented to by the Lender, in its sole discretion, from time to time.

“Permitted Liens” means:

- (a) Statutory Liens in respect of any amount which is not at the time overdue;
- (b) Statutory Liens in respect of any amount which may be overdue but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Lender;
- (c) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any land or any interest therein;
- (d) servicing agreements, development agreements, site plan agreements and other agreements with Governmental Authorities pertaining to the use or development of any land, provided same are complied with in all material respects;
- (e) applicable municipal and other governmental restrictions, including municipal by laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provide such restrictions have been complied with in all material respects;
- (f) Liens or rights of distress reserved in or exercisable under any lease for rent not at the time overdue or for compliance with the terms of such lease not at the time in default; and security deposits given under leases not in excess of six months' rent;
- (g) any obligations or duties affecting any land due to any public utility or to any municipality or government, or to any statutory or public authority, with respect to any franchise, grant, licence or permit in good standing and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on land under government permits, leases or other grants in good standing; which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held;

- (h) Liens incurred or deposits made in connection with contracts, bids, tenders or expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, and warehousemen's, storers', repairers', carriers' and other similar Liens and deposits;
- (i) security given to a public utility or any municipality or government or to any statutory or public authority to secure obligations incurred to such utility, municipality, government or other authority in the ordinary course of business and not at the time overdue;
- (j) Liens and privileges arising out of judgments or awards in respect of which: an appeal or proceeding for review has been commenced; a stay of execution pending such appeal or proceedings for review has been obtained, and reserves have been established as reasonably required by the Lender;
- (k) any Lien arising in connection with the construction or improvement of any land or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures monies not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Lender), notice of such Lien has not been received by the Lender and such Lien has not been registered against title to such land;
- (l) Permitted Purchase Money Security Interests;
- (m) in the case of the property and assets of the Stratus Parties, the Stratus GSAs and all Permitted Liens (as defined therein); and
- (n) the Security,

provided that the use of the term **"Permitted Liens"** to describe the foregoing Liens shall mean that such Liens are permitted to exist (whether in priority to or subsequent in priority to the Security, as determined by Applicable Law); and for greater certainty such Liens shall not be entitled to priority over the Security by virtue of being described in this Agreement as **"Permitted Liens"**.

"Permitted Purchase Money Security Interests" means Purchase Money Security Interests granted by the Borrower incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the maximum aggregate liability of the Borrower thereunder is not in excess of [redacted amount] at any time.

"Person" includes an individual, sole proprietorship, corporation, company, partnership, trust, unincorporated association, association, institution, entity, estate, Governmental Authority or any combination of the above.

"Potential Statutory Priority Amount" in respect of the Credit Parties at any time means the amount of all employee source deductions, goods and services tax and all other similar amounts which have not been paid by the Credit Parties when due and could result in a Statutory Lien ranking *pari passu* with or in priority to the Liens created by the Security, except the portion thereof being contested in good faith by the Credit Parties and in respect of which adequate reserves have been established in accordance with IFRS.

"Proceeds of Realization", in respect of the Security or any portion thereof, means all amounts received by the Lender in connection with:

- (a) any realization thereof, whether occurring as a result of enforcement or otherwise;
- (b) any sale, expropriation, loss or damage or other disposition of the Collateral or any portion thereof; and
- (c) the dissolution, liquidation, bankruptcy or winding up of the Borrower or any other distribution of its assets to creditors,

and all other amounts which are expressly deemed to constitute "Proceeds of Realization" in this Agreement.

"Purchase Money Security Interest" means:

- (a) any Lien created, issued or assumed to secure indebtedness not in excess of the value of the underlying property granted as security as a part of, or issued or incurred to provide funds to pay, the purchase price of any real or personal property, provided that such Lien is limited to the property so acquired and is created, issued or assumed substantially concurrently with the acquisition of such property;
- (b) the interest of a lessor under a Capital Lease; and
- (c) any renewal, refunding or extension of any Lien referred to in (a) or (b) above securing indebtedness or Capital lease obligations in a principal amount not in excess of the unpaid principal amount of the indebtedness secured thereby immediately prior to such renewal, refunding or extension.

"Related Person" means with respect to any Person, an Affiliate of such Person, a holder of Equity Securities of such Person, or a Person not at Arm's Length to such Person or holder of Equity Securities of such Person, and with respect to the Credit Parties includes the Borrower GP, each of the Stratus Parties, DIV, the directors and officers of DIV and the Borrower GP, their respective Affiliates and Associates and any company or entity Controlled directly or indirectly by any one or more of such Persons.

"Repayment" means a repayment by the Borrower on account of the Outstanding Advances under all Facilities or a Facility, as the context requires, other than a reduction of the Overdraft.

"Repayment Notice" means a notice delivered by the Borrower to the Lender committing it to make a Repayment in the form of Exhibit D.

"Rollover" means the renewal of an Availment Option upon its maturity in the same form.

"Rollover Notice" means a notice substantially in the form of Exhibit B given by the Borrower to the Lender for the purpose of requesting a Rollover.

"Royalty Payment" has the meaning ascribed to the term "Monthly Royalty Payment" in the Licence and Royalty Agreement.

“Royalty Payment Period” has the meaning ascribed thereto in the Licence and Royalty Agreement.

“Secured Hedge Transactions” means, collectively, Hedging Transactions entered into between the Borrower and the Lender in compliance with Section 2.7 of this Agreement, and “Secured Hedge Transaction” means any one of them as the context requires.

“Security” means all Guarantees, security agreements, mortgages, debentures and other documents required to be provided to the Lender pursuant to Article 6 and all other documents and agreements delivered by the Credit Parties and other Persons to the Lender from time to time as security for the payment and performance of the Obligations, and the Liens constituted by the foregoing, and including without limitation the Stratus GSAs and the Limited Recourse Guarantee and Pledge of Units of the Borrower provided by DIV to the Lender.

“Senior Funded Debt” means, with respect to the Credit Parties, all Funded Debt of the Credit Parties, excluding Subordinated Debt.

“Senior Funded Debt to EBITDA Ratio” means at any time, the ratio of:

- (a) the Senior Funded Debt (excluding Hedging Obligations), at the end of the most recently completed 12 month period, to
- (b) the EBITDA of the Credit Parties determined for the most recently completed 12 month period.

“Senior Officer” means the chief executive officer, chief financial officer or chief operating officer of the Borrower, or any other officer acceptable to the Lender having substantially the same authority and responsibility as any of the foregoing.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York) or a successor administrator of the secured overnight financing rate).

“Statutory Lien” means a Lien in respect of any property or assets of a Credit Party created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing such Credit Party’s obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time.

“Stratus Canada” means STRATUS BUILDING SOLUTIONS CANADA INC., a Canadian company, and its successors and assigns.

“Stratus Canada GSA” means the general security agreement dated November 15, 2022 granted by Stratus Canada in favour of the Borrower as security for, *inter alia*, the guarantee by Stratus Canada of all indebtedness of Stratus Franchising owing to the Borrower, creating a security interest and charge over all present and after acquired property, assets and undertaking of Stratus Canada subject only to Permitted Liens (as defined therein).

“Stratus Franchising” means SBS FRANCHISING, LLC, a Delaware corporation, and its successors and assigns.

“Stratus Franchising GSA” means the general security agreement dated November 15, 2022 granted by Stratus Franchising in favour of the Borrower as security for, *inter alia*, all royalty payments payable by Stratus Franchising to the Borrower under the Licence and Royalty Agreement, creating a security interest and charge over all present and after acquired property, assets and undertaking of Stratus Franchising subject only to Permitted Liens (as defined therein).

“Stratus GSAs” means, collectively, the Stratus Canada GSA, the Stratus Franchising GSA and the Stratus Services GSA.

“Stratus Marks” has the meaning given to such term in the Royalty and Licencing Agreement.

“Stratus Parties” means, collectively, Stratus Canada, Stratus Franchising and Stratus Services and “Stratus Party” means any one of them.

“Stratus Services” means SBS SERVICES GROUP LLC, a Delaware corporation, and its successors and assigns.

“Stratus Services GSA” means the general security agreement dated November 15, 2022 granted by Stratus Services in favour of the Borrower as security for, *inter alia*, the guarantee by Stratus Services of all indebtedness of Stratus Franchising to the Borrower, creating a security interest and charge over all present and after acquired property, assets and undertaking of Stratus Services subject only to Permitted Liens (as defined therein).

“Term SOFR” means, for the applicable tenor, the Term SOFR Reference Rate on the day (such day, the **“Term SOFR Determination Day”**) that is two (2) U.S. Government Securities Business Days prior to (a) in the case of SOFR Loans, the first day of such applicable Interest Period, or (b) with respect to Base Rate, such day of determination of the Base Rate, in each case as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Term SOFR Determination Day, provided, that if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Lender in its reasonable discretion).

TERM SOFR Loan” means a loan made by the Lender to the Borrower in US Dollars in respect of which Interest is determined by reference to Adjusted Term SOFR, other than pursuant to clause (c) of the definition of “Base Rate.

“Term SOFR Reference Rate” means the per annum forward-looking term rate based on SOFR.

“Subordinated Debt” means indebtedness of any Credit Party to any Person which the Lender in its discretion has consented to in writing and in respect of which the holder thereof has entered into a subordination and postponement agreement in favour of the Lender in form and substance satisfactory to the Lender and registered in all places where necessary or desirable to protect the priority of the Security, which shall provide (among other things) that:

- (a) the maturity date of such indebtedness is later than the Maturity Date;
- (b) the holder of such indebtedness may not receive any payments on account of principal or interest thereon (except to the extent, if any, expressly permitted therein) or as may otherwise be agreed in writing by the Lender;
- (c) any security held in respect of such indebtedness is subordinated to the Security;
- (d) the holder of such indebtedness may not take any enforcement action in respect of any such security (except to the extent, if any, otherwise expressly provided therein) without the prior written consent of the Lender; and
- (e) any enforcement action taken by the holder of such indebtedness will not interfere with the enforcement action (if any) being taken by the Lender in respect of the Security.

“Subsidiary” means a business entity which is Controlled by another business entity (as used herein, “business entity” includes a corporation, company, partnership, limited partnership, trust or joint venture). Unless otherwise noted herein, the term **“Subsidiary”** includes all current and future direct and indirect Subsidiaries of the Borrower.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Transferred Assets” means the Stratus Rights (as defined in the Acquisition Agreement) and other assets transferred by Stratus Franchising to the Borrower pursuant to the Acquisition Agreement.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unitholders” means holders of units of the Borrower, being DIV.

“US Dollars” or **“US \$”** means the lawful money of the United States of America.

“US Dollar Base Rate Loan” means a loan made by the Lender to the Borrower in US Dollars in respect of which interest is determined by reference to the Base Rate but excluding Advances in the form of Overdrafts.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

1.2 Accounting Principles

Unless otherwise specifically provided herein, any accounting term used in this Agreement shall have the meaning customarily given such term in accordance with IFRS, and all financial computations hereunder shall be computed in accordance with IFRS consistently applied and used in the preparation of the consolidated Financial Statements of the Borrower. That certain items or computations are explicitly modified by the phrase “in accordance with IFRS” shall in no way be construed to limit the foregoing. If there occurs after the date hereof any change in IFRS from that used in the preparation of the financial statements referred to herein or, after the date hereof, the Borrower adopts any other accounting principles for use in the preparation of their financial statements (such changes in IFRS and such adoption being referred to herein as **“Accounting Changes”**) that affects in any respect the calculation of any covenants contained in this Agreement (including those in Section 5.3), the Lender and the Borrower shall discuss whether they wish to amend any relevant provisions of this Agreement that relate to the calculation of such covenants with the intent of having their respective positions after such Accounting Changes conform as nearly as possible to their respective positions as of the date of this Agreement. Unless any such amendments have been agreed upon by all parties hereto in writing, compliance with the financial covenants in this Agreement shall be determined as if no such Accounting Change had occurred. In such event, the financial statements required to be provided by the Borrower hereunder shall be prepared in accordance with IFRS in effect on the date of such financial statements (after giving effect to such Accounting Change), and the Borrower shall concurrently deliver to the Lender a reconciliation in form and substance satisfactory to the Lender showing all adjustments made to financial statements in order to determine compliance with such financial covenants on the basis of IFRS in effect prior to such Accounting Change.

1.3 Currency References

All amounts referred to in this Agreement are in US Dollars unless otherwise noted.

1.4 References to Statutes

Whenever in this Agreement reference is made to a statute or regulations made pursuant to a statute, such reference shall, unless otherwise specified, be deemed to include all amendments to such statute or regulations from time to time and all statutes or regulations which may come into effect from time to time substantially in replacement for the said statutes or regulations.

1.5 Extended Meanings

Terms defined in the singular have the same meaning when used in the plural, and vice versa. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “including” shall mean “including, without limitation”, and the term “includes” shall mean “includes, without limitation”. Any reference herein to the exercise of discretion by the Lender (including phrases such as “in the discretion of”, “in the opinion of”, “to the satisfaction of” and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

1.6 Exhibits and Schedules

The following exhibits and schedules are attached to this Agreement and incorporated herein by reference:

Exhibits

A	-	Draw Request
B	-	Rollover Notice
C	-	Conversion Notice
D	-	Repayment Notice
E	-	Compliance Certificate
F	-	Increase Request

Schedules

4.1.2	-	Credit Parties Information
4.1.12	-	Material Contracts
4.1.24	-	Related Person Contracts and Transactions
4.1.29	-	Stratus Marks, Franchisees and Sublicensees

ARTICLE 2 THE FACILITIES

2.1 Establishment of Facilities

2.1.1 Subject to the terms and conditions in this Agreement, and on the basis more particularly provided in Section 2.5 below, the Lender hereby establishes a committed, revolving credit facility ("**Facility A**") for the Borrower in the maximum principal amount of the Facility A Maximum Amount. Advances under Facility A shall be used by the Borrower to finance day to day operating requirements of the Borrower. Facility A shall be a revolving facility. For greater certainty, the Borrower shall, subject to the terms of this Agreement, be entitled to obtain advances under Facility A from time to time to repay all or any portion of the Outstanding Advances under Facility A from time to time, provided that the outstanding advances under Facility A at any time shall not exceed the Facility A Maximum Amount in effect at such time.

2.1.2 Subject to the terms and conditions in this Agreement, the Lender hereby establishes a committed, non-revolving term facility ("**Facility B**") for the Borrower available by way of a single Advance on the Facility Closing Date in the maximum amount of the Facility B Maximum Amount. The Advance under Facility B shall be used by the Borrower to finance the Borrower's purchase of the Transferred Assets. Any unused portion of Facility B following the Facility Closing Date shall be automatically cancelled.

2.1.3 Subject to the terms and conditions in this Agreement, the Lender hereby establishes a risk management facility ("**Facility C**") for the Borrower of US\$1,700,000 representing deemed risk content as determined by the Lender on terms and conditions acceptable to the Lender and on the basis more particularly provided in Section 2.7 below.

2.2 Availment Options

2.2.1 Subject to the restrictions contained in this Agreement (and in particular, Sections 2.5, 3.2 and 3.3), the Borrower may from time to time receive Advances from the Lender under Facility A by way of US Dollar Base Rate Loans by way of Overdrafts in US Dollars or Term SOFR Loans with a period of one (1), three (3) or six (6) months, subject to market availability.

2.2.2 Subject to the restrictions contained in this Agreement (and in particular, Sections 3.2 and 3.3), the Borrower may receive a single Advance under Facility B by any one or more of the following Availment Options (or any combination thereof), and may from time to time convert all or any portion of the Outstanding Advances under such Facility in the form of any such Availment Option into another said Availment Option:

- (a) US Dollar Base Rate Loans; or
- (b) Term SOFR Loans with a period of one (1), three (3) or six (6) months, subject to market availability.

2.2.3 Term SOFR Loans may not be converted into another Availment Option prior to the maturity thereof, and will not be issued with a maturity later than the earlier of:

- (a) 90 days after its date of issuance or advance; and
- (b) the fifth Business Day prior to the Maturity Date.

2.3 Interest and Fees

2.3.1 The Borrower agrees to pay the following:

- (a) interest on Overdrafts in US Dollars and US Dollar Base Rate Loans at the Base Rate plus the Applicable Margin per annum, payable monthly in arrears on the last day of each and every month;
- (b) interest on Term SOFR Loans at Adjusted Term SOFR plus the Applicable Margin per annum calculated on the basis of a year of three hundred and sixty (360) days, payable on the Interest Payment Date;
- (c) a standby fee payable in US Dollars to the Lender with respect to the unused portion of Facility A, calculated on a daily basis as being the difference between (i) the Facility A Maximum Amount; and (ii) the Outstanding Advances under Facility A, multiplied by the Applicable Margin and divided by 365; which standby fee shall be paid monthly in arrears on the first day of each and every month based on the number of days in the immediately preceding month and on the Maturity Date;
- (d) an annual review fee to the Lender in the amount of [redacted amount], which shall be payable on each anniversary of the Facility Closing Date until the Maturity Date; and
- (e) an arrangement fee payable to the Lender in the amount of [redacted amount], of which [redacted amount] has already been paid and the remainder of which shall be payable on the Facility Closing Date.

2.3.2 Except as otherwise provided in this Agreement, all such payments referred to in this Section 2.3 shall be made to the Lender. The Borrower also agrees to pay to the Lender (for its own account) fees in respect of Banking Services Agreements between the Borrower and the Lender as they may agree in writing from time to time.

2.4 Repayments

2.4.1 The Obligations under Facility A and Facility B shall become due and payable on the earlier of:

- (a) the Maturity Date; and
- (b) the Acceleration Date.

2.4.2 If at any time the Outstanding Advances under Facility A exceed the Facility A Maximum Amount for any reason, the Borrower agrees that within three Business Days after receipt of a written request from the Lender, it will make a repayment under Facility A in such amount as will result in Outstanding Advances under Facility A not exceeding the Facility A Maximum Amount; provided that nothing in this Section is intended to limit, delay or restrict the Lender from availing itself of the rights and remedies available under Article 8 of this Agreement or to limit or restrict the right of the Lender to refuse to honour a cheque, draft, overdraft, Draw Request, or other availment request that would result in the Outstanding Advances under Facility A exceeding the Facility A Maximum Amount..

2.4.3 In addition to all other Repayments required under this Section 2.4, if a Credit Party receives Net Proceeds from an insurance policy in respect of property which is lost, damaged or destroyed, including any property of the Stratus Parties which is lost, damaged or destroyed:

- (a) if a Default (but not an Event of Default) has occurred and is continuing, the Lender shall hold such proceeds until such Default no longer exists or has become an Event of Default, after which the remaining provisions in this Section 2.4.1(a) shall apply;
- (b) if an Event of Default has occurred and is continuing, such proceeds shall be deemed to constitute Proceeds of Realization and shall be applied in accordance with Section 9.1;
- (c) if no Event of Default has occurred and is continuing such Credit Party may utilize all or any portion of such Net Proceeds to repair or replace such property within 180 days after receipt of such Net Proceeds; provided however that if such Net Proceeds are in excess of [redacted amount] such Credit Party shall deposit such Net Proceeds into a separate bank account established by the Borrower with the Lender, and such Credit Party may withdraw monies from such account from time to time within such 180-day period to repair or replace such property provided that at the time of each such withdrawal no Event of Default has occurred and is continuing; and
- (d) the portion of such Net Proceeds not so utilized shall be paid to the Lender as a Repayment within five Business Days after the expiry of the said 180-day period.

2.4.4 In addition to all other Repayments required pursuant to this Section 2.4, the Borrower agrees to make a Repayment to the Lender in an amount equal to the Net Proceeds from the sale or other disposition of any individual asset or group of related assets of one or more Credit Parties in one or a series of related transactions having an aggregate value greater than [redacted amount] unless, within 180 days after such disposition, such Credit Party has used the Net Proceeds to purchase similar assets

useful in its business, which Repayment shall be made within 180 days from the date of such disposition (to the extent required hereunder).

2.4.5 In addition to all other Repayments required pursuant to this Section 2.4, the Borrower agrees to make a Repayment to the Lender in an amount equal to the Net Issuance Proceeds upon any transaction involving the raising of capital by way of equity (including by way of subscription for additional Equity Securities) or by the creation of any Funded Debt other than Permitted Funded Debt.

2.4.6 Each Repayment required to be made pursuant to Section 2.4.3, 2.4.4 and 2.4.5 above shall be applied firstly against the Outstanding Advances under Facility B (in the inverse order of maturity) and secondly against the Outstanding Advances under Facility A.

2.5 Facility A - Overdrafts

Facility A shall be subject to the following terms and conditions, in addition to any other applicable terms and conditions contained in this Agreement:

- (a) The Outstanding Advances under Facility A shall not at any time exceed the Facility A Maximum Amount.
- (b) Advances to and repayments by the Borrower under Facility A shall be made by way of Overdrafts in the following manner:
 - (i) The Lender will make Advances to the Borrower into a US Dollar account designated by the Borrower from time to time as required in order to honour cheques drawn by the Borrower on such account which are presented to the Lender for payment.
 - (ii) As deposits are made into such account by the Borrower, the Lender shall withdraw funds from such account from time to time and apply such funds as repayments under Facility A.
- (c) No Draw Request shall be required in connection with Advances made under Facility A. All Advances and Repayments under Facility A shall be without notice to or from the Borrower and shall be on a dollar for dollar basis (i.e., not subject to multiples).

2.6 Voluntary Repayments

Upon delivery of an executed Repayment Notice to the Lender not less than two (2) Business Days' prior to making a Repayment, the Borrower may make Repayments on account of the Outstanding Advances under US Dollar Base Rate Loans from time to time, without payment of any penalty or fee. For greater certainty however, Term SOFR Loans may not be repaid prior to the maturity thereof (but the obligations thereunder may be secured by cash collateral as more particularly provided in Section 3.8).

2.7 Facility C – Risk Management Products

2.7.1 Each Secured Hedge Transaction entered into between the Borrower and the Lender shall be upon such terms as may be offered by the Lender in its discretion, subject to the terms of this Agreement.

2.7.2 Secured Hedge Transactions may be available by way of floating to fixed interest rate swaps in US Dollars with lender market out clause with right to renew spread, may not be entered into for speculative purposes, may only be used by the Borrower to facilitate hedging of interest rate risk (floating to fixed interest rate swaps in United States Dollars), and shall mature on or before the Maturity Date.

2.7.3 In respect of each Secured Hedge Transaction entered into between the Borrower and the Lender, the Borrower agrees to execute and deliver to the Lender all such agreements as it may reasonably require (for greater certainty, specifically including an ISDA Master Agreement).

2.7.4 The Security shall secure all obligations of the Borrower under or in respect of each Secured Hedge Transaction on a *pari passu* basis with all other Obligations.

2.7.5 Each Secured Hedge Transaction between the Borrower and the Lender shall include the Lender's standard early termination events. Without limiting the generality of the foregoing, each Secured Hedge Transaction shall also stipulate that the termination of all or any of the Facilities shall constitute an Early Termination Event (as defined in the applicable ISDA Master Agreement) and the Affected Party (as defined in such ISDA Master Agreement) shall be the counter-party to the Lender in such contract. The Lender shall have the right to choose the payment measure and the payment method (as such terms are understood in the ISDA Master Agreement) in respect of such Early Termination Event.

2.7.6 On or before the Maturity Date the Borrower shall (i) unwind all Secured Hedge Transactions (and pay all applicable unwinding costs in respect thereof); or (ii) provide cash collateral in favour of the Lender in respect of all outstanding Secured Hedge Transactions in an amount satisfactory to the Lender, acting reasonably (which amount may exceed the aggregate deemed hedge risk determined by the Lender in respect of all such Secured Hedge Transactions). For greater certainty, the Lender shall have no obligation to release all or any portion of the Security unless and until all Secured Hedge Transactions are terminated or such cash collateral is provided in respect thereof.

ARTICLE 3

GENERAL CONDITIONS

3.1 Matters relating to Interest

3.1.1 Unless otherwise indicated, interest on any outstanding principal amount and all other amounts payable hereunder (other than Term SOFR Loans but including unpaid interest on US Dollar Base Rate Loans) shall be calculated daily and shall be payable monthly in arrears on the first day of each and every month; and if the maturity date of a Facility is not the end of a month, all accrued and unpaid interest in respect of such Facility shall be paid on such maturity date. If the last day of a month is not a Business Day, the interest payment due on such day shall be made on the next Business Day, and interest shall continue to accrue on the said principal amount and shall also be paid on such next Business Day. Interest shall accrue from and including the day upon which an Advance is made or is deemed to have been made, and ending on but excluding the day on which such Advance is repaid or satisfied. Any change in the Base Rate shall cause an immediate adjustment of the interest rate applicable to US Dollar Base Rate Loans without the necessity of any notice to the Borrower.

3.1.2 Interest on Term SOFR Loans shall be calculated on the basis of a 360 day year and shall be payable on the maturity of the interest period selected for such Term SOFR Loan or on Maturity, whichever occurs first. If the maturity of the Term SOFR Loan is not a Business Day, the interest payment

due on such day shall be made on the next Business Day, and interest shall continue to accrue on the said principal amount and shall also be paid on such next Business Day. Interest shall accrue from and including the day upon which an Advance is made or is deemed to have been made, and ending on but excluding the day on which such Advance is repaid or satisfied.

3.1.3 Unless otherwise stated in this Agreement, if reference is made herein to a rate of interest, discount fee or other amount “per annum” or a similar expression is used, such interest, discount fee or other amount shall be calculated on the basis of a year of 365 or 366 days, as the case may be. If the amount of any interest, discount fee or other amount is determined or expressed on the basis of a period of less than one year of 365 or 366 days, as the case may be, the equivalent yearly rate is equal to the rate so determined or expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.

3.1.4 Notwithstanding any other provisions of this Agreement, if the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under the Loan Documents would otherwise contravene the provisions of Section 347 of the *Criminal Code* (Canada), Section 8 of the *Interest Act* (Canada) or any successor or similar legislation, or would exceed the amounts which the Lender is legally entitled to charge and receive under any law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and to the extent that any excess has been charged or received the Lender shall apply such excess against the Outstanding Advances and refund any further excess amount.

3.1.5 Any adjustment to the Applicable Margin in respect of any Availment Option under a Facility shall be determined by the Lender based upon the information contained in the Compliance Certificate received by the Lender in respect of the most recently completed Fiscal Quarter, and shall take effect commencing on the fifth Business Day following receipt of such Compliance Certificate 45 days after the end of the Fiscal Quarter by the Lender (in this paragraph called the “effective date”). For greater certainty:

- (a) the interest rates and fees applicable to all Advances made on or after the effective date shall be based upon the said adjusted Applicable Margin;
- (b) from and after the effective date, the interest rates and fees applicable to all Loans outstanding on the effective date shall be based upon the said adjusted Applicable Margin;
- (c) no readjustment shall be made in respect of any Term SOFR Loan which is outstanding on the effective date, and the said adjusted Applicable Margin shall only apply to all Term SOFR Loans issued or made on or after the effective date; and
- (d) no downward adjustment to the Applicable Margin in respect of any Availment Option shall be made if any Default or Event of Default shall have occurred and be continuing.

3.1.6 The determination of such adjustments by the Lender shall be deemed to be correct absent manifest error. If the Lender does not receive a Compliance Certificate on a date required pursuant to Section 5.4(a), then (unless otherwise agreed in writing by the Lender in its discretion) from and after the date such Compliance Certificate was required to have been delivered, the Applicable Margin in respect

of each Availment Option shall be the highest Applicable Margin relating thereto, until the fifth Business Day following receipt by the Lender of the required Compliance Certificate.

3.2 Notice Periods

3.2.1 The Borrower shall provide written notice to the Lender in respect of Advances, Rollovers, Conversions and Repayments as set out below:

- (a) no notice is required for Advances and Repayments under Facility A;
- (b) notwithstanding the foregoing, if an Advance, Rollover or Conversion relates to a Term SOFR Loan, three (3) Business Days' notice is required before 1:00 p.m. Toronto time;
- (c) except as provided in clause (a) and (b) above, notice is required for each voluntary Repayment under any Facility in accordance with Section 2.6; and
- (d) except as provided in clauses (a) and (b) above, two Business Days' notice is required before 1:00 p.m. Toronto time in respect of any Advance, Rollover or Conversion.

3.2.2 Notice of any Advance, Rollover or Conversion or Repayment shall be given in the form of a Draw Request, Rollover Notice, Conversion Notice or Repayment Notice, as the case may be, attached hereto as Exhibits, and shall be given to the Lender at its address set out in Section 9.12.

3.2.3 If notice is not provided as contemplated herein with respect to the maturity of any Term SOFR Loan, the Lender may in its discretion convert such Term SOFR Loan upon its maturity into a US Dollar Base Rate Loan.

3.2.4 Any conversion from one form of Availment Option to another shall be subject to satisfaction of all of the terms and conditions applicable to the form of the new Availment Option.

3.3 Minimum Amounts, Multiples and Procedures re Draws, Conversions and Repayments

3.3.1 US Dollar Base Rate Loan Advances under Facility A shall be on a dollar for dollar basis and not subject to a minimum amount or a required multiple.

3.3.2 Each request by the Borrower for an Advance or Conversion in the form of a US Dollar Base Rate Loan (other than an Overdraft under Facility A) shall not be subject to a minimum amount or a required multiple.

3.3.3 Each request by the Borrower for an Advance or Conversion by way of a Term SOFR Loan shall be in a minimum amount of [redacted amount] and in a multiple of [redacted amount] with terms of one (1), three (3) or six (6) months, subject to market availability, and a floor of 1%.

3.4 Place of Repayments, etc.

All payments of principal, interest and other amounts to be made by the Borrower to the Lender pursuant to this Agreement shall be made at its address noted in Section 9.12 or to such other address as the Lender may direct in writing from time to time. All such payments received by the Lender on a Business Day before 1:00 p.m. (Vancouver time) shall be treated as having been received by the Lender on that day; payments made after such time on a Business Day shall be treated as having been received

by the Lender on the next Business Day. The Borrower hereby authorizes and directs the Lender to debit automatically, by mechanical, electronic or manual means, any bank account maintained by it with the Lender for all amounts due and payable by it under this Agreement, including the repayment of principal and the payment of interest, fees and all charges relating to the operation of such bank account. The Lender shall notify the Borrower as to the particulars of such debits in accordance with its usual practice.

3.5 Evidence of Obligations (Noteless Advances)

The Lender may, but shall not be obliged to, request the Borrower to execute and deliver from time to time such promissory notes as may be required as additional evidence of the Obligations, in form and substance satisfactory to the Lender, acting reasonably. The Lender shall open and maintain, in accordance with its usual practice, accounts evidencing the Obligations, and the information entered in such accounts shall constitute prima facie evidence of the Obligations absent manifest error.

3.6 Term SOFR Loans

The following provisions are applicable to Term SOFR Loans made by the Lender to the Borrower:

- (a) Upon receipt by the Lender from the Borrower of a Draw Request, Conversion Notice or Rollover Notice in respect of a Term SOFR Loan, the Lender will forthwith advise the Borrower of the Term SOFR Reference Rate, such rate to be determined as at approximately 10:00 a.m. Toronto, Ontario time, two (2) Business Days before the commencement of the Applicable Tenor for such Term SOFR Loan. If the Lender is unable to determine the applicable Term SOFR Reference Rate or if for any reason the Applicable Tenor requested by the Borrower is not reasonably available to the Lender, then the Lender shall notify the Borrower of the foregoing and the Lender shall not be obliged to make the requested Term SOFR Loan; and if such determination takes place after the Lender has already made Advances in the expectation that such Advances will constitute a Term SOFR Loan for the Applicable Tenor requested, the Lender may by written notice to the Borrower require the Borrower to select another Applicable Tenor or convert the said Term SOFR Loan into a US Dollar Base Rate Loan with interest payable thereon at the rate and in the manner as provided in paragraph 2.3 with respect to US Dollar Base Rate Loans under the Facility.
- (b) The Borrowers acknowledge that the ability of the Lender to maintain or provide any Term SOFR Loan and/or to charge interest on any Term SOFR Loan at a Term SOFR Reference Rate or Adjusted Term SOFR based rate is and will be subject to any statute, law, regulation, rule or direction by any Governmental Authority having jurisdiction which may prohibit or restrict or limit such loans and/or such interest. The Borrower agrees that the Lender shall have the right to comply with any such requirements and, if the Lender acting reasonably determines it to be necessary as a result of such requirement, the Lender may convert any Term SOFR Loan to a US Dollar Base Rate Loan with interest payable thereon as set out in paragraph (a) above or require immediate repayment of all Term SOFR Loans and accrued interest thereon.
- (c) Each Term SOFR Loan shall have a Applicable Tenor of either one (1), three (3) or six (6) months, subject to market availability and interest on each Term SOFR Loan shall be payable in accordance with Section 2.3.

(d) Notwithstanding any other provisions of this Agreement or any other Loan Document, if at any time any Change in Law or regulation or in the interpretation thereof makes it unlawful for the Lender to make or continue to maintain any Term SOFR Loans or to perform its obligations as contemplated hereby, the Lender shall promptly give notice thereof to Borrower and the Lender's obligations to make or maintain Term SOFR Loans under this Agreement shall be suspended until it is no longer unlawful for the Lender to make or maintain Term SOFR Loans. The Borrower shall prepay on demand the outstanding principal amount of any such affected Term SOFR Loans, together with all interest accrued thereon and all other amounts then due and payable to the Lender under this Agreement; provided, that, subject to all of the terms and conditions of this Agreement, the Borrower may then elect to borrow the principal amount of the affected Term SOFR Loans from the Lender by means of US Dollar Base Rate Loans from the Lender and which shall be determined without reference to clause (c) of the definition of "Base Rate". Upon any such repayment, the Borrower shall also pay any additional amounts required pursuant to Section 2.3

(e) Subject to Section 3.6, if, on or prior to the first day of any Interest Period for any Term SOFR Loan the Lender determines (which determination shall be conclusive absent manifest error), that:

- (i) "Term SOFR" cannot be determined pursuant to the definition thereof, or
- (ii) Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to the Lender of funding such Loan,

then the Lender will promptly so notify the Borrower. Upon notice thereof by the Lender to the Borrower, any obligation of the Lender to make or continue Term SOFR Loans shall be suspended (to the extent of the affected Term SOFR Loans and, in the case of a Term SOFR Loan, the affected Interest Periods) until the Lender revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans and, in the case of an outstanding Term SOFR Loan, the affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for an Advance of or conversion to US Dollar Base Rate Loans in the amount specified therein and (ii) any outstanding affected Term SOFR Loans will be deemed to have been converted into US Dollar Base Rate Loans immediately or, in the case of an outstanding Term SOFR Loan, at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay any additional amounts required pursuant to Section 2.3.

(f) Notwithstanding anything to the contrary herein or in any other Loan Document (and any interest rate swap agreement shall be deemed not to be a "Loan Document" for the purposes of this Section 3.6(f)):

- (i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in

accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrower without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document.

- (ii) **Benchmark Replacement Conforming Changes.** In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.
- (iii) **Notice; Standards for Decisions and Determinations.** The Lender will promptly notify the Borrower of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Lender will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.6(f). Any determination, decision or election that may be made by the Lender pursuant to this Section 3.6(f), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.6(f).
- (iv) **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion or (B) the administration of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks, then the Lender may modify the

definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks for a Benchmark (including a Benchmark Replacement), then the Lender may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

- (v) **Benchmark Unavailability Period.** Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a Term SOFR Loan Advance of, conversion to or continuation of Term SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for an Advance of or conversion to US Dollar Base Rate Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

3.7 Cash Collateral for Term SOFR Loans

3.7.1 The Borrower acknowledges that Term SOFR Loans may not be repaid prior to the maturity thereof.

3.7.2 If there are any Term SOFR Loans outstanding at the time the Facility are terminated (either by the Borrower or by the Lender), the Borrower shall immediately deposit funds with the Lender in an amount equal to the aggregate of the face amount of all Term SOFR Loans then outstanding under the Facility.

3.7.3 The Borrower may in its discretion from time to time deposit funds with the Lender and instruct the Lender to apply such funds on account of any outstanding Term SOFR Loans upon the maturity thereof.

3.7.4 If the Facility is terminated by the Borrower, the Lender shall release the Security (other than security in the cash collateral being provided to Section 3.7.4(a) below) promptly after receipt of:

- (a) funds deposited by the Borrower pursuant to Section 3.7.2 or 3.7.3 above in an amount equal to the aggregate of the face amount of all outstanding Term SOFR Loans; plus
- (b) an amount determined by the Lender, acting reasonably, to be sufficient to cover the Borrower’s potential liability under all outstanding Banking Services Agreements; plus
- (c) the full and final repayment and satisfaction of all other Obligations.

3.7.5 The Borrower acknowledges and agrees that all funds deposited by the Borrower with the Lender pursuant to this Section 3.7 shall be subject to:

- (a) a First-Ranking Security Interest in favour of the Lender; and
- (b) a right of set-off pursuant to Section 8.3 of this Agreement.

3.7.6 The Lender shall have no obligation to invest or pay interest on any funds deposited by the Borrower referred to in this Section 3.7.

3.8 Illegality

The obligation of the Lender to make Advances hereunder shall be suspended if and for so long as it is unlawful or impossible for the Lender to make Advances hereunder as a result of the adoption of any Applicable Law, or any change in any Applicable Law, rule or regulation, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Lender with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency.

3.9 Breakage Costs

If any Advance made by the Lender in the form of a Term SOFR Loan is repaid or converted prior to the scheduled maturity date thereof (whether as a result of acceleration or otherwise), the Borrower agrees to pay to the Lender upon demand all losses, damages, costs and expenses which the Lender has incurred or may incur as a result of such repayment, conversion or unwinding prior to the said scheduled maturity date, as determined by the Lender in accordance with its usual practice acting reasonably. The Lender shall provide the Borrower with a written certificate showing in reasonable detail the basis for such claim, which shall be deemed to be prima facie correct absent manifest error. For greater certainty, Term SOFR Loans may not be repaid prior to the maturity thereof.

3.10 Application of Payments

All amounts paid by the Borrower to the Lender (unless otherwise agreed in writing) shall, prior to default by the Borrower, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other amount owing by the Borrower to the Lender. All amounts paid by the Borrower to the Lender (or otherwise received by the Lender) at any time while an Event of Default has occurred and is continuing shall be applied in the manner determined by the Lender in its sole discretion.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 General Representations and Warranties

The Borrower hereby represents and warrants to the Lender as follows with respect to itself and the other Credit Parties, and where indicated also with respect to DIV.

4.1.1 Status

It and DIV has been duly incorporated, amalgamated, constituted, converted, formed or established as the case may be, and is validly subsisting under the laws of its governing jurisdiction and is up to date in respect of all material corporate or similar filings.

4.1.2 Information

Schedule 4.1.2 attached hereto contains the following information in respect of each Credit Party as of the date of this Agreement: predecessors and prior names, jurisdiction of incorporation or establishment, present governing jurisdiction, registered office, principal place of business, all locations at which it has places of business or owns assets, the number and classes of its issued and outstanding shares (or in the case of the Borrower, a list of its issued and outstanding partnership interests and units and a list of its partners and the partnership interests and units held by each).

4.1.3 Subsidiaries

The Borrower has no Subsidiaries.

4.1.4 No Pending Corporate Changes

No Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement for the purchase of any properties or assets of the Credit Parties out of the ordinary course of business or for the purchase, subscription, allotment or issuance of any debt or Equity Securities, including convertible securities, warrants or convertible obligations of any nature, of the Credit Parties.

4.1.5 No Conflicts under Material Agreements or Material Permits

The execution and delivery by each Credit Party and by DIV of those Loan Documents to which it is a party, and the performance of its obligations thereunder, will not conflict with, result in a breach of or require any approval or consent under any Material Agreement or Material Permit or any agreement or contract to which DIV is party or is subject including any agreement or contract relating to Funded Debt of DIV, other than consents or approvals which have been obtained unconditionally and without imposition of any material conditions.

4.1.6 No Conflict with Charter Documents

There are no provisions contained in the charter documents, or by laws of any Credit Party or DIV, or any partnership agreement, shareholders' agreement, voting trust agreement or similar agreement relating thereto, including without limitation the Borrower LP Agreement and the Governance Agreement and any agreement or contract relating to Funded Debt of DIV, which would be contravened by the execution and delivery of those Loan Documents to which it is a party or the performance of its obligations thereunder.

4.1.7 Loan Documents

Each Credit Party and DIV has the necessary capacity, power, legal right and authority to borrow from the Lender, guarantee payment to the Lender of those Obligations which are payable by the Borrower and DIV, perform its obligations under this Agreement and provide the Security required to be

provided by it hereunder. The execution and delivery of the Loan Documents by the Credit Parties and DIV and the performance of their respective obligations therein have been duly authorized by all necessary corporate, partnership and trustee action, including any action required under the Borrower LP Agreement and the Governance Agreement. This Agreement and the other Loan Documents constitute legal, valid and binding obligations of the Credit Parties and DIV, enforceable against them in accordance with the terms and provisions thereof, subject to laws of general application affecting creditors' rights and the discretion of the court in awarding equitable remedies.

4.1.8 Conduct of Business; Material Permits

Each Credit Party is in compliance in all material respects with all Applicable Laws of each jurisdiction in which it carries on business and is duly licensed, registered and qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted by it or the property owned or leased by it make such qualification necessary. All Material Permits are in good standing in all material respects and no proceedings have been commenced or are contemplated to suspend, revoke, cancel or otherwise terminate any Material Permit.

4.1.9 Ownership of Assets; Permitted Liens

Each Credit Party and DIV owns and possesses all its undertaking, property and assets constituting Collateral free and clear of any and all Liens except for Permitted Liens. No Credit Party or DIV has any commitment or obligation (contingent or otherwise) to grant any Liens in respect of any Collateral except for Permitted Liens. No event has occurred which constitutes, or which with the giving of notice, lapse of time or both would constitute, a material default under any said Permitted Lien.

4.1.10 Intellectual Property

Each Credit Party possesses or has the right to use all licenses, franchises, permits, registrations, patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights, copyrights and other forms of intellectual property material to the conduct of its business, each of which is in good standing in all material respects, and has the right to use such intellectual property without violation of any material rights of others with respect thereto.

4.1.11 Insurance

The Credit Parties have placed insurance, including commercial general liability insurance, in appropriate amounts and for appropriate risks as would be considered prudent for similar businesses.

4.1.12 Material Agreements

Schedule 4.1.12 attached hereto contains a true and complete list of all Material Agreements to which the Credit Parties are party, including a description of the nature of each Material Agreement. None of the Credit Parties, or, to the Borrower's knowledge any other parties thereto, is in material breach of any of the terms and conditions contained in any Material Agreement.

4.1.13 Labour Agreements

There are no labour agreements in effect between the Credit Parties and any labour union or employee association and the Credit Parties are not under any obligation to assume any labour agreements to or conduct negotiations with any labour union or employee association with respect to any

future agreements; and the Credit Parties are not aware of any current attempts to organize or establish any such labour union or employee association.

4.1.14 Environmental Laws

Each Credit Party and its business, operations, assets, equipment, property, leaseholds and other facilities is in compliance in all material respects with all applicable Environmental Laws, specifically including all applicable Environmental Laws concerning the storage and handling of Hazardous Materials. Each Credit Party holds all material permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with (a) air emissions; (b) discharges to surface or groundwater; (c) noise emissions; (d) solid or liquid waste disposal; (e) the use, generation, storage, transportation or disposal of Hazardous Materials; and (f) all other applicable Environmental Laws. There has been no material emission, spill, release, or discharge into or upon (i) the air; (ii) soils, or any improvements located thereon; (iii) surface water or groundwater; or (iv) the sewer, septic system or waste treatment, storage or disposal system servicing the premises, of any Hazardous Materials at or from any real property leased by the Borrower (the “**Leased Properties**”), and there has been no material complaint, order, directive, claim, citation, or notice from any Governmental Authority or any other Person with respect to (A) air emissions; (B) spills, releases, or discharges to soils or improvements located thereon, surface water, groundwater or the sewer, septic system or waste treatment, storage or disposal systems servicing any of the Leased Properties; (C) noise emissions; (D) solid or liquid waste disposal; (E) the use, generation, storage, transportation, or disposal of Hazardous Materials; or (F) other applicable Environmental Laws affecting the Leased Properties or the Borrower. There are no material legal or administrative proceedings, investigations or claims now threatened or pending, with respect to the presence on or under, or the discharge, emission, spill, radiation or disposal into or upon any of the Leased Properties, the atmosphere, or any watercourse or body of water, of any Hazardous Material; nor are there any material matters under discussion with any Governmental Authority relating thereto; and there is no factual basis for any such proceedings, investigations or claims. The Credit Parties have no material indebtedness, obligation or liability, absolute or contingent, matured or not matured, with respect to the storage, treatment, cleanup or disposal of any Hazardous Materials (including without limitation any such indebtedness, obligation, or liability under any Requirements of Environmental Law regarding such storage, treatment, cleanup or disposal).

4.1.15 No Litigation

- (a) There are no actions, suits or proceedings pending, or to the knowledge of the Credit Parties threatened, against any Credit Party in any court or before or by any federal, provincial, municipal or other Governmental Authority which if determined against any Credit Party would reasonably be expected to result in a Material Adverse Change or would reasonably be expected to result in damages payable or judgment in excess of [redacted amount].
- (b) As of the Facility Closing Date there are no actions, suits or proceedings pending, or to the knowledge of the Credit Parties threatened, against DIV in any court or before or by any federal, provincial, municipal or other Governmental Authority which if determined against DIV would reasonably be expected to result in damages payable or judgement in excess of [redacted amount].

4.1.16 Financial and Other Information

All financial and other information provided in writing after the date hereof by or in respect of the Credit Parties to the Lender is or will be true and accurate in all material respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any material fact necessary to make such financial or other information not misleading at such time in light of the then current circumstances; provided that projections that have been or will be made available to the Lender by the Credit Parties or their representatives have been or will be prepared in good faith based upon reasonable assumptions.

4.1.17 No Guarantees

No Guarantees have been granted by any Credit Party, except for:

- (a) Guarantees which comprise part of the Security; and
- (b) Guarantees in respect of Permitted Funded Debt incurred by any other Credit Party.

4.1.18 Taxes

Each Credit Party has duly and timely filed all tax returns required to be filed by it, and has paid all taxes which are due and payable by it, except for any taxes which are being contested in good faith and in respect of which adequate reserves have been established in accordance with IFRS. Each Credit Party has also paid all other taxes, charges, penalties and interest due and payable under or in respect of all assessments and re assessments of which it has received written notice, except to the extent that such assessments or re assessments are being contested in good faith and in respect of which adequate reserves have been established in accordance with IFRS. There are no actions, suits, proceedings, investigations or claims threatened or pending against any Credit Party in respect of taxes, governmental charges or assessments or any material matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such Governmental Authority.

4.1.19 Statutory Liens

Each Credit Party has remitted on a timely basis all amounts required to have been withheld and remitted (including withholdings from employee wages and salaries relating to income tax, employment insurance and Canada Pension Plan contributions), goods and services tax and all other amounts which if not paid when due could result in the creation of a Statutory Lien against any of its property, except for Permitted Liens.

4.1.20 No Default, etc.

No Default or Event of Default has occurred and is continuing.

4.1.21 Full Disclosure

There are no facts known to the Credit Parties which could materially adversely affect the Credit Party's ability to observe and perform their respective obligations under this Agreement and the Security.

4.1.22 Borrower General Partner

Borrower GP is the sole general partner of the Borrower and has been properly authorized by the Borrower to manage and control the business and affairs of the Borrower.

4.1.23 Borrower GP Authority

Borrower GP has been authorized on behalf of the Borrower, and there is no provision in Borrower GP's articles, bylaws or any shareholders agreement restricting the ability of Borrower GP, to:

- (a) borrow money for and on behalf of the Borrower;
- (b) issue, re issue or pledge debt obligations of the Borrower;
- (c) give a guarantee on behalf of the Borrower to secure performance of an obligation to any persons; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Borrower owned or subsequently acquired, to secure any debt or obligation of the Borrower.

4.1.24 Related Person Contracts

Schedule 4.1.24 contains a complete and accurate list and description of all agreements, contracts and other transactions entered into by each Credit Party with any Related Person and all loans and advances owed by each Credit Party to any Related Person.

4.1.25 Acknowledgement

The Borrower acknowledges that the Facilities are for the use by the Borrower and will be used for the Borrower for the purposes expressly contemplated in Section 2.1.

4.1.26 Solvency

- (a) each of the Credit Parties is solvent and is able to pay its liabilities as they become due; and
- (b) the realizable value of the assets of each Credit Party is greater than the aggregate of its liabilities and stated capital of all classes.

4.1.27 Borrower Units

Upon completion of the Acquisition Transaction, the Ordinary LP Units will be validly issued to DIV as fully paid and non-assessable units of the Borrower and will be free and clear of all pre-emptive rights, Liens, adverse claims and demands whatsoever and any restrictions on transfer other than as imposed by applicable securities laws and by the Borrower LP Agreement and no other units of the Borrower will be issued and outstanding.

4.1.28 Assigned Contracts

With respect to the Stratus GSAs and the Licence and Royalty Agreement (collectively, the **“Assigned Contracts”**):

- (a) the Assigned Contracts are in full force and effect and, to the best of the knowledge of the Borrower, are enforceable against each of the Stratus Parties party thereto in accordance with the terms and conditions thereof, subject to laws of general application affecting creditors' rights and the discretion of the court in awarding equitable remedies;
- (b) there is currently no default by the Borrower or any Stratus Party thereunder;
- (c) the Borrower has good right, full power and absolute authority to assign the Assigned Contracts as contemplated herein and in the Security;
- (d) the Borrower has not made any prior assignment of the Assigned Contracts;
- (e) the Borrower has, with respect to each Assigned Contract, obtained every consent and approval required for the assignment and security interest contemplated hereby and in the Security to be effective; and
- (f) the Borrower has provided the Lender with a true, accurate and complete copy of each Assigned Contract together with all amendments thereto.

4.1.29 Stratus Marks and Stratus Franchisees

Attached hereto as Schedule 4.1.29 is a true and correct listing of all trademark registrations and trademark applications comprising the Stratus Marks (as defined in the Licence and Royalty Agreement) and list of the sublicensees and Franchisees (as defined in the Licence and Royalty Agreement) for the purpose of the Licence and Royalty Agreement.

4.2 Survival of Representations and Warranties

The Credit Parties acknowledge that the Lender is relying upon the representations and warranties contained in this Article 4 in connection with the establishment and continuation of the Facilities and also in connection with the entering into of any Secured Hedge Transactions with the Borrower. Notwithstanding any investigations which may be made by the Lender, the said representations and warranties shall survive the execution and delivery of this Agreement and the making of all Advances from time to time hereunder.

ARTICLE 5 COVENANTS

5.1 Positive Covenants

The Borrower hereby covenants and agrees with the Lender that it will, and will cause each other Credit Party to:

5.1.1 Prompt Payment

Punctually pay all principal, interest and other amounts due hereunder at the times and in the manner specified herein.

5.1.2 Preservation of Existence

Maintain its existence in good standing, (or similar status) preserve its rights, powers, licences, privileges, franchises and goodwill, exercise any rights of renewal or extensions of any leases, licences, concessions, franchises or any other rights whatsoever which are material to the conduct of its business, maintain all qualifications to carry on business in each jurisdiction in which such qualifications are required, and carry on and conduct its business in a proper and efficient manner so as to protect its property and income; and not materially change the nature of its business.

5.1.3 Compliance with Laws

Comply in all material respects with all Applicable Laws (specifically including, for greater certainty, all applicable Environmental Laws), use the proceeds of all Advances hereunder for legal and proper purposes, and obtain and maintain in good standing all material leases, licences, permits and approvals from any and all Governmental Authorities required in respect of its business and operations.

5.1.4 Payment of Taxes, etc.

Pay when due all rents, taxes, rates, levies, assessments and governmental charges, fees and dues lawfully levied, assessed or imposed in respect of its property which are material to the conduct of its business, and deliver to the Lender upon request receipts evidencing such payments; except for rents, taxes, rates, levies, assessments and governmental charges, fees or dues in respect of which an appeal or review proceeding has been commenced, a stay of execution pending such appeal or review proceeding has been obtained, adequate reserves have been established in accordance with IFRS; and the amounts in question do not in the aggregate materially detract from the ability of the Credit Party to carry on its business and to perform and satisfy all of its respective obligations hereunder.

5.1.5 Maintain Records

Maintain adequate books, accounts and records in accordance with IFRS.

5.1.6 Maintenance of Properties

Keep its property and assets in good repair and working condition and maintain all material authorizations and consents.

5.1.7 Inspection

Permit the Lender and its respective employees and agents, upon reasonable notice, to enter upon and inspect its properties, assets, books and records from time to time during normal business hours and in a manner which does not materially interfere with the operations of the Credit Party, and make copies of and abstracts from such books and records, and discuss their affairs, finances and accounts with any of their officers, directors, accountants and auditors.

5.1.8 Insurance Coverage

Obtain from financially responsible insurance companies and maintain directors and officers insurance in appropriate amounts as would be considered prudent for similar businesses; and the Lender shall be provided with certificates of insurance and certified copies of such policies from time to time upon request. The Lender shall be noted as an additional insured on all third party liability insurance policies (except for directors and officers insurance) for the Borrower and the Stratus Parties, or any of them, and as loss payee on all other insurance policies (except for directors and officers insurance), and the Borrower shall provide the Lender with certificates of insurance and certified copies of such policies from time to time upon request.

5.1.9 Perform Obligations

Fulfil all covenants and obligations required to be performed by it under those Loan Documents to which it is a party, and any other agreement or undertaking now or hereafter made between it and the Lender.

5.1.10 Notice of Certain Events

Provide prompt notice to the Lender of each of the following:

- (a) the occurrence of any Default or Event of Default (for greater certainty, whether or not such Default or Event of Default is continuing);
- (b) the incorrectness of any representation or warranty contained herein in any material respect;
- (c) any material contravention of or non-compliance by and Credit Party with any terms and conditions of any Loan Document;
- (d) any Material Adverse Change;
- (e) any litigation affecting any Credit Party that would reasonably be expected to cause a Material Adverse Change;
- (f) any notice of default, termination or suspension received or given by any Credit Party in respect of material Funded Debt or in respect of any Material Agreement (including the Licence and Royalty Agreement and the Stratus GSAs) or in respect of any other Acquisition Document or any Material Permit; and
- (g) any increases, decreases, amendments or changes to the Stratus Marks or the sublicensees or franchisees of the Stratus Marks or Stratus Rights (each as defined in the Licence and Royalty Agreement) together with particulars thereof and copies of all documents relating thereto.

5.1.11 Bank Accounts and Service Agreements

Maintain all of its bank accounts and Banking Service Agreements with the Lender and its Affiliates.

5.1.12 Interest Rate Hedging

Subject to the requirements of Section 2.7 above, enter into and maintain Secured Hedge Transactions with the Lender in respect of the risk of interest rate fluctuations under Facility B within 90 days of the Facility Closing Date, in an aggregate notional amount of not less than 75% of the Outstanding Advance under Facility B, with the term of each such Secured Hedge Transaction being for at least the remaining term of the Credit Facilities.

5.1.13 Further Assurances

Provide the Lender with such further information, financial data, documentation (including guarantees and security) and other assurances as the Lender may reasonably require from time to time in order to ensure ongoing compliance by the Credit Parties with the terms of this Agreement and to achieve the spirit and intent of this Agreement.

5.1.14 Collateral

Take such actions as from time to time determined by the Lender as necessary to defend the title of the applicable Credit Party, DIV and the Stratus Parties to all Collateral and to establish and maintain the priority of the Liens of the Security therein, subject only to Permitted Liens.

5.1.15 Deposit of Royalty Payments

Deposit all Royalty Payments and other amounts payable by the Stratus Parties, or any of them, under the Licence and Royalty Agreement to an account maintained by the Borrower with the Lender.

5.2 Negative Covenants

5.2.1 The Borrower hereby covenants and agrees with the Lender that the Borrower and each other Credit Party will not, and DIV in the case of Section 5.2.1(b) will not, without the prior written consent of the Lender:

- (a) Funded Debt. Create, incur or assume any Funded Debt, except Permitted Funded Debt.
- (b) Liens. Grant or suffer to exist any Lien in respect of any Collateral (including property and assets of DIV comprising Collateral), except Permitted Liens.
- (c) Disposition of Assets. Directly or indirectly sell, lease, assign, transfer, convey or otherwise dispose (including a sale and lease or licence back transaction) of all or any part of its assets (including intellectual and industrial property), except the Borrower may sell worn out, obsolete or redundant equipment for consideration aggregating for all Credit Parties not more than [redacted amount] (or the US\$ equivalent) in any Fiscal Year, which amount is non-cumulative, provided that there is compliance with Section 2.4.4 at all times, of any material portion of its assets other than dispositions for which the aggregate amount received in respect of the sale or disposition of such assets does not exceed [redacted amount] (or the US\$ equivalent) in the aggregate in any Fiscal Year, unless the proceeds of such disposition are reinvested within 180 days of such disposition.

- (d) Acquisitions and Investments. Make any Acquisition or any Investment except for Investments in cash and Cash Equivalents.
- (e) Guarantees. Become obligated under Guarantees or provide loans or other financial assistance to any Person, except: (i) Guarantees which comprise part of the Security; and (ii) Guarantees in respect of Permitted Funded Debt incurred by the Borrower.
- (f) Distributions and Dividends. Make any Distributions, except Permitted Distributions, provided that both immediately before and immediately after each such Permitted Distribution no Default or Event of Default has occurred and is continuing and, without limiting the generality of the foregoing, no Permitted Distribution, including cash Distributions to Unitholders, may be made unless the Borrower is in compliance, and will remain in compliance, with their financial covenants set forth in Section 5.3 hereof after taking into account any such Permitted Distribution.
- (g) Issuance and Transfer of Units. Permit the issuance, sale or transfer of any units or other Equity Securities of the Borrower or its Subsidiaries, or any other securities, warrants or convertible instruments which give rise to a right to receive any units or other Equity Securities in their capital.
- (h) Cease Business. Cease to carry on the business currently being carried on by it as of the date of this Agreement.
- (i) Corporate Changes. Enter into any transaction whereby all or a substantial portion of its undertaking, property and assets would become the property of any other Person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise; nor merge, amalgamate or acquire any other Person or its assets; except that so long as no Default or Event of Default shall have occurred and is continuing, any Credit Party may from time to time do any one of the following: amalgamate with any other Credit Party; transfer all or any shares, partnership interests or units it holds in the capital of any other Credit Party to another Credit Party; transfer all or any portion of its assets to any other Credit Party; or voluntarily dissolve after having transferred all of its assets to another Credit Party; provided that the Borrower shall give not less than 20 days' prior written notice of any such proposed action to the Lender and shall concurrently with any such action provide or cause to be provided to the Lender all additional or replacement items of Security (including legal opinions) as the Lender may reasonably require in connection therewith, and no other Default or Event of Default shall result from any such action.
- (j) Fiscal Year. Change its Fiscal Year.
- (k) Dealing with Related Persons. Carry on business or enter into any agreement, contract or other transaction with any Related Person other than agreements, contracts and transactions disclosed to and approved by the Lender in Schedule 4.1.24, nor amend the nature or scope of any such business, agreement, contract or transaction between any Credit Party and any Related Person.
- (l) Use of Advances. Use the proceeds of any Advance for any purposes other than those expressly contemplated in this Agreement.

- (m) Hedging Transactions. Enter into or be a party to any Hedging Transaction except for Secured Hedge Transactions.
- (n) General Partner. Replace the general partner of the Borrower or add a general partner or managing general partner of the Borrower.
- (o) Limited Partnership Agreement. Make any change, modification or amendment to the Borrower LP Agreement that is material or that could result in a Material Adverse Change.
- (p) Stratus GSAs and Licence and Royalty Agreement. With respect to the Stratus GSAs and the Licence and Royalty Agreement (collectively, the “**Assigned Contracts**”):
 - (i) assign, pledge, charge or hypothecate the Assigned Contracts other than to the Lender;
 - (ii) do, omit to do, or permit any act to be done which directly or indirectly has the effect of waiving, releasing, reducing or abating any rights, remedies or obligations of any party thereunder or in connection therewith;
 - (iii) terminate, accept a surrender of or agree to any modification or amendment in connection with the Assigned Contracts; or
 - (iv) demand, accelerate or accept the payment of any prepayment or accelerated payment of the Royalty Payments including any amount accelerated or payable pursuant to Sections 12.2 and 12.4 of the Licence and Royalty Agreement.
- (q) Change of Control. Enter into any transaction or agreement or take any action that could result in a Change of Control.

5.2.2 Borrower GP hereby covenants and agrees with the Lender that it will not, without the prior written consent of the Lender:

- (a) carry on any business other than the business it now carries on; or
- (b) become the general partner or managing general partner of any other partnership.

5.2.3 Borrower GP further covenants and agrees with the Lender that all present and future debts, liabilities and obligations to the Lender incurred by or on behalf of or in the name of either or both of the Borrower GP or the Borrower are and will be the separate and individual debts, liabilities and obligations of the Borrower GP and the Borrower and that the Borrower GP and the Borrower will be jointly and severally bound and liable to the Lender for the payment, fulfillment and performance thereof.

5.3 Financial Covenants

5.3.1 The Borrower covenants and agrees with the Lender that the Borrower shall not, as at the Facility Closing Date and at all times thereafter and as at the end of each Fiscal Quarter commencing with the Fiscal Quarter ending December 31, 2022, permit the Funded Debt to EBITDA Ratio of the Borrower, determined on a consolidated trailing 12 month basis, to exceed 3.00:1 as at the Facility Closing Date or at any time thereafter.

5.3.2 The Borrower covenants and agrees with the Lender that the Borrower shall ensure that cash Distributions to Unitholders together with all other Distributions do not at any time exceed the sum of Distributable Cash and Cash on Hand at all times and at the end of each Fiscal Quarter commencing with the Fiscal Quarter ending December 31, 2022 determined on a consolidated trailing 12 month basis, provided that for the first 12 months following the Closing Date, Distributable Cash and Cash On Hand shall be determined on an annualized trailing basis from and after the Closing Date until the Borrower can determine same based on actual trailing 12 month data..

5.3.3 The balance of Facility A shall reduce to a balance of nil for a period of five consecutive Business Days at least once in every 180-day period.

5.4 Reporting Requirements

The Borrower shall deliver, or cause to be delivered, the following financial and other information to the Lender at the times indicated below:

- (a) promptly upon becoming available and in any event within 45 days (60 days for fourth quarter Financial Statements) of the end of each Fiscal Quarter as and from the date of this Agreement:
 - (i) quarterly unaudited consolidated Financial Statements of the Borrower and the Guarantors prepared in accordance with IFRS and of the Stratus Parties prepared in accordance with ASPE, and related management discussion and analysis of DIV;
 - (ii) a Compliance Certificate certified by a Senior Officer in the form of Exhibit E attached hereto which shall evidence compliance with all financial covenants and amounts set out in Section 5.3 in respect of such Fiscal Quarter (including all supporting calculations) and shall certify the aggregate Royalty Payments for the trailing 12 month period;
- (b) promptly upon becoming available and in any event within 120 days after the end of each Fiscal Year:
 - (i) annual audited consolidated Financial Statements of DIV prepared in accordance with IFRS and reviewed annual Financial Statements of the Stratus Parties prepared in accordance with ASPE, and related management discussion and analysis of DIV. For greater certainty, the annual audited consolidated Financial Statements will include those of DIV and its subsidiaries, with a supplemental schedule detailing the balance sheet, income statement, and cash flow statement by entity; and
 - (ii) a Compliance Certificate certified by a Senior Officer in the form of Exhibit E attached hereto which shall evidence compliance with all financial covenants and amounts set out in Section 5.3 in respect of such Fiscal Quarter (including all supporting calculations);
- (c) promptly upon request by the Lender from time to time, an updated certificate of insurance listing all insurance policies then held by the Credit Parties and the Stratus Parties and including the notation of the Lender's interest thereon in compliance with the

requirements of Section 5.1.8 herein (which certificate shall contain no disclaimers which would prevent the Lender from relying thereon);

- (d) promptly upon receipt by the Borrower, all financial and other statements, certificates and documents provided by Stratus Franchising to the Borrower and the Borrower GP pursuant to the Licence and Royalty Agreement including without limitation copies of:
 - (i) the certificates and reports provided pursuant to Section 8.2 of the Licence and Royalty Agreement detailing the use of the Stratus Rights and the its subsidiaries, sublicensees and franchisees;
 - (ii) the business plans provided pursuant to Section 8.5 of the Licence and Royalty Agreement; and
- (e) such additional information and documents as the Lender may reasonably require from time to time.

5.5 Anti-Money Laundering

The Borrower acknowledges that, pursuant to AML Legislation, the Lender may be required to obtain, verify and record information regarding the Credit Parties and their respective directors, authorized signing officers, direct or indirect shareholders, partners or other persons in control of the Credit Parties and the transactions contemplated hereby. The Borrower shall promptly provide all such information, including any supporting documentation and other evidence, as may be reasonably requested by the Lender, or any prospective assignee or participant of the Lender, to the extent the same is required in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

5.6 Terrorist Lists

Each Credit Party is and will remain in compliance in all material respects with all United States and Canadian economic sanctions laws and implementing regulations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Criminal Code* (Canada), the *United Nations Act* (Canada) and all similar applicable anti-money laundering and counter-terrorism financing provisions and regulations issued pursuant to any of the foregoing. No Credit Party (i) is a Person designated by the Canadian government or the government of the United States of America on any list set out in the United Nations Al-Qaida and Taliban Regulations, the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism or the Criminal Code (collectively, the “**Terrorist Lists**”) with which a Canadian Person or a United States Person cannot deal with or otherwise engage in business transactions; (ii) is a Person who is otherwise a target of Canadian or United States economic sanctions laws; or (iii) is Controlled by (including without limitation by virtue of such Person being a director or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any Person or entity on a Terrorist List or a foreign government that is a target of Canadian or United States economic sanctions prohibitions such that the entry into, or performance under, this Agreement or any other Loan Document would be prohibited under Canadian or United States law.

ARTICLE 6

SECURITY

6.1 Security

6.1.1 The Borrower agrees to provide (or cause to be provided) the security documents listed below as continuing security for the payment and performance of the Obligations (for greater certainty, specifically including all obligations under Secured Hedge Transactions):

- (a) an unlimited Guarantee from each Guarantor (including the Borrower GP and future subsidiaries of the Borrower) whereby it guarantees all Obligations of the Borrower;
- (b) a general security agreement from each Credit Party (including the Borrower GP and future Subsidiaries of the Borrower) creating a First Ranking Security Interest in respect of all its present and future property, assets and undertaking;
- (c) an intellectual property security agreement from the Borrower creating a First Ranking Security Interest in respect of all its present and future intellectual property, including all trademarks and copyright;
- (d) limited recourse guarantee from DIV together with a pledge of all units in the Borrower now or hereafter held by DIV creating a First-Ranking Security Interest therein;
- (e) assignment, postponement and subordination from each of DIV and the Borrower GP, assigning, postponing and subordinating all present and future indebtedness and liability of the Credit Parties to DIV and the Borrower GP;
- (f) assignment from the Borrower of the License and Royalty Agreement and the Stratus GSAs together with any and all other security granted to the Borrower in connection therewith, creating a First-Ranking Security Interest therein together with any third party consents required in connection with such assignment;
- (g) to the extent requested by the Lender from time to time, specific assignments by the Credit Parties of all rights and benefits (but not obligations) arising under any or all other Material Agreements, together with any third party consents required in connection with such assignments;
- (h) to the extent required by the Lender, ISDA Master Agreement(s) executed and delivered pursuant to Section 2.7 hereof;
- (i) such other security as may be reasonably required by the Lender;

together with legal opinions in respect of such documents from Borrower's and DIV's counsel, in form and substance satisfactory to the Lender, acting reasonably. To the extent any banking services, Secured Hedge Transactions or other services contemplated under this Agreement are provided by a subsidiary or affiliate to the Lender, the Security will secured any and all obligations and liabilities of the Credit Parties (or any of them) to such subsidiaries or affiliates on a pari passu basis.

6.2 Security to be Provided by Subsidiaries

The Borrower agrees to cause each entity which becomes a Subsidiary of the Borrower after the date of this Agreement to provide to the Lender within five Business Days of becoming a Subsidiary of the Borrower, an unlimited Guarantee in respect of the Obligations and security of the same nature and priority as provided by the Borrower as continuing security for all Obligations, specifically including its obligations under the said Guarantee.

6.3 General Provisions re: Security; Registration

The Security shall be in form and substance satisfactory to the Lender. The Lender may require that any item of Security be governed by the laws of the jurisdiction where the property subject to such Security is located. The Security shall be registered by the Borrower where necessary or desirable to record and perfect the charges contained therein, as determined by the Lender.

6.4 Opinions re: Security

The Credit Parties shall cause to be delivered to the Lender the opinions of the solicitors for the Credit Parties regarding their corporate, partnership or trust status (as applicable), and the due authorization, execution and delivery of this Agreement, all registrations in respect of the Security, the results of all applicable searches and the enforceability of such Security; all such opinions to be in form and substance satisfactory to the Lender and its counsel.

6.5 After-Acquired Property, Further Assurances

Each Credit Party agrees to execute and deliver from time to time all such further documents and assurances as may be reasonably required by the Lender from time to time in order to provide the Security contemplated hereunder, specifically including: supplemental or additional security agreements, assignments and pledge agreements which shall include lists of specific assets to be subject to the security interests required hereunder.

ARTICLE 7 CONDITIONS PRECEDENT

7.1 Conditions Precedent to First Advance

The Lender shall have no obligation to make the first Advance unless at the time of such Advance the following terms and conditions shall have been satisfied:

- (a) the Lender shall be satisfied with its review and the terms and conditions of all material contracts including but not limited to:
 - (i) the Borrower LP Agreement;
 - (ii) the Acquisition Agreement;
 - (iii) the Licence and Royalty Agreement, including without limitation the Stratus Marks (as defined therein) and the list of sublicensees and Franchisees (as defined therein);

- (iv) the Stratus GSAs; and
 - (v) non-compete agreements executed and delivered by the principals of the Stratus Parties.
-
- (b) the Lender shall be satisfied with its review of all third party due diligence reports received by DIV, specifically including all legal reports, and the Lender shall be satisfied with its due diligence including without limitation franchisee analysis report, DIV financial model, the assets, financial position, corporate structure and organizational documents, material contracts, claims and lawsuits, and key management contracts;
 - (c) no litigation shall directly or indirectly affect the Credit Parties, other than litigation which the Lender in its discretion does not consider material, and the Lender shall be satisfied with its review of any outstanding litigation directly or indirectly affecting DIV;
 - (d) all Security required by the Lender shall have been executed and delivered, all registrations necessary or desirable in connection therewith shall have been made (or arrangements for registration made satisfactory to the Lender) and all legal opinions and other documentation required by the Lender in connection therewith shall have been executed and delivered, all in form and substance satisfactory to the Lender in its sole discretion;
 - (e) the Lender shall have received satisfactory evidence that there are no Liens affecting any of the assets of the Credit Parties, except for Permitted Liens and that there is no Funded Debt other than Permitted Funded Debt;
 - (f) the Lender shall have received an officer's certificate and certified copies of resolutions of the board of directors of each Credit Party concerning the due authorization, execution and delivery of the Loan Documents to which it is a party, and such related matters as the Lender may reasonably require;
 - (g) the Lender shall have received a certificate of status, certificate of good standing, certificate of compliance or similar certificate for each Credit Party, if applicable, issued by its governing jurisdiction and each other jurisdiction in which it carries on business or holds any material assets;
 - (h) the Lender shall have received opinions from the solicitors for each Credit Party regarding its corporate status, the due authorization, execution, delivery, registration and enforceability of the Loan Documents provided by it, and such other matters as the Lender may require;
 - (i) the Borrower shall have paid to the Lender all fees and expenses (including the Lender's reasonable third party legal expenses) relating to the establishment of the Facilities;
 - (j) the terms and conditions of any Subordinated Debt shall be acceptable to the Lender;
 - (k) the Lender shall have received such additional evidence, documents or undertakings as they may reasonably require to complete the transactions contemplated hereby in accordance with the terms and conditions contained herein;

- (l) no Default or Event of Default shall have occurred and be continuing, nor shall the making of the Advance result in the occurrence of any Default or Event of Default;
- (m) no Material Adverse Change shall have occurred;
- (n) the Lender shall have completed and shall be satisfied with their review of the financial structure and the terms for the Borrower structure, including without limitation, DIV's equity injection, which in the aggregate is at least [redacted amount];
- (o) the Lender shall have received and shall be satisfied with their review of review engagement financial statements for the year ended December 31, 2021 for Stratus Canada, audited financial statements for the year ended December 31, 2021 for Stratus Franchising, audited financial statements for the year ended December 31, 2021 for Stratus Services and quality of earnings report and other diligence for each of the Stratus Parties;
- (p) the Lender shall have completed and shall be satisfied with their review of the forecasted financial projections of the Borrower taking into account the new capital structure following the closing of the Acquisition Agreement for the next five years at a minimum (on a quarterly basis for one year and annual basis for each subsequent year), together with a pro forma Compliance Certificate including a calculation of the financial covenants set forth in Section 5.3 hereof confirming compliance with same except that the Senior Funded Debt to EBITDA Ratio shall be 3.00:1.0 or less;
- (q) confirmation that all required regulatory and other approvals and all other consents have been obtained for the Borrower to incur indebtedness to the Lender for the purpose outlined herein;
- (r) the Lender shall have completed and shall be satisfied with their due diligence in respect of the Acquisition Transactions specifically including the terms and conditions of the Acquisition Documents and terms of the management team remaining post-closing of the Acquisition Agreement and the terms of the Borrower's security over cash flow from the Stratus Parties;
- (s) the Lender shall have received a Compliance Certificate which evidences the Borrower's compliance with all financial ratios and covenants under this Agreement;
- (t) the conditions precedent in Section 7.2 shall have been satisfied;
- (u) the Lender shall have received all information necessary to comply with legal and internal requirements with respect to "know your customer", money laundering and proceeds of crime legislation;
- (v) completion of Lender's loan and account documentation;
- (w) the Lender shall have received evidence satisfactory to the Lender that DIV is the legal and beneficial owner of all units of the Borrower save and except for the units held by the Borrower GP;
- (x) the Lender shall have completed and be satisfied with all insurance due diligence;

- (y) repayment of all existing Indebtedness other than Permitted Indebtedness;
- (z) no change in ownership in respect of any of the Stratus Parties; and
- (aa) such other conditions as the Lender may reasonably request.

7.2 Conditions Precedent to all Advances

The Lender shall have no obligation to make the first Advance or any subsequent Advance under any Facility unless at the time of making each such Advance the following terms and conditions shall have been satisfied:

- (a) the representations and warranties in Article 4 shall be true and correct in all material respects as if made on the date of such Advance (unless expressly stated in Article 4 to apply only as at a specific earlier or later date), regardless of whether such representation or warranty is qualified by the phrase “to the Borrower’s knowledge” or a similar phrase, except to the extent that (i) the Borrower has provided written notice to the Lender concerning any material changes in respect of the said representations and warranties; and (ii) such changes are approved by the Lender;
- (b) any additional Security which the Credit Parties are required to have provided pursuant to this Agreement at the time of such Advance shall have been executed and delivered, all registrations required by this Agreement in connection therewith shall have been made, and all legal opinions and other documentation required in connection therewith shall have been executed and delivered, all in form and substance satisfactory to the Lender;
- (c) no Default, Event of Default or Material Adverse Change shall have occurred, nor shall the making of the Advance result in the occurrence of a Default, Event of Default or Material Adverse Change;
- (d) the Borrower shall have delivered a Draw Request to the Lender in accordance with the notice requirements provided herein; and
- (e) no third party demand or garnishment order for payment to any Governmental Authority shall have been received by the Lender in respect of any Credit Party, unless the amount of such demand or order is not material and arrangements satisfactory to the Lender have been established to avoid any loss of priority with respect to the Security.

ARTICLE 8 DEFAULT AND REMEDIES

8.1 Events of Default

The occurrence of any one or more of the following events, after the expiry of any applicable cure period set out below, shall constitute an event of default under this Agreement (an “**Event of Default**”):

- (a) the Borrower fails to pay any Interest due hereunder, or fails to pay any principal or other amount hereunder when due;

- (b) any representation or warranty provided by a Credit Party to the Lender herein or in any Draw Request, Rollover Notice, Conversion Notice, Compliance Certificate or other Loan Document was incorrect in any material respect on the date on which such representation or warranty was made;
- (c) the Borrower fails to be in compliance with any of the financial covenants set out in Section 5.3;
- (d) any Credit Party fails to perform or comply with any of the negative covenants set out in Section 5.2;
- (e) any Credit Party or DIV fails to perform or comply with any of its covenants or obligations contained in this Agreement, the Security or any other agreement made between it and the Lender (other than those set out in subsections (a), (b), (c) and (d) above) after receipt of notice of such non-compliance from the Lender; provided that if such non-compliance is capable of remedy within 10 days and such Credit Party or DIV, as applicable, diligently attempts to remedy such non-compliance and inform the Lender of its efforts in this regard on a regular basis, and such non-compliance is remedied within such period, then such non-compliance shall be deemed not to constitute an Event of Default;
- (f) any Credit Party or Stratus Party is in default in the payment or performance of any of its indebtedness or obligations under any agreement relating to Funded Debt with a principal amount outstanding equal to or greater than [redacted amount] which could result in payment or acceleration of such indebtedness or obligation prior to its scheduled maturity unless such default is waived by the applicable counterparties or holders of such debt in accordance with its terms;
- (g) any Credit Party is in default in the payment or performance of any of its indebtedness or obligations under any Material Agreement unless such default is waived by the applicable counterparties or holders of such debt in accordance with its terms;
- (h) an Insolvency Event occurs in respect of any Credit Party, DIV or any Stratus Party;
- (i) any Person takes possession of any property of a Credit Party that is material to its financial condition, undertaking or operations by way of or in contemplation of enforcement of security; or a distress or execution or similar process is levied or enforced against any such property; except to the extent that: such matter is being diligently contested by such Credit Party in good faith and on reasonable grounds; such Credit Party provides the Lender with all material information relating to such matter as it may request from time to time and a reserve satisfactory to the Lender has been established;
- (j) one or more final judgments or decrees for the payment of money shall have been obtained or entered against any Credit Party in excess of [redacted amount] in the aggregate and has not been discharged, satisfied or stayed within 30 days of being granted and remains unpaid;

- (k) any Governmental Authority shall take any action to condemn, seize or appropriate any property of any Credit Party that is material to its financial condition, business or operations;
- (l) any Loan Document or any material provision thereof is or is declared by any court of competent jurisdiction to be unenforceable, or any Credit Party or DIV terminates or purports to terminate its liability under any Loan Document or disputes the validity or enforceability of such Loan Document;
- (m) any of the Security ceases to constitute a valid First Ranking Security Interest and the applicable Credit Party shall have failed to remedy such default within 10 days of becoming aware of such fact and being provided by the Lender with any documentation required to be executed to remedy such default;
- (n) non-compliance with any applicable Environmental Laws other than as disclosed herein and where such non-compliance could reasonably be expected to result in a Material Adverse Change;
- (o) there is a Change of Control;
- (p) the occurrence of an Event of Default as defined in the Stratus GSAs or any of them;
- (q) the occurrence of an Event of Insolvency (as defined in the Licence and Royalty Agreement);
- (r) a declaration by the Borrower that Stratus Franchising is in Material Breach (as defined in the Licence and Royalty Agreement) pursuant to the Licence and Royalty Agreement; or
- (s) an event occurs which constitutes a Material Adverse Change.

8.2 Remedies upon Event of Default

8.2.1 Upon the occurrence of an Event of Default which is continuing, the Lender, may do any or all of the following by written notice to the Borrower:

- (a) declare that the Commitments under any or all of the Facilities have expired and that the Lender's obligation to make Advances has terminated;
- (b) declare the Obligations to be immediately due and payable, and proceed to exercise any and all rights and remedies hereunder and under any other Loan Document;
- (c) convert all Term SOFR Loans to US Dollar Base Rate Loans; and
- (d) declare that each Outstanding Advance shall bear interest or fees at the rates otherwise applicable plus 2% per annum in order to compensate the Lender for the additional risk, and the Borrower hereby agrees to pay such additional interest and fees.

8.2.2 From and after the issuance of any declaration referred to above, the Lender shall not be required to honour any cheque or other instrument presented to it by the Borrower regardless of the date of issue or presentation. Immediately upon receipt of a declaration under Section 8.2.1(b) above the Borrower

shall pay to the Lender all amounts outstanding hereunder. Without limiting the generality of the foregoing, the Borrower shall pay to the Lender the face amount of all Term SOFR Loans which have not matured, which amounts shall be held by the Lender as collateral security for the Borrower's obligations with respect to those Term SOFR Loans. If the Borrower fails to so pay, the Lender may make a US Dollar Base Rate Loan to the Borrower in an amount equal to the face amount of such Term SOFR Loan, and the proceeds of any such US Dollar Base Rate Loan shall be held by the Lender and used to satisfy the Lender's obligations under the said Term SOFR Loans. Any such US Dollar Base Rate Loan shall bear interest at the highest rate and in the manner applicable to US Dollar Base Rate Loans under the Facility.

8.3 Combining Accounts, Set Off

Upon the occurrence and during the continuation of any Event of Default, in addition to and not in limitation of any rights now or hereafter granted under Applicable Law, the Lender may without notice to any Credit Party at any time and from time to time:

- (a) combine, consolidate or merge any or all of the deposits or other accounts maintained with the Lender by such Credit Party (whether term, notice, demand or otherwise and whether matured or unmatured) and such Credit Party's obligations to the Lender hereunder; and
- (b) set-off, apply or transfer any or all sums standing to the credit of any such deposits or accounts in or towards the satisfaction of such obligations.

8.4 Appropriation of Monies

After the occurrence and during the continuation of an Event of Default the Lender may from time to time apply any Proceeds of Realization of the Security against any portion or portions of the Obligations, and the Credit Parties may not require any different application. The taking of a judgment or any other action or dealing whatsoever by the Lender in respect of the Security shall not operate as a merger of any of the Obligations hereunder or in any way affect or prejudice the rights, remedies and powers which the Lender may have, and the foreclosure, surrender, cancellation or any other dealing with any Security or the said obligations shall not release or affect the liability of the Credit Parties or any other Person in respect of the remaining portion of the Obligations.

8.5 No Further Advances

The Lender shall not be obliged to make any further Advances (including honouring any cheques drawn by the Borrower which are presented for payment) from and after the earliest to occur of the following:

- (a) delivery by the Lender to the Borrower of a written notice that a Default or an Event of Default has occurred and is continuing and that as a result thereof no further Advances will be made (whether or not such notice also requires immediate repayment of the Obligations);
- (b) the occurrence of an Insolvency Event; and
- (c) receipt by the Lender of any garnishment notice, notice of a Statutory Lien or other notice of similar effect in respect of any Credit Party pursuant to the *Income Tax Act* (Canada),

the *Excise Tax Act* (Canada) or any similar notice under any other statute in effect in any jurisdiction for such period of time as any of the foregoing notices in this subsection (c) is in effect.

8.6 Judgment Currency

If for the purposes of obtaining judgment against the Borrower in any court in any jurisdiction with respect to this Agreement it becomes necessary for the Lender to convert into the currency of such jurisdiction (in this Section called the “**Judgment Currency**”) any amount due to the Lender by the Borrower hereunder in any currency other than the Judgment Currency, the conversion shall be made at the Exchange Rate prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the Exchange Rate prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts (if any) or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the Exchange Rate prevailing on the date of payment is the amount then due under this Agreement in such other currency. Any additional amount due by the Borrower under this Section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

8.7 Remedies Cumulative

All of the rights and remedies granted to the Lender in this Agreement, and any other documents or instruments in existence between the parties or contemplated hereby, and any other rights and remedies available to the Lender at law or in equity, shall be cumulative. The exercise or failure to exercise any of the said remedies shall not constitute a waiver or release thereof or of any other right or remedy, and shall be non-exclusive.

8.8 Performance of Covenants by Lender

If the Borrower fails to perform any covenant or obligation to be performed by it pursuant to this Agreement, the Lender may in its sole discretion, after written notice to the Borrower, perform any of the said obligations but shall be under no obligation to do so; and any amounts expended or advanced by the Lender for such purpose shall be payable by the Borrower upon demand together with interest at the highest rate then applicable to US Dollar Base Rate Loans under the Facilities.

8.9 Insolvency Proceedings

If any Credit Party intends to take the benefit of any Insolvency Legislation, including making an assignment for the general benefit of creditors, making a proposal or filing a notice of intention to make a proposal under Insolvency Legislation, the Borrower covenant and agree to provide the Lender with five Business Days' written notice before any of the aforementioned proceedings are commenced. Prior to the commencement of any such proceedings, the Borrower shall provide to the Lender with copies of all relevant filing materials, including copies of draft court orders, plans of compromise, proposals and notices of intention.

8.10 Authorization by Borrower

Each of the Credit Parties hereby irrevocably authorize the Lender to debit any account maintained by it with the Lender in order to make payments to the Lender as contemplated herein, if such

Credit Party has not paid such amount within one Business Day after receipt from the Lender of a written request for such payment.

ARTICLE 9

GENERAL

9.1 Application of Proceeds of Realization

Notwithstanding any other provision of this Agreement, the Proceeds of Realization of the Security or any portion thereof shall be distributed in the following order:

- (a) firstly, in payment of all costs and expenses incurred by the Lender in connection with such realization, including legal, accounting and receivers' fees and disbursements;
- (b) secondly, against the Obligations; and
- (c) thirdly, if all obligations of the Borrower listed above have been paid and satisfied in full, any surplus Proceeds of Realization shall be paid in accordance with Applicable Law.

9.2 Waivers

The failure or delay by the Lender in exercising any right or privilege with respect to the non-compliance with any provisions of this Agreement by the Credit Parties and any course of action on the part of the Lender, shall not operate as a waiver of any rights of the Lender unless made in writing by the Lender. Any such waiver shall be effective only in the specific instance and for the purpose for which it is given and shall not constitute a waiver of any other rights and remedies of the Lender with respect to any other or future non-compliance.

9.3 Governing Law

This Agreement shall be interpreted in accordance with the laws of the Province of British Columbia. Without prejudice to the right of the Lender to commence any proceedings with respect to this Agreement in any other proper jurisdiction, the parties hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

9.4 Expenses of Lender

Whether or not the transactions contemplated by this Agreement are completed or any Advance has been made, the Borrower agrees to pay on demand by the Lender from time to time all reasonable expenses incurred by the Lender in connection with this Agreement, the Security and all documents contemplated hereby, specifically including: expenses incurred by the Lender in respect of due diligence, appraisals, insurance consultations, credit reporting and responding to demands of any Governmental Authority, and expenses in connection with the preparation and interpretation of this Agreement and the Security, the administration of the Facilities (specifically including the preparation of waivers and partial discharges of Security) and the protection and enforcement of the Security. The Borrower hereby authorizes the Lender to debit its account in order to pay any such expenses which are not paid by the Borrower within 10 days after receipt by the Borrower of a written request from the Lender for payment of such expenses. The Lender agrees to give written notice to the Borrower of any such debit promptly thereafter.

9.5 General Indemnity

In addition to any other liability of the Credit Parties hereunder, the Credit Parties hereby agree to indemnify and save harmless the Indemnitees from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (including reasonable legal fees on a solicitor and his own client basis) of any kind or nature whatsoever (but excluding any consequential damages and damages for loss of profit) which may be imposed on, incurred by or asserted against the Indemnitees (except to the extent arising from the negligence or wilful misconduct of such Indemnitees) which relate to or arise out of or result from:

- (a) any failure by the Borrower to pay and satisfy its obligations hereunder including, without limitation, any costs or expenses incurred by reason of the liquidation or re-employment in whole or in part of deposits or other funds required by the Lender to fund or maintain the Facilities or as a result of the Borrower's failure to take any action on the date required hereunder or specified by it in any notice given hereunder;
- (b) any investigation by Governmental Authorities or any litigation or other similar proceeding related to any use made or proposed to be made by the Borrower of the proceeds of any Advance; and
- (c) any instructions given to the Lender to stop payment on any cheque issued by the Borrower or to reverse any wire transfer or other transaction initiated by the Lender at the request of the Borrower.

9.6 Environmental Indemnity

In addition to any other liability of the Credit Parties hereunder, the Credit Parties hereby agree to indemnify and save harmless the Indemnitees from and against:

- (a) any losses suffered by them for, in connection with, or as a direct or indirect result of, the failure of any Credit Party to comply with Environmental Law;
- (b) any losses suffered by the Indemnitees for, in connection with, or as a direct or indirect result of, the presence of any Hazardous Material situated in, on or under any property owned by a Credit Party or upon which any Credit Party carries on business, specifically including any diminution of value of the business, property and assets of any Credit Party; and
- (c) any and all liabilities, losses, damages, penalties, expenses (including reasonable legal fees) and claims which may be paid, incurred or asserted against the Indemnitees for, in connection with, or as a direct or indirect result of, any legal or administrative proceedings with respect to the presence of any Hazardous Material on or under any property owned by a Credit Party or upon which it carries on business, or the discharge, emission, spill, radiation or disposal by a Credit Party of any Hazardous Material into or upon any land, the atmosphere, or any watercourse or body of water; including the costs of defending and/or counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by the Indemnitees of any such action or matter;

except to the extent arising from the gross negligence or wilful misconduct of such Indemnitees. The obligations of the Credit Parties under this Section shall survive the termination of this Agreement.

9.7 Currency Indemnity

9.7.1 Currency Indemnity

Without limiting the generality of Section 9.5, if:

- (a) any amount payable under, or in connection with any matter relating to or arising out of, the Loan Documents is received by the Lender in a currency (the “**Payment Currency**”) other than that agreed to be payable hereunder or thereunder (the “**Agreed Currency**”), whether voluntarily or pursuant to an order, judgment or decision of any court, tribunal, arbitration panel or administrative agency or as a result of any bankruptcy, receivership, liquidation or other insolvency type proceedings or otherwise; and
- (b) the amount so produced by converting the Payment Currency so received into the Agreed Currency is less than the relevant amount of the Agreed Currency;

then:

- (c) the amount so received shall constitute a discharge of the liability of the Borrower under or in connection any of the Loan Documents only to the extent of the amount received following the conversion described in paragraph (ii) above; and
- (d) the Borrower shall indemnify and save the Lender harmless from and against such deficiency and any loss or damage arising as a result thereof.

9.7.2 Conversion at Exchange Rate

Any conversion pursuant to Section 9.7.1 shall be made at the Exchange Rate on the date the Payment Currency is received by the Lender and in such market as is determined by the Lender as being the most appropriate for such conversion. The Borrower shall in addition pay the costs of such conversion.

9.7.3 Independent Obligation

The indemnity set out in Section 9.7.1:

- (a) is an obligation of the Borrower which is separate and independent from all other obligations of the Borrower under any of the Loan Documents;
- (b) gives rise to a separate and independent cause of action;
- (c) applies irrespective of any indulgence granted by or on behalf of the Lender; and
- (d) continues in full force and effect notwithstanding, and does not merge with, any order, judgment or decision of any court, tribunal, arbitration panel or administrative agency or as a result of any bankruptcy, receivership, liquidation or other insolvency type

proceeding or otherwise as to any amount due under the Loan Documents or in connection herewith or therewith.

9.8 Manner of Payment and Taxes

9.8.1 All payments to be made by the Borrower pursuant to the Loan Documents are to be made without set off, compensation or counterclaim, free and clear of and without deduction for or on account of any Tax, including but not limited to withholding taxes, except for Taxes on the overall net income of the Lender (such taxes applicable to the overall net income of the Lender are herein referred to as “**Excluded Taxes**”). If any Tax, other than Excluded Taxes, is deducted or withheld from any payments under the Loan Documents the Borrower shall promptly remit to the Lender in the currency in which such payment was made, the equivalent of the amount of Tax so deducted or withheld together with the relevant receipt addressed to the Lender. If the Borrower is prevented by operation of law or otherwise from paying, causing to be paid or remitting such Tax, the interest or other amount payable under the Loan Documents will be increased to such rates as are necessary to yield and remit to the Lender the principal sum advanced or made available together with interest at the rates specified in the Loan Documents after provision for payment of such Tax. If following the making of any payment by the Borrower under this Section 9.8, the Lender is granted a credit against or refund in respect of any Tax payable by it in respect of such Taxes to which such payment by the Borrower relates that the Lender would not have received had the Borrower not made the payment, the Lender shall (subject to the Borrower having paid the relevant amount) to the extent that it is satisfied that it can do so without prejudice to the retention of the amount of such credit or refund, reimburse the Borrower such amount as the Lender shall certify to be the proportion of such credit or refund as will leave the Lender, after such reimbursement in no worse or better position than it would have been in if the relevant Taxes had not been imposed, or the relevant Taxes had not been deducted or withheld in respect of the payment by the Borrower as aforesaid. The Lender shall, at the Borrower's request and cost, file such documentation and do such commercially reasonable things as may be necessary to obtain such credit or refund, but the Lender shall not be obligated to disclose any information to the Borrower or any other Person concerning its income or taxes that is not otherwise publicly available.

9.8.2 If the Borrower makes any payment under this Section 9.8.1 for the account of the Lender, the Lender shall take reasonable steps to minimize the net amount payable by the Borrower under this Section, but the Lender shall not be obliged to disclose any information to the Borrower concerning its income or taxes that is not otherwise publicly available.

9.9 Increased Costs

If the introduction of or change in or in the interpretation of, or any change in its application to the Borrower of, any law or any regulation or guideline from any central bank or other governmental authority (whether or not having the force of law), including but not limited to any reserve or special deposit requirement or any Tax or exemption from any tax or any capital requirement, has due to the compliance by the Lender therewith the effect, directly or indirectly, of: (i) increasing the cost to the Lender of performing its obligations hereunder; (ii) reducing any amount received or receivable by the Lender hereunder or its effective return hereunder or on its capital; or (iii) causing the Lender to make any payment or to forego any return based on any amount received or receivable by the Lender hereunder, then upon demand from time to time the Borrower shall pay such amount as shall compensate the Lender for any such cost, reduction, payment or foregone return that is not fully offset by an increase in the applicable interest rate or rates or fees hereunder (collectively, the “**Additional Compensation**”). Any

certificate of the Lender in respect of the foregoing will be conclusive evidence of the foregoing, except for manifest error.

9.10 Survival of Certain Obligations despite Termination of Agreement

The termination of this Agreement shall not relieve the Credit Parties from their obligations to the Lender arising prior to such termination, such as obligations arising as a result of or in connection with any breach of this Agreement, any failure to comply with this Agreement or the inaccuracy of any representations and warranties made or deemed to have been made prior to such determination, and obligations arising pursuant to all indemnity obligations contained herein. Without limiting the generality of the foregoing, the obligations of the Credit Parties to the Lender arising under or in connection with Sections 9.4, 9.5 and 9.6 of this Agreement shall continue in full force and effect despite any termination of this Agreement.

9.11 Interest on Unpaid Costs and Expenses

If the Borrower fails to pay when due any amount in respect of costs or expenses or any other amount required to be paid by it hereunder (other than principal or interest on any Advance), it shall pay interest on such unpaid amount from the time such amount is due until paid at the highest rate of interest then applicable under the Facilities.

9.12 Notice

Without prejudice to any other method of giving notice, all communications provided for or permitted hereunder shall be in writing and given to the applicable addressee by prepaid private courier or by facsimile or electronic mail to its address or facsimile number and to the attention of the officer of the addressee as follows:

- (a) to the Borrower or the other Credit Parties:

c/o Diversified Royalty Corp.
330 – 609 Granville Street
Vancouver, BC V7Y 1A1

Attention: Greg Gutmanis, CFO & VP Acquisitions
Fax No.: 604-685-9970

- (b) to the Lender:

Bank of Montreal
Corporate Finance
595 Burrard Street, 6th Floor
Vancouver, British Columbia V7X 1L7

Attention: Mike Walls, Managing Director and Emma Amaya, Director
Fax No. 604-687-3666

Any communication transmitted by prepaid private courier shall be deemed to have been validly and effectively given or delivered on the Business Day after which it is submitted for delivery. Any communication transmitted by facsimile or electronic mail shall be deemed to have been validly and effectively given or delivered on the day on which it is transmitted, if transmitted on a Business Day on or

before 5:00 p.m. (local time of the intended recipient), and otherwise on the next following Business Day. Any party may change its address for service by notice given in the foregoing manner.

9.13 Severability

Any provision of this Agreement which is illegal, prohibited or unenforceable in any jurisdiction, in whole or in part, shall not invalidate the remaining provisions hereof; and any such illegality, prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.14 Further Assurances

The Borrower shall, at its expense, promptly execute and deliver or cause to be executed and delivered to the Lender, upon request, all such other and further documents, agreements, opinions, certificates and instruments from time to time reasonably required by the Lender in compliance with this Agreement, or if reasonably necessary or desirable to more fully record or evidence the obligations intended to be entered into herein, or to make any recording, file any notice or obtain any consent reasonably required to give full force and effect to this Agreement.

9.15 Time of the Essence

Time shall be of the essence of this Agreement.

9.16 Assignment by the Borrower

Neither the Borrower nor any Subsidiary may assign or transfer all or any part of its rights or obligations under the Loan Documents without the prior written consent of the Lender.

9.17 Assignment and Participation by the Lender

9.17.1 The Lender may, from time to time sell or assign the Facilities and the Lender's rights and obligations under the Loan Documents to one or more financial institutions, subject to a minimum assignment amount of [redacted amount], subject to the assignor holding at least [redacted amount] thereafter and, in the event the assignee is not a financial institution, the consent of the Borrower shall be required, which consent shall not be unreasonably withheld or delayed. Upon the occurrence of an Event of Default, no consent of the Borrower is required for any assignment of the Lender's rights and obligations hereunder.

9.17.2 The Borrower and the Lender acknowledge that the Lender is entitled to charge a processing and recording fee to any assignee in connection with each assignment hereunder.

9.17.3 Upon receipt of notice the assignment or grant of participation, the Borrower shall execute and deliver at the request and expense of the Lender, such further documentation as the Lender requests and considers necessary and advisable to effect the assignment or grant of participation, provided that such documents do not adversely modify any of the rights or increase any of the Obligations of the Borrower from that as set forth in this Agreement and the other Loan Documents.

9.18 Tombstone Marketing

For the purpose of "tombstone marketing" the Borrower hereby authorizes and consents to the reproduction, disclosure and use by the Lender of its name, identifying logo and the Facilities (limited to

the type of credit facilities, term and list of Lender) to enable the Lender to publish promotional “tombstones”, provided that such disclosure shall be made only after the Acquisition Transaction has been disclosed to the public by the Borrower. The Borrower acknowledges and agrees: that, the Lender shall be entitled to determine whether to use such information; that no compensation will be payable by the Lender in connection therewith; and that the Lender shall have no liability whatsoever to it or any of its employees, officers, directors, affiliates or shareholders in obtaining and using such information as contemplated herein.

9.19 Entire Agreement; Waivers and Amendments to be in Writing

This Agreement supersedes all discussion papers, term sheets and other writings which may have been issued by the Lender prior to the Facility Closing Date relating to the Facilities, which shall have no force or effect; and this Agreement and any other documents or instruments contemplated herein or therein shall constitute the entire agreement and understanding among the Credit Parties and the Lender relating to the subject-matter hereof. No provision of this Agreement, or any other document or instrument in existence among the parties may be modified, waived or terminated except by an instrument in writing executed by the party against whom such modification waiver or termination is sought to be enforced.

9.20 Inconsistencies with Security

To the extent that there is any inconsistency between a provision of this Agreement and a provision of any document constituting part of the Security, the provision of this Agreement shall govern. For greater certainty and without limiting the generality of the foregoing, to the extent that there is any inconsistency between the representations, covenants, indemnities and other provisions contained in any third party environmental report delivered by the Borrower pursuant hereto and the representations, covenants, indemnities and other provisions relating to environmental matters contained in this Agreement, the said provisions of this Agreement shall govern.

9.21 Confidentiality, etc.

9.21.1 The Borrower agrees not to file a copy of this Agreement or any other Loan Document (except the Security) in any public manner, or otherwise publicly disclose any information contained therein, except (i) on a confidential basis to the Credit Parties and their respective shareholders, partners, trustees, officers, directors, employees, accountants, lawyers and other professional advisors; (ii) to any bona fide existing or prospective lender, investor or purchaser of an equity interest in any Credit Party or all or substantially all of the assets of any Credit Party, provided that such Person agrees to maintain the confidentiality of such information consistent with the provisions of this Section; and (iii) as may be required pursuant to Applicable Law. If any such disclosure is required pursuant to Applicable Law, the Borrower will provide reasonable prior written notice to the Lender before making such disclosure and during such period the Lender acting reasonably may advise the Borrower as to which portions of such Loan Documents shall be redacted in order to protect the rights of the Lender to maintain the confidentiality of information which the Lender believes is confidential and proprietary to them. The Borrower agrees to comply with any such request and the prior notice provision unless such compliance would contravene Applicable Law.

9.21.2 The Lender agrees that all documentation and other information made available by the Borrower to them under or in connection with this Agreement shall (except to the extent such documentation or other information is publicly available or hereafter becomes publicly available other than by their actions), be held in confidence by them and used solely in the evaluation, administration and enforcement of the

Advances and all matters related to this Agreement and the Security and the transactions contemplated hereby and thereby, and in the prosecution or defence of legal proceedings arising in connection herewith and therewith. Notwithstanding the foregoing, nothing contained herein shall be construed to prevent the Lender from:

- (a) making disclosure of any information:
 - (i) if required to do so by Applicable Law;
 - (ii) to any Governmental Authority having or claiming to have authority to regulate or oversee any aspect of the business of the Lender or the Credit Parties in connection with the exercise of such authority or claimed authority and that compels or requires the disclosure of such information;
 - (iii) pursuant to any subpoena or if otherwise compelled in connection with any litigation or administrative proceeding;
 - (iv) to any prospective participant or assignee of all or any portion of the rights and obligations or the Lender hereunder provided that such prospective assignee executes and delivers to the Borrower a confidentiality agreement in form and substance acceptable to them, acting reasonably; or
 - (v) to the extent necessary for the Lender to effect or preserve its Security or to enforce any remedy provided in this Agreement or the Security or otherwise available by Law; or
- (b) making, on a confidential basis, such disclosures as the Lender reasonably deem necessary or appropriate to their legal counsel, accountants or other advisers, agents or representatives (including outside auditors). Notwithstanding the foregoing, the Credit Parties consent to the release of confidential information regarding their businesses by the Lender to certain BMO Financial Group business groups and/or subsidiaries for the purpose of assisting the BMO Financial Group and supporting those businesses with its strategic plan.

9.21.3 The obligations of the respective parties under this Section shall survive the termination of this Agreement.

9.22 Execution by Fax and Counterparts

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and which counterparts together shall constitute one and the same Agreement. Any signatory hereto may deliver an executed copy of this Agreement by facsimile, .pdf, electronic mail or other electronic method and such electronic copy shall be binding and effective against such party to the same extent as an originally executed copy of this Agreement. The words "execution," "signed," "signature," and words of like import in this consent shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law.

9.23 Binding Effect

This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any party with any other corporation.

[The balance of this page is intentionally left blank; signature pages follow]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

STRAT-B ROYALTIES LIMITED PARTNERSHIP

by its General Partner

STRAT-B ROYALTIES GP INC.

By: _____

Name: Greg Gutmanis

Title: Chief Financial Officer

BANK OF MONTREAL, as Lender

By: _____

Name: Mike Walls

Title: Managing Director, Corporate Finance Division

By: _____

Name: Emma Amaya

Title: Director, Canadian Commercial Banking

EXHIBIT A

DRAW REQUEST

To: Bank of Montreal, as Lender (the “**Lender**”)

This Draw Request is delivered pursuant to the credit agreement made among STRAT-B Royalties Limited Partnership, as borrower, and Bank of Montreal, as lender, dated as of _____, 2022 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the “**Credit Agreement**”). Terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement, unless otherwise defined in this Draw Request.

1. The Borrower hereby requests an Advance under the Facilities as follows:

- (a) Facility: _____
- (b) Date of Advance: _____
- (c) Amount of Advance: _____
- (d) Type of Advance: _____
- (e) If Type of Advance is a Term SOFR Loan, indicate period requested: _____
- (f) Payment instructions (if any): _____

2. The Borrower hereby certifies that as at the date hereof:

- (a) the representations and warranties in the Credit Agreement, other than those which are expressly stated to have been made as at the date of the Credit Agreement, are true and correct in all material respects as if made on the date hereof;
- (b) no default or Event of Default has occurred and is continuing, nor shall the requested Advance result in the occurrence of a Default or Event of Default; and
- (c) no Material Adverse Change has occurred and is continuing.

Dated this _____ day of _____, _____.

STRAT-B ROYALTIES LIMITED PARTNERSHIP

by its General Partner

STRAT-B ROYALTIES GP INC.

By: _____

Name:

Title:

EXHIBIT B

ROLLOVER NOTICE

To: Bank of Montreal, as Lender (the “**Lender**”)

This Rollover Notice is delivered pursuant to the credit agreement made among STRAT-B Royalties Limited Partnership, as borrower, and Bank of Montreal, as lender, dated as of _____, 2022 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the “**Credit Agreement**”). Terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement, unless otherwise defined in this Notice.

1. The Borrower hereby requests a Rollover as follows:

- (a) Facility: _____
- (b) Type of Advance to be rolled over: _____
- (c) Amount of maturing Advance: _____
- (d) Date of maturing Advance: _____
- (e) Type of Advance: _____
- (f) If Type of Advance is a Term SOFR Loan, indicate period requested: _____

2. The Borrowers hereby jointly and severally certify that as at the date hereof:

- (a) the representations and warranties in the Credit Agreement, other than those which are expressly stated to have been made as at the date of the Credit Agreement, are true and correct in all material respects as if made on the date hereof;
- (b) no default or Event of Default has occurred and is continuing, nor shall the Rollover result in the occurrence of a Default or Event of Default; and
- (c) no Material Adverse Change has occurred and is continuing.

Dated this _____ day of _____, _____.

STRAT-B ROYALTIES LIMITED PARTNERSHIP

by its General Partner

STRAT-B ROYALTIES GP INC.

By: _____

Name:

Title:

EXHIBIT C

CONVERSION NOTICE

To: Bank of Montreal, as Lender (the “**Lender**”)

This Conversion Notice is delivered pursuant to the credit agreement made among STRAT-B Royalties Limited Partnership, as borrower, and Bank of Montreal, as lender, dated as of _____, 2022 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the “**Credit Agreement**”). Terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement, unless otherwise defined in this Notice.

3. The Borrower hereby requests a Conversion as follows:

- (a) Facility: _____
- (b) Type of Advance to be rolled over or converted: _____
- (c) Amount of maturing Advance: _____
- (d) Date of maturing Advance: _____
- (e) Type of Advance requested: _____
- (f) If Type of Advance is a Term SOFR Loan, indicate period requested: _____

4. The Borrower hereby certifies that as at the date hereof:

- (a) the representations and warranties in the Credit Agreement, other than those which are expressly stated to have been made as at the date of the Credit Agreement, are true and correct in all material respects as if made on the date hereof;
- (b) no default or Event of Default has occurred and is continuing, nor shall the Conversion result in the occurrence of a Default or Event of Default; and
- (c) no Material Adverse Change has occurred and is continuing.

Dated this _____ day of _____, _____.

STRAT-B ROYALTIES LIMITED PARTNERSHIP

by its General Partner

STRAT-B ROYALTIES GP INC.

By: _____

Name:

Title:

EXHIBIT D
REPAYMENT NOTICE

To: Bank of Montreal, as Lender (the "**Lender**")

This Repayment Notice is delivered pursuant to the credit agreement made among STRAT-B Royalties Limited Partnership, as borrower, and Bank of Montreal, as lender, dated as of _____, 2022 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"). Terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement, unless otherwise defined in this Notice.

The undersigned Borrower hereby advises that a Repayment will be made by it as follows:

- (d) Facility:
- (e) Availment Option of Advance to be repaid:
- (f) Date of Repayment:
- (g) Amount of Repayment:

Dated this _____ day of _____, _____.

STRAT-B ROYALTIES LIMITED PARTNERSHIP
by its General Partner
STRAT-B ROYALTIES GP INC.

By: _____
Name:
Title:

EXHIBIT E

COMPLIANCE CERTIFICATE

TO: Bank of Montreal, as Lender (the "**Lender**")

This Compliance Certificate is delivered pursuant to the credit agreement made among STRAT-B Royalties Limited Parties (the "**Borrower**"), as borrower, and Bank of Montreal, as lender, dated as of _____, 2022 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"). Terms used herein with initial capital letters (other than for grammatical purposes) and not otherwise defined shall have the respective meanings ascribed thereto in the Credit Agreement. Terms used herein with initial capital letters (other than for grammatical purposes) and not otherwise defined shall have the respective meanings ascribed thereto in the Credit Agreement.

1. The following are the financial ratios and covenants in respect of the Borrower and its Subsidiaries, on a consolidated basis, calculated in accordance with the provisions of the Credit Agreement and the calculations attached as Schedule 1 and 2 to this Compliance Certificate as at the end of the Fiscal Quarter ended [_____] (the "**Compliance Date**") (or in respect of the financial period(s) ended on such date, as indicated below):

- (a) trailing 12 month EBITDA as at the Compliance Date, including details of the Stratus Marks and sublicensees and franchisees under the Licence and Royalty Agreement as shown in the attached calculation and listing of Stratus Marks and sublicensees and franchisees.
- (b) Senior Funded Debt to EBITDA Ratio: _____ as shown in attached calculation
- (c) as at the Compliance Date:
 - (i) cash Distributions to Unitholders and other Distributions as shown in attached calculation: \$ _____
 - (ii) sum of Distributable Cash and Cash on Hand as shown in attached calculation: \$ _____
 - Difference: \$ _____

2. The undersigned Senior Officer of the Borrower hereby certifies on behalf of the Borrower and without personal liability that as at the date hereof:

- (a) the foregoing information and all information contained in the attachments hereto was true, correct and complete as at the Compliance Date;
- (b) the representations and warranties in the Credit Agreement continue to be true and correct in all material respects as if made on the date hereof, except to the extent they relate to an earlier date in which case they are true and correct in all material respects as of such date;
- (c) the Borrower has complied in all material respects with all of its obligations under the Credit Agreement;

- (d) no Material Adverse Change, Default or Event of Default has occurred and is continuing;
and
- (e) since the date of the most recent Financial Statements of the Borrower delivered to the Lender, no Material Adverse Change has occurred and is continuing.

DATED this [] day of [], [].

Name:

Title:

See attached schedules.

SCHEDULE 1 TO EXHIBIT E
CALCULATION OF EBITDA INCLUDING LISTING OF STRATUS MARKS, SUBLICENSEES
AND FRANCHISEES CONTEMPLATED IN THE LICENSE AND ROYALTY AGREEMENT

SCHEDULE 2 TO EXHIBIT E
CALCULATION OF SENIOR FUNDED DEBT TO EBITDA RATIO

SCHEDULE 3 TO EXHIBIT E
CALCULATION OF DISTRIBUTIONS TO UNITHOLDERS,
OTHER DISTRIBUTIONS, DISTRIBUTABLE CASH AND CASH ON HAND

SCHEDULE 4.1.2
CREDIT PARTIES INFORMATION

STRAT-B ROYALTIES LIMITED PARTNERSHIP

- (a) **Predecessors and Prior Names:** None
- (b) **Jurisdiction of Incorporation or Establishment:** British Columbia
- (c) **Registration Number:** LP892830
- (d) **Present Governing Jurisdiction:** British Columbia
- (e) **Registered Office:** 25th Floor
700 West Georgia Street
Vancouver, British Columbia V7Y 1B3
- (f) **Principal Place of Business:** 330 – 609 Granville Street
Vancouver, British Columbia V7Y 1A1
- (g) **Places of Business:** 330 – 609 Granville Street
Vancouver, British Columbia V7Y 1A1
- (h) **Number and Class of Issued and Outstanding Units:** General Partner Units
 - Issued and outstanding: 1LP Units
 - Issued and outstanding: 99
- (i) **List of Partners and Partnership Interests held by each:** Strat-B Royalties GP Inc.
 - 1 General Partner UnitsDiversified Royalty Corp.
 - 99 LP Units

STRAT-B ROYALTIES GP INC.

- | | | |
|-----|---|--|
| (a) | Predecessors and Prior Names: | None |
| (b) | Jurisdiction of Incorporation
or Establishment: | British Columbia |
| | Registration Number: | BC1385605 |
| (c) | Present Governing Jurisdiction: | British Columbia |
| (d) | Registered Office: | 25th Floor
700 West Georgia Street
Vancouver, British Columbia V7Y 1B3 |
| (e) | Principal Place of Business: | 330 – 609 Granville Street
Vancouver, British Columbia V7Y 1A1 |
| (f) | Places of Business: | 330 – 609 Granville Street
Vancouver, British Columbia V7Y 1A1 |
| (g) | Number and Class
of Issued and Outstanding Shares: | Common shares without par value <ul style="list-style-type: none">• Issued and outstanding: 1 |
| (h) | List of Shareholders and
Shareholder Interests held by
each: | Diversified Royalty Corp. <ul style="list-style-type: none">• 1 Common share without par value |

SCHEDULE 4.1.12
MATERIAL CONTRACTS

1. Acquisition Agreement
2. Borrower LP Agreement
3. Governance Agreement
4. License and Royalty Agreement
5. Stratus Canada GSA
6. Stratus Franchising GSA
7. Stratus Services GSA
8. Confidentiality, non-competition and non-solicitation agreement entered into by each of the following in favour of DIV and the Borrower:
 - a. [Name of individual redacted.]
 - b. [Name of individual redacted.]
 - c. [Name of individual redacted.]
9. The Guarantee dated November 15, 2022 from Stratus Canada in favour of the Borrower.
10. The Guaranty dated November 15, 2022 from Stratus Services in favour of the Borrower.

SCHEDULE 4.1.24
RELATED PERSON CONTRACTS AND TRANSACTIONS

1. Acquisition Documents

SCHEDULE 4.1.29
STRATUS MARKS AND STRATUS FRANCHISEES

Stratus Marks

Trademarks – Australia

REGISTRATION/APPLICATION NO.	TRADEMARK
1921376 1921376	STRATUS
1921375 1921375	STRATUS BUILDING SOLUTIONS
1507023 1507023 2060314	STRATUS BUILDING SOLUTIONS
1537965 1537965 2098694	
1921383 1921383	
1507384 1507384 2060396	

Trademarks – Canada

REGISTRATION/APPLICATION NO.	TRADEMARK
	STRATUS
	
	
TMA775501	STRATUS BUILDING SOLUTIONS