

**THIRD AMENDED AND RESTATED
CREDIT AGREEMENT**

**Trimac Transportation Services Inc.
and
Trimac Transportation Services Limited Partnership**
as Borrowers

The Bank of Nova Scotia
as Administrative Agent, Lead Arranger and Bookrunner

**Those Financial Institutions Which are or
Hereafter Become Lenders Under this Agreement**
as Lenders

Canadian Imperial Bank of Commerce
as Syndication Agent

Dated as of February 14, 2014

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT, dated as of February 14, 2014, is made among:

TRIMAC TRANSPORTATION SERVICES INC., a corporation under the laws of the Province of Alberta, Canada ("**TTSI**") and **TRIMAC TRANSPORTATION SERVICES LIMITED PARTNERSHIP** ("**Trimac Transportation**" or "**LP**"), a limited partnership organized under the laws of the Province of Alberta, as borrowers (collectively the "**Borrowers**" and individually a "**Borrower**")

-and-

Each of the Persons that is a signatory hereto identified under the caption "**GUARANTORS**" on the signature pages hereto, and each Subsidiary of Trimac Transportation that hereafter becomes a "Guarantor" pursuant to Section 10.17 hereof (individually, a "**Guarantor**" and collectively, the "**Guarantors**" and the Guarantors together with the Borrowers are collectively the "**Obligors**" and individually an "**Obligor**")

-and-

Each of the financial institutions that is a signatory hereto identified under the caption "**LENDERS**" on the signature pages hereto or which, pursuant to Section 14.6(a) hereof, shall hereafter become a "Lender" hereunder (individually, a "**Lender**" and collectively, the "**Lenders**")

-and-

THE BANK OF NOVA SCOTIA, as agent for the Lenders (in such capacity, together with its successors in such capacity, the "**Administrative Agent**" or "**Agent**")

RECITALS:

WHEREAS BNS, as lender under the Original Credit Agreement, agreed to establish certain credit facilities in favour of the Borrowers on the terms and conditions and for the purposes set out in the Original Credit Agreement;

AND WHEREAS the Borrower, the Current Guarantors other than TTL, the Agent and the Lenders, pursuant to the First Amended and Restated Credit Agreement, amended and restated the Original Credit Agreement;

AND WHEREAS the Borrowers, the Current Guarantors other than TTL, the Lenders and the Administrative Agent agreed to amend, replace and restate the First Amended and Restated Credit Agreement upon the terms and conditions set out in the Second Amended and Restated Credit Agreement;

AND WHEREAS by Second Amending Agreement to the Second Amended and Restated Credit Agreement dated as of November 11, 2011 TTL became a Guarantor.

AND WHEREAS the Borrower, the Current Guarantors, the Lenders and the Administrative Agent have agreed to amend, replace and restate the Second Amended and Restated Credit Agreement upon the terms and conditions set out in this Agreement;

AND WHEREAS the Guarantors will receive substantial direct and indirect benefits from the Credit Facilities provided hereunder;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto (in all of their respective capacities as herein set out), agree as follows:

ARTICLE 1

DEFINITIONS AND ACCOUNTING MATTERS

1.1 Certain Defined Terms

As used herein, in addition to terms defined elsewhere in this Agreement (including in the above identification of the parties hereto) the following terms shall have the following meanings (all terms that are defined in the singular in this Section and in other provisions of this Agreement shall have the same meanings when used in the plural and vice versa):

"ABCA" shall mean the *Business Corporations Act*, R.S.A. 2000, c. B-9 including the regulations made from time to time and in force under that Act.

"Accepting Lender" shall mean any Lender which has accepted a Bankers' Acceptance of either of the Borrowers under this Agreement.

"Administrative Agent" or **"Agent"** has the meaning assigned thereto on page 1 of this Agreement.

"Affiliate" in respect of a Borrower shall mean each of the Borrowers and any Person that directly or indirectly controls, or is under common control with, or is controlled by, either of the Borrowers and, if such Person is an individual, any member of the immediate family (including parents, spouse, children and siblings) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust, while **"Affiliate"** in respect of a Lender shall mean a Lender and any Person that directly or indirectly controls, or is under common control with, or is controlled by the Lender. As used in this definition, **"control"** (including, with its correlative meanings, **"controlled by"** and **"under common control with"**) shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), provided that, in any event, any Person that owns directly or indirectly securities having 10% or more of the voting power for the election of directors or other governing body of a corporation or 10% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, no individual shall be an Affiliate solely by reason of his or her being a director, officer or employee of either of the Borrowers or any of its

Subsidiaries, and no individual who would otherwise be an Affiliate shall be considered to be an Affiliate when acting in his or her capacity as a director, officer or employee of either of the Borrowers or any of their respective Subsidiaries.

"Affiliate Subordination Agreement" shall mean any subordination agreement provided by an Affiliate, pursuant to Section 10.20 hereof, which shall be substantially in the form of Schedule I hereto.

"Agreement" or **"Credit Agreement"** shall mean this Second Amended and Restated Credit Agreement as the same may from time to time be amended, supplemented or restated.

"Anniversary Date" shall mean July 31, 2014 and thereafter July 31 (or the preceding Business Day if such date is not a Business Day) for each succeeding year.

"Applicable Standby Fee Rate" shall mean, for any period in respect of which the Debt Ratio is within the range specified under "Debt Ratio" in the table set forth in the definition of "Applicable Margin" below, the percentage per annum set forth opposite the applicable range and identified in the column headed "Standby Fee".

"Applicable Lending Office" shall mean, for each Lender, the lending office of such Lender in Canada in each case as designated from time to time by such Lender in writing to the Borrowers and the Administrative Agent.

"Applicable Margin" shall mean for any fiscal quarter period the percentage per annum set forth opposite the applicable Debt Ratio range in the following table for purposes of the interest calculations in this Agreement. Each change in the Applicable Margin occasioned by changes in the Debt Ratio shall be effective in respect of all Types of Loans at 12:01 a.m. on the first day of the second fiscal quarter following the fiscal quarter which occasioned the change in the Debt Ratio:

Level	Debt Ratio	Prime, US Base Rate Loans	Eurodollar Loans, BA Fee Rate, LC Fee	Standby Fee
1.	Less than 1.50:1.0	.50%	1.50%	.30%
2.	Equal to or greater than 1.50:1.0 but less than 2.00:1.0	.75%	1.75%	.35%
3.	Equal to or greater than 2.00:1.0 but less than 2.50:1.0	1.0%	2.0%	.40%
4.	Equal to or greater than 2.50:1.0 but less than 3.00:1.0	1.25%	2.25	.45%
5.	Equal to or greater than 3.00:1.0	1.5%	2.5%	.50%

"BA Acceptance Date" shall mean any date, which must be a Business Day, on which a Bankers' Acceptance is or is to be issued.

"BA Arrangement" in respect of Bankers' Acceptances, shall have the meaning assigned to that expression in Section 2.4(c) hereof.

"BA Discount Rate" shall mean, on any day:

- (a) with respect to Bankers' Acceptances issued by a Schedule I Lender, the CDOR Rate on such day; and
- (b) with respect to Bankers' Acceptances issued by a Schedule II Lender or a Schedule III Lender, the lesser of
 - (i) the CDOR Rate on such day plus 0.10%, and
 - (ii) the rate on such day, at or about 10:00 a.m. Toronto time on such day, as being the arithmetic average of the discount rates (expressed as rates per annum based on a year of 365 days) at which the Schedule II and Schedule III Reference Lenders, as applicable, are offering, at such time on such day, for the purchase of Bankers' Acceptances denominated in Canadian Dollars having a comparable face value and identical issue and maturity dates to the face value and issue and maturity dates of the Bankers' Acceptances proposed to be issued by either of the Borrowers and accepted by such Schedule II Lender or Schedule III Lender on such day.

"BA Fee Rate" shall mean the then applicable rate used in calculating Stamping Fees as referred to in the definition of Applicable Margin.

"BA Liability" shall mean, with respect to any Bankers' Acceptance, the obligation of either of the Borrowers to pay the face amount of any Bankers' Acceptances for which the applicable Borrower has not reimbursed the Accepting Lender, to pay each Lender making BA Loans a principal amount equal to its Commitment Percentage of the total amount of credit requested to be extended by Bankers' Acceptances when the applicable BA Loan was originally made.

"BA Loan" shall have the meaning assigned in Section 2.4(i) hereof.

"BA Loan Discount Rate" shall mean, on any day, the CDOR Rate on such day.

"BA Maturity Date" shall mean the date on which a Bankers' Acceptance is payable, which must be a Business Day.

"BA Net Proceeds" shall mean, in respect of any Bankers' Acceptance required to be purchased by a Lender pursuant to Section 2.4(c) hereof, an amount (rounded to the nearest whole cent with one-half of one cent being rounded-up) determined as of the applicable BA Acceptance Date which is equal to:

$$\text{Face Amount} \times \text{Price}$$

where **"Face Amount"** is the face amount of such Bankers' Acceptance and **"Price"** is equal to:

$$\frac{1}{1 + (\text{Rate} \times \text{Term})}$$

where the **"Rate"** is the applicable BA Discount Rate (or, as applicable, the BA Loan Discount Rate) expressed as a decimal, and the **"Term"** is the term of such Bankers' Acceptance expressed as a number of days divided by 365. The Price as so determined shall be rounded-up or down to the fifth decimal place with .000005 being rounded-up. The annual rate of

interest to which the "Rate" used in the foregoing determination of BA Net Proceeds is equal, is the "Rate" multiplied by the actual number of days in a period of one year commencing on the day such BA Net Proceeds are determined, and divided by 365.

"BA Request" shall have the meaning assigned in Section 2.4(b) hereof.

"Bank Products" shall mean any cash management, wire service, corporate credit card or other similar services provided by a Lender to any Obligor.

"Bank Product Obligations" shall mean, at any particular time, all of the then indebtedness, liabilities and obligations, absolute or contingent, direct or indirect, matured or unmatured, liquidated or unliquidated, of any Obligor to any Lender arising under or pursuant to any Bank Products.

"Bankers' Acceptances" or "BA's" shall mean bankers' acceptances denominated in Canadian Dollars in the form of either a depository bill, as defined in the *Depository Bills and Notes Act* (Canada), or a blank non-interest bearing bill of exchange, as defined in the *Bills of Exchange Act* (Canada), in either case drawn by a Borrower and accepted by a Lender at the request of either of the Borrowers, such depository bill or bill of exchange to be substantially in the standard form of, or otherwise acceptable to, such Lender.

"Basis Point" or "bp" shall mean one one-hundredth of 1%.

"BNS" shall mean The Bank of Nova Scotia.

"Borrowers" shall mean, collectively, TTSI and Trimac Transportation and **"Borrower"** shall mean either one of them, as applicable.

"Borrowers' Debenture" shall mean the fixed and floating charge debenture in the original stated principal amount of \$150,000,000 dated as of August 20, 2010 granted by TTSI and Trimac Transportation to the Administrative Agent for the benefit of itself, the Lenders and the Hedge Lenders Securing the Secured Obligations as amended by a debenture amending agreement dated of even date herewith increasing this stated principal amount of such debenture to \$225,000,000.

"Business Day" shall mean, in respect of Prime Loans, Bankers' Acceptances, BA Loans and Letters of Credit, a day on which Canadian chartered banks generally are open for business in Calgary and Toronto; in respect of U.S. Base Rate Loans, a day on which such banks are open for business in Calgary, Toronto and New York City; and in respect of Eurodollar Loans, a day on which such banks are open for business in Calgary, Toronto, New York City and London, England; and for all other purposes shall mean a day on which such banks are open in Calgary and Toronto, but does not include a Saturday or a Sunday.

"Canadian Bankruptcy Law" shall mean, collectively, the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), each as amended from time to time, and any other statute of Canada or any province thereof that provides for or allows creditors' rights or remedies similar in effect to those provided for in such statutes.

"Canadian Dollars", "Cdn.\$" and "C\$" shall mean lawful money of Canada.

"Capitalized Lease Obligation" shall mean, with respect to any Person, any rental obligation which, under GAAP, is capitalized on the books of such Person, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles, and may include Sale-Leaseback obligations.

"Capital Stock" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of corporate stock or membership or partnership interests and any and all warrants, options and rights with respect thereto (whether or not currently exercisable), including each class of common stock and preferred stock of such Person.

"CDOR Rate" shall mean, on any day, as established by the Administrative Agent:

- (a) for Bankers' Acceptances which have a term to maturity for which quotes are available as hereinafter contemplated, the per annum rate of interest which is the rate determined as being the arithmetic average of the rates per annum (calculated on the basis of a year of 365 days) applicable to Canadian Dollar bankers' acceptances having identical issue and comparable maturity dates as the Bankers' Acceptances proposed to be issued by a Borrower displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuters Monitor Money Rates Service at approximately 10:00 a.m. Toronto time on such day (as adjusted by the Administrative Agent in good faith after 10:00 a.m. Toronto time to reflect any error in a posted rate of interest or in the posted average annual rate of interest); and
- (b) for Bankers' Acceptance which do not have such a term, the arithmetic average of the discount rate quoted by each Schedule I Reference Lender (determined by the Administrative Agent as of 10:00 a.m. Toronto time on such day) at which each Schedule I Reference Lender is offering, at such time on such day, for the purchase of bankers' acceptances in a comparable amount and with identical maturity dates to the Bankers' Acceptances proposed to be issued by a Borrower on such day.

"Change of Control" shall mean any circumstances arising after the date hereof in which a Person or combination of Persons acting jointly or in concert (within the meaning of the Securities Act) acquires: (i) beneficial ownership of 50% or more of the voting shares of Trimac Holdings or otherwise acquires the right to elect a majority of the board of directors of Trimac Holdings; (ii) beneficial ownership of 50% or more of the TTL Shares or otherwise acquires rights to elect a majority of the board of directors of TTL; (iii) any shares in the capital of TTSI; or (iv) any general partnership interest or limited partnership interest in Trimac Transportation excluding in each case an acquisition of shares of Trimac Holdings, TTL Shares or any general partnership or limited partnership interest in Trimac Transportation by any Affiliate of Trimac Holdings.

"Collateral Account" shall have the meaning assigned in Section 2.12.

"Commitment" shall mean, in relation to a Lender, its LP Commitment and its TTSI Commitment.

"Commitment Percentage" shall mean with respect to any Lender and its Commitment, the ratio (expressed as a percentage) of the amount of the Commitment of such Lender to the Total

Commitment, which in each case shall equal the ratio of its LP Commitment to the Total LP Commitment and the ratio of its TTSI Commitment to the Total TTSI Commitment.

"Consolidated EBITDA" shall mean, in respect of any period, Consolidated Net Earnings for such period minus: (a) any non-cash gains for such period (b) plus to the extent deducted in the computation of such Consolidated Net Earnings (other than that portion of Consolidated Interest Expense attributable to TTL which is not deducted in the calculation of Consolidated Net Earnings), each of the following:

- (a) Consolidated Interest Expense for such period and interest charges on Subordinated Debt for such period;
- (b) taxes imposed on or measured by income or excess profits of TTL and its Subsidiaries for such period;
- (c) all depreciation, amortization and depletion allowances, of TTSI and its Subsidiaries for such period; and
- (d) all non-cash losses for such period.

There shall be added to Consolidated EBITDA, the EBITDA (determined in the same manner as "Consolidated EBITDA", with necessary changes) for such entire period of any Person which becomes a Subsidiary of TTL in such period, or attributable to any operating business acquired by an acquisition of the assets comprising such business in such period, and there shall be deducted from Consolidated EBITDA the EBITDA (as so determined) attributable to such period of any Subsidiary of TTL that has ceased to be a Subsidiary in such period, or attributable to any operating business disposed of by a sale of the assets comprising such business in such period, in each case where supported by written details and supporting calculations provided by TTL in respect thereof, and in amounts acceptable to the Administrative Agent, acting reasonably.

"Consolidated Interest Expense" shall mean, with reference to any period, the following for TTL and its Subsidiaries on a consolidated basis for such period, after eliminating all transactions between TTL and its Subsidiaries:

- (a) all interest charges (including amortization of debt discount, bankers' acceptance discounts and stamping fees, commercial paper discounts, guarantee fees, and expense and imputed interest on Capitalized Lease Obligations) on Debt (excluding however Subordinated Debt) charged or chargeable to income during such period in accordance with GAAP; plus
- (b) all interest charges capitalized or deferred in determining Consolidated Net Earnings for such period, excluding such charges in respect of Subordinated Debt; plus
- (c) all interest charges capitalized or deferred in determining the net income (or loss) of TTL for such period, excluding such charges in respect of Subordinated Debt.

Any interest charges paid or accrued by any Person acquired by TTL or any of its Subsidiaries through purchase, amalgamation, merger or otherwise, or paid or accrued by any Person which is a successor to TTL or any of its Subsidiaries by amalgamation or merger or as a transferee of

its assets, shall be included in Consolidated Interest Expense only to the extent taken into account in determining the net income of such Person included in Consolidated Net Earnings for such period.

"Consolidated Net Earnings" shall mean, with reference to any period, the net income (or loss) of TTL and its Subsidiaries for such period (taken as a cumulative whole), all determined in accordance with GAAP (without duplication) on a consolidated basis after eliminating (i) portions of income attributable to minority interests, if any, in the shares and surplus of Subsidiaries, and (ii) income derived from transactions with Affiliates except to the extent actually received or receivable in cash within ninety (90) days of when earned; provided however, in calculating Consolidated Net Earnings, there shall be included therein cash distributions reserved by TTL and its Subsidiaries during the relevant period from Investments Without Control.

"Consolidated Tangible Assets" shall mean, as at any date of determination, the Consolidated Total Assets on such date, less all amounts attributable to goodwill, patents, trademarks and other similarly classified intangible assets as reported in TTL's financial statements.

"Consolidated Total Assets" shall mean, as at any date of determination, the total assets of TTL and its Subsidiaries determined on a consolidated basis in accordance with GAAP, after eliminating all intercompany transactions.

"Consolidated Total Debt" shall mean, as at any date of determination, without duplication, the total Debt of TTL and its Subsidiaries determined on a consolidated basis in accordance with GAAP, excluding however: (a) Subordinated Debt; (b) for certainty, Debt of any entity in which TTL or another Obligor has an equity interest which constitutes an Investment Without Control.

"Continue", **"Continuation"** and **"Continued"** shall mean the continuation pursuant to Section 2.10 hereof of a Eurodollar Loan or BA Loan from one Interest Period to another Interest Period, or the renewal of an issuance of Bankers' Acceptances or Letter of Credit.

"Control" shall mean, in respect of TTL and each of the other Obligors, "control" as that expression is used in Section 2(2) of the Loan and Trust Corporations Act, RSA; c.L-20.

"Convert", **"Conversion"** and **"Converted"** shall mean a conversion pursuant to Section 2.10 hereof of all or a portion of one Type of Loan into another Type of Loan.

"Credit Facilities" shall mean, collectively, the LP Facility and the TTSI Facility, and **"Credit Facility"** shall mean either one of such credit facilities.

"Current Guarantors" shall mean: (a) those Subsidiaries of the Borrowers who are currently Guarantors, namely Bulk Plus Logistics Limited Partnership, Bulk Plus Logistics Ltd. and Canamera Limited Partnership; and (b) TTL.

"Current Guarantors' Debentures" shall mean collectively: (a) the floating charge debentures, each in the original stated principal amount of \$150,000,000 and dated as of August 20, 2010 granted by each of the Current Guarantors (other than TTL); and (b) in the case of TTL the floating charge debenture granted by TTL in the original stated principal amount of \$150,000,000 and dated as of November 2, 2011 to the Administrative Agent for the benefit of itself, the Lenders and the Hedge Lenders.

"Debenture Form" shall mean that form of the stated principal amount of \$225,000,000 floating charge debenture annexed hereto as Schedule L and with such changes as are required or approved by the Administrative Agent and its legal counsel, acting reasonably to be granted by each New Guarantor pursuant to Section 7.12.

"Debt" shall mean, with respect to any Person, without duplication:

- (a) all indebtedness for borrowed money of such Person (including, for certainty, reimbursement obligations in respect of letters of credit, bankers' acceptances and note purchase facilities, obligations of such Person evidenced by a bond, note, debenture or similar instrument, and obligations of such Person in relation to purchase money agreements, deferred purchase price payments (where payment of the purchase price is deferred more than 90 days from the date of purchase), prepaid contracts, conditional sales agreements, or title retention agreements (other than those characterized as operating leases under GAAP), or subordinated indebtedness whether or not classified as equity on a balance sheet of such Person, in any case whether or not recourse of the debtholder is limited in any way);
- (b) all Capitalized Lease Obligations of such Person, and without limitation, all Debt of such Person under Sale-Leasebacks (other than Sale-Leasebacks that are characterized as operating leases under GAAP);
- (c) all indebtedness for borrowed money secured by a Lien on any property or asset owned or held by such Person, whether or not the obligations secured thereby shall have been assumed;
- (d) all obligations of the Person under Hedge Agreements;
- (e) all Redeemable Preferred Shares of such Person held by any Person other than an Obligor; and
- (f) all Guarantees of such Person with respect to obligations of a type described in any of the preceding clauses;

provided that obligations owed to an Obligor shall not be included as Debt of such Person, and provided further that out of the money positions under Hedging Agreements shall not be included in Debt.

"Debt Coverage Ratio" shall mean, for any period, the ratio of:

- (a) Consolidated EBITDA less the sum of:
 - (i) cash taxes for such period; and
 - (ii) all TTL Distributions made during such period; to
- (b) the sum of:
 - (i) Consolidated Interest Expense for such period; and

- (ii) the current portion of Consolidated Total Debt as at the end of the relevant period, excluding:
 - (A) the current portion, if any, of the Debt of the Borrowers under the Credit Facilities; and
 - (B) contingent liabilities of the Borrowers under Letters of Credit.

"Debt Ratio" shall mean, as of the last day of any fiscal quarter, the ratio of Consolidated Total Debt on such date to Consolidated EBITDA for the most recently completed period of 4 consecutive fiscal quarters ending on such date.

"Default" shall mean an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

"Determination Date" shall mean the 1st day of the months of February, May, August and November of each year while this Agreement is in effect.

"Distribution" shall mean, in respect of any Person:

- (a) dividends or other distributions or payments on its Capital Stock or its other equity or partnership interests (except dividends or other distributions in such stock or other equity or partnership interests);
- (b) the redemption or acquisition of its stock or other equity interests or of warrants, rights or other options to purchase such stock or other equity or partnership interests (except when solely in exchange for such stock or other equity interests) unless made, contemporaneously, from the net proceeds of a sale of such stock or other equity or partnership interests; and
- (c) any payment, repayment, redemption, retirement, repurchase or other acquisition, direct or indirect, by such Person of, on account of, or in respect of, the principal of any Debt (or any instalment thereof) the proceeds of which are paid to or received by any Affiliate of such Person.

For purposes of this Agreement, the amount of any Distribution made in Property shall be the greater of (x) the Fair Market Value of such Property (as determined in good faith by the board of directors (or equivalent governing body) of the Person making such Distribution, and (y) the net book value thereof on the books of such Person, in each case determined as of the date on which such Distribution is made.

"Effective Date" shall mean the date upon which all of the conditions in Section 8.1 hereof are either satisfied, waived or deferred by all Lenders, as evidenced by a confirmation to that effect as referred to in the last paragraph of Section 8.1.

"Environmental Claim" shall mean, with respect to any Person, any written notice, claim, demand or other communication (collectively, a **"claim"**) by any other Person alleging or asserting such Person's liability for investigatory costs, cleanup costs, governmental response costs, damages to natural resources or other Property, personal injuries, fines or penalties arising out of, based on or resulting from (a) the presence, or Release into the environment, of any Hazardous Material at any location, whether or not owned by such Person, or

(b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law. The term "Environmental Claim" shall include any claim by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and any claim by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence of Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Laws" shall mean any and all present and future Canadian federal, provincial, or territorial, municipal or local and foreign laws, rules or regulations, and any orders or decrees, in each case as now or hereafter in effect, relating to the regulation or protection of human health, safety or the environment or to Releases or threatened Releases of pollutants, contaminants, chemicals or toxic or hazardous substances, wastes or recyclables into the indoor or outdoor environment, including ambient air, soil, surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances, wastes or recyclables.

"Equivalent Amount" shall mean, as at any date, the amount of Canadian Dollars into which an amount of U.S. Dollars (or other currency, as applicable) may be converted, or the amount of U.S. Dollars into which an amount of Canadian Dollars (or other currency, as applicable) may be converted, in either case at the Bank of Canada mid-point noon spot rate of exchange for such date in Toronto at approximately 12:00 noon, Toronto time on such date.

"Eurodollar Loans" shall mean Loans in U.S. Dollars that bear interest at rates based upon the Libor Rate, as determined by the Administrative Agent.

"Event of Default" shall have the meaning assigned in Section 11.1 hereof.

"Exchange Rate Deficiency" shall have the meaning assigned to that expression in Section 2.11 hereof.

"Existing Obligations" shall have the meaning accorded to the expression in the Second Amended and Restated Credit Agreement.

"Existing Security" shall mean collectively the Borrowers' Debenture and the Guarantors' Debentures granted by the Current Guarantors.

"Fair Market Value" shall mean, at any time and with respect to any Property, the sale value of such Property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

"Federal Funds Effective Rate" shall mean, on any day, the rate of interest per annum for that day set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (the "**H.15(519)**") opposite the caption "Federal Funds (Effective)" and, if on any day such rate is not yet published in H.15(519), the rate for such day shall be the rate set forth in the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, for such day published by the Federal Reserve Board (the "**Composite 3:30 p.m. Quotations**") under the caption "Federal Funds Effective Rate"; provided that if such rate is not yet published in either H.15(519) or the

Composite 3:30 p.m. Quotations, such rate shall be the average of the interest rates per annum quoted for such day on overnight federal funds (such words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

"First Amended and Restated Credit Agreement" shall mean that amended and restated credit agreement dated as of March 8, 2010 between TTSI and Trimac Transportation, as Borrowers, the Current Guarantors (other than TTL), as Guarantors, the Lenders and The Bank of Nova Scotia, as Administrative Agent, as the same was amended from time to time up to and including a Second Amending Agreement dated October 27, 2010.

"Fortress Trucking" shall mean Fortress Trucking Limited, an indirect Subsidiary (through 781100 Ontario Inc.) of Trimac Transportation.

"GAAP" shall mean, in respect of the Borrowers and their respective consolidated Subsidiaries, generally accepted accounting principles in Canada applied on a basis consistent with those which, in accordance with Section 1.3(a) hereof, are to be used in making the calculations for purposes of this Agreement.

"General Partner" shall mean TTSI, acting in its capacity as general partner of Trimac Transportation.

"Governmental Authority" shall mean:

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having or purporting to have jurisdiction in the relevant circumstances;
- (b) any Person acting or purporting to act under the authority of any of the foregoing or under a statute, rule or regulation thereof; and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having or purporting to have jurisdiction in the relevant circumstances.

"Guarantee" shall mean, with respect to any Person, any direct or indirect liability, contingent or otherwise, of such Person with respect to any indebtedness, letter of credit, lease, dividend or other obligation of another, including any such obligation directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable, including any such obligation in effect guaranteed by such Person through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain the solvency or any balance sheet or other financial condition of the obligor of such obligation (including keep-well covenants), or to make payment for any products, materials or supplies or for any transportation or services regardless of the non-delivery or non-furnishing thereof, in any such case if the purpose or intent of such agreement is to provide assurance that such obligation will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be

protected against loss in respect thereof. The amount of any Guarantee shall be equal to the outstanding principal amount of the obligation guaranteed or such lesser amount to which the maximum exposure of the guarantor shall have been specifically limited.

"Guaranteed Obligations" shall mean collectively:

- (a) the Secured Obligations; and
- (b) all costs and expenses of enforcing and collecting upon the Secured Obligations.

"Guarantors" shall mean collectively TTL, the Current Guarantors and any Material Subsidiaries which provide guarantees of the Secured Obligations and debentures guaranteeing such guarantees as contemplated by Section 7.12(c).

"Guarantors' Debentures" shall mean collectively:

- (a) the floating charge debentures each dated as of August 20, 2010 granted by each of the Current Guarantors to the Administrative Agent for the benefit of itself, the Lenders and the Hedge Lenders securing the Secured Obligations as amended by debenture amending agreements of even date herewith whereby the stated principal amount secured by those debentures is increased to \$225,000,000;
- (b) the TTL Debenture as amended by a debenture amending agreement of even date herewith whereby the stated principal amount secured by that debenture is increased to \$225,000,000; and
- (c) any other debenture granted by any other Guarantor pursuant to and in accordance with Section 7.12(c).

"Hazardous Material" shall mean, collectively, (a) any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls ("**PCB's**"), (b) any chemicals or other materials or substances which are now or hereafter become defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "hazardous recyclables", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants", "pollutants" or words of similar import under any Environmental Law, and (c) any other chemical or other material or substance, exposure to which is now or hereafter prohibited, limited or regulated under any Environmental Law.

"Hedge Affiliate" shall mean a Person which, at the time it entered into a Hedge Agreement with an Obligor, was a Subsidiary or Affiliate of a Lender.

"Hedge Agreement" shall mean:

- (a) any contract for a rate swap, rate cap, rate floor, rate collar, forward rate agreement, futures or other rate protection agreement or option with respect to any such transaction, designed to hedge against fluctuations in interest rates;

- (b) any contract for the sale, purchase, or exchange or for future delivery of foreign currency (whether or not the subject currency is to be delivered or exchanged), hedging contract, forward contract, swap agreement, futures contract, or other foreign exchange protection agreement or option with respect to any such transaction, designed to hedge against fluctuations in foreign exchange rates;
- (c) any contract for the sale or purchase of commodities (including, without limitation, fuel), hedging contract, swap agreement or other commodity pricing protection agreement with respect to such transaction, designed to hedge against fluctuations in prices of the subject commodities; and
- (d) any other derivative agreement or other similar agreement or arrangements.

"Hedge Crystallization Event" shall mean, in respect of a Lender Hedge Agreement, the crystallization or unwinding of such Lender Hedge Agreement whether as a result of a demand made by the applicable Hedge Lender pursuant to such Lender Hedge Agreement for repayment of all Indebtedness relating thereto or an automatic early termination of obligations under such Lender Hedge Agreement pursuant to the terms thereof.

"Hedge Lender" shall mean a Person which, at the time it entered into a Hedge Agreement with an Obligor, was a Lender or the Hedge Affiliate of a Lender; provided that:

- (a) for certainty any Lender or Lender's Hedge Affiliate which enters into a Hedge Agreement with an Obligor after the Lender ceases to be a Lender hereunder is not a Hedge Lender for purposes hereof; and
- (b) where a Hedge Affiliate of a Lender is a Hedge Lender, such Lender shall at all times remain responsible for the obligations of such Hedge Affiliate under this Agreement.

"Hedge Obligations" shall mean, after a Hedge Crystallization Event:

- (a) in respect of a Hedge Lender (including its Hedge Affiliate), the indebtedness determined by such Hedge Lender by calculating the Hedge Termination Amount for each of its Lender Hedge Agreements and determining the difference, if positive, of the aggregate net amounts payable by the Obligors to such Hedge Lender; and
- (b) in respect of all Hedge Lenders, the aggregate of all amounts calculated in paragraph (a) above for all Hedge Lenders.

"Hedge Termination Amount" shall mean, in respect of a Lender Hedge Agreement on any day, the amount (whether positive or negative) determined by the applicable Hedge Lender thereunder in accordance with its customary practices and acting reasonably as of the close of business as though such day were an "Early Termination Date" and the Lender Hedge Agreement was a "Terminated Transaction" in accordance with the payment measures provided for by the International Swap Dealers Association Master Agreement between the applicable Obligor Party and such Hedge Lender, with any such termination amount being expressed in Canadian Dollars and all defined terms used in this definition and not otherwise defined in this Agreement having the meaning ascribed thereto in such ISDA Master Agreement.

"Income Tax Act (Canada)" shall mean the *Income Tax Act* (Canada), as amended from time to time.

"Increased Costs" shall have the meaning assigned in Section 6.1(c).

"Interest Period" shall mean,

- (a) with respect to any Eurodollar Loan, each period commencing on the date such Eurodollar Loan is made or Converted from another Type of Loan or if Continued, the last day of the next preceding Interest Period for such Eurodollar Loan, and ending 1, 2, 3 or 6 months thereafter, as a Borrower may select as provided in Section 2.6 hereof, except that each Interest Period that commences on the last Business Day of a calendar month shall end on the last Business Day of the appropriate subsequent calendar month. Notwithstanding the foregoing (i) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day (or if the next succeeding Business Day falls in the next succeeding calendar month, on the next preceding Business Day), and (ii) no Interest Period shall have a duration of less than 1 month and, if the Interest Period for any Eurodollar Loan would otherwise be such a shorter period, such Eurodollar Loan shall not be available as a Eurodollar Loan hereunder for such period; and
- (b) with respect to any BA Loan, each period commencing on the date such BA Loan is made or Converted from another Type of Loan or the last day of the next preceding Interest Period for such BA Loan and ending on the date not less than 30 nor more than 180 days thereafter, as a Borrower may select as provided in Section 2.4 hereof.

Notwithstanding the foregoing, no Interest Period shall be established, by original request, Conversion or Continuation, to mature on a date after the Maturity Date.

"Investment Without Control" shall mean: (a) TTL's 29% limited partnership interest in NRT; (b) equity interests in any corporation, partnership or other entity by TTL or any of the other Obligor over which such corporation, partnership or other entity TTL or another Obligor does not exercise Control; and (c) any other equity interests in any corporation, partnership or other entity by TTL or any other of the Obligor which the Lenders, acting reasonably, agree does not give TTL or the other relevant Obligor, as applicable, effective control over such entity.

"Issuing Lender" shall mean The Bank of Nova Scotia or any other Lender selected by the Borrowers and acceptable to the Administrative Agent (acting reasonably) who assumes, in writing, with the Borrowers and the Administrative Agent, the obligation of issuing Letters of Credit.

"LC Fee" shall mean the fee charged under Section 2.5(e) by the Administrative Agent for the account of the Lenders on the issuance a Letter of Credit.

"LC Fronting Fee" shall mean the fee charged under Section 2.5(f) by the Administrative Agent for the account of the Issuing Lender for the issuance of a Letter of Credit.

"LCL" shall mean Liquid Cargo Lines Limited, a wholly owned subsidiary of TTL.

"LC Liabilities" shall mean, with respect to Letters of Credit, the obligation of the Borrowers or either of them to repay the maximum amount thereof in the respective currency in which the Letter of Credit is denominated.

"Lender" and **"Lenders"** have the meaning assigned thereto on page 1 of this Agreement.

"Lender Hedge Agreement" shall mean a Hedge Agreement entered into by any Obligor with any Hedge Lender and shall be deemed to include any Hedge Agreements in place on the Effective Date.

"Letter of Credit" or **"LC"** shall mean a standby or documentary letter of credit or letter of guarantee in Canadian Dollars or U.S. Dollars issued by the Issuing Lender at the request of a Borrower pursuant to this Agreement.

"Libor Rate" shall mean, for a particular Interest Period applicable to a Eurodollar Loan, the rate of interest per annum, expressed on the basis of a year of 360 days, determined by the Administrative Agent:

- (a) the rate which appears on the display referred to as the "LIBOR 01 Page" (or any other display substituted therefor) of Reuters Monitor Money Rates Service or its successor company as of 11:00 a.m. (London, England time) on the second Business Day prior to the commencement of the applicable Interest Period; or
- (b) if such display or such rate is not available, the rate appearing on the display referred to as Telerate Page 3750 (or any other display substituted therefor) of Telerate – The Financial Information Network published by Telerate – Systems Inc. or its successor company as of 11:00 a.m. (London, England time) on the second Business Day prior to the commencement of the applicable Interest Period; or
- (c) if such rate does not appear on such Telerate display, or if such display or such rate is not available, the rate of interest per annum at which U.S. Dollar deposits are offered by the Administrative Agent (or its parent financial institution, if the Administrative Agent does not maintain such an office) to leading banks in the London interbank market at approximately 11:00 a.m. (London, England time) on the second Business Day prior to the commencement of the applicable Interest Period, in respect of an amount similar to the Administrative Agent's share of such Eurodollar Loan and for a period comparable to such Interest Period;

rounded upward, if not already a multiple of 1/16 of 1%, to the nearest 1/16 of 1%.

"Lien" shall mean any mortgage, pledge, priority, security interest, encumbrance, statutory deemed trust, contractual deposit or escrow arrangement, collateral account, lien (statutory or otherwise) or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature thereof including a Sale-Leaseback and a Capitalized Lease Obligation, but not an operating lease), or any other type of preferential arrangement for the purpose, or having the effect, of protecting a creditor against loss or securing the payment or performance of an obligation, but excluding operating leases determined in accordance with GAAP.

"Loan Documents" shall mean this Agreement, any guarantees, certificates, notices or documents provided by the Obligors pursuant to this Agreement and includes the Subordination Agreements and all Security, all as may be amended, modified or restated from time to time.

"Loans" shall mean TTSI Loans and LP Loans.

"LP Agreement" shall mean that amended and restated limited partnership agreement dated January 1, 2011 between TTSI as the General Partner and a limited partner and TTL, as limited partner, as the same may be further amended, restated or supplemented from time to time.

"LP Commitment" shall mean, in relation to a Lender (including the Swingline Lender), the maximum principal amount such Lender has agreed to make available to Trimac Transportation under the LP Facility as set forth in Schedule A, subject to adjustment pursuant to Section 2.1(f) and the other terms hereof.

"LP Facility" shall mean the revolving credit facility established by Section 2.1(a)(i).

"LP Loans" shall mean the extensions of credit to Trimac Transportation by the Lenders out of the LP Commitment (whether in Canadian or U.S. Dollars), including for certainty Bankers' Acceptances, BA Loans, Letters of Credit and Swingline Loans, as provided for in Sections 2.1(b) and 2.14 hereof.

"LP Outstandings" shall mean, as at any time, the outstanding principal amount of (i) LP Loans and (ii) Swingline Loans made under the LP Commitment of the Swingline Lender, and includes, for certainty any BA Liabilities and LC Liabilities outstanding at that time.

"Majority Lenders" shall mean: (i) if there are more than two Lenders, at least two Lenders holding, in the aggregate not less than 66⅔% of the Total Commitment under the Credit Facilities, or (ii) if there are two or less Lenders, all of the Lenders.

"Material Adverse Effect" shall mean, individually or in the aggregate, a material adverse effect on (a) the financial condition of TTL, the Borrowers and the Material Subsidiaries taken as a whole, (b) the ability of the Borrowers and the Material Subsidiaries taken as a whole to perform their obligations under the Loan Documents, or (c) the rights and remedies of any Lender or the Administrative Agent, as the case may be, under the Loan Documents taken as a whole.

"Material Contracts" shall mean collectively the LP Agreement the TTSI Articles and the Shared Services Agreement.

"Material Subsidiary" shall mean:

- (a) the Subsidiaries identified in Schedule D hereto;
- (b) any Wholly-Owned Subsidiary of TTL, excluding the Borrowers, the total assets (excluding accounts receivable owing by TTSI, Trimac Transportation or any of its Subsidiaries to such Wholly-Owned Subsidiary) of which at any time exceed or exceeded 5.0% of Consolidated Total Assets or whose consolidated earnings before interest, taxes, depreciation and amortization (determined in the same manner as Consolidated EBITDA) for any previous period of 4 consecutive fiscal quarters exceeded 5.0% of Consolidated EBITDA over the same period;

- (c) any Wholly-Owned Subsidiary of TTL that does not qualify under paragraph (a) or (b), but is designated as a Material Subsidiary by notice in writing to that effect delivered by the Borrowers to the Administrative Agent, provided that Material Subsidiaries designated under this paragraph (c), and to which paragraph (b) has not since become applicable, may be dedesignated as a Material Subsidiary by notice in writing to that effect delivered by the Borrowers to the Administrative Agent, following which such Subsidiary may not again be designated under this paragraph (c);
- (d) any Subsidiary of TTL that does not qualify under paragraph (a), (b) or (c), but has provided a Guarantee of the Obligations; and
- (e) any Subsidiary of TTL that does not qualify under paragraph (a), (b), (c) or (d), but is designated as a Material Subsidiary by notice in writing to that effect delivered by the Administrative Agent to the Borrowers at the request of the Majority Lenders, provided however, the Lenders agree not to designate 781100 Ontario Inc. or Fortress Trucking as a Material Subsidiary until the earlier of: (i) the date on which Fortress Trucking becomes a Wholly-Owned Subsidiary of TTL; and (ii) March 30, 2015;

and for certainty,

- (i) all Material Subsidiaries shall at all times be Guarantors hereunder, and Section 10.17 shall be complied with as soon as practicable but in any event within 20 Business Days of a Subsidiary becoming a Material Subsidiary under paragraph (b), (c) or (e);
- (ii) Subsidiaries which are or become Material Subsidiaries under paragraph (a) and (b), shall not cease to be Material Subsidiaries without the prior written consent of all Lenders (which may be given on such conditions as they determine to be appropriate);
- (iii) upon a Material Subsidiary ceasing to be a Material Subsidiary as provided in clause (ii) above, or upon being dedesignated pursuant to paragraph (c) above, the Lenders shall, within a reasonable period of time after consenting thereto or receiving such notice, as applicable, release the former Material Subsidiary from its obligations as a Guarantor hereunder; and
- (iv) notwithstanding the foregoing, no Subsidiary shall be released from any obligations as a Guarantor hereunder at any time when a Default has occurred and is continuing, whether or not it has ceased to be a Material Subsidiary hereunder.

"Maturity Date" shall mean July 31, 2017 subject however to extension pursuant to Section 4.2.

"NRT" shall mean Northern Resource Trucking Limited Partnership.

"New Guarantor" shall mean any Guarantor other than the Current Guarantors.

"Obligations" shall mean, at any particular time, all of the then indebtedness, liabilities and obligations, absolute or contingent, direct or indirect, matured or unmatured, liquidated or unliquidated, of the Borrowers to the Lenders, Swingline Lender and the Administrative Agent arising under the Credit Facilities or created by reason of or in respect of this Agreement or any other Loan Document including, without limitation, all Prime Rate Loans, and any unpaid interest thereon, the face amount of all Bankers' Acceptances, the face amount in respect of outstanding Letters of Credit, all fees due under this Agreement and all costs or expenses of the Lenders and the Administrative Agent and any other sums payable to the Lenders and the Administrative Agent under the terms of the Loan Documents including for better certainty any Bank Product Obligations but excluding any Hedging Obligations.

"Obligors" shall mean collectively the Borrowers and the Guarantors and "Obligor" shall mean any one of the Obligors.

"Original Credit Agreement" shall mean that credit agreement dated as of February 25, 2005 between TTSI and Trimac Transportation, as Borrowers, and The Bank of Nova Scotia, as Administrative Agent and lender, as same was amended from time to time up to and including the Seventh Amending Agreement dated September 30, 2009.

"Outstandings" shall mean, as at any time, the aggregate of the TTSI Outstandings and the LP Outstandings.

"Permitted Acquisition" shall mean an acquisition after the Effective Date by Trimac Transportation or any Subsidiary of assets acquired as part of the acquisition of a business, whether directly or through the acquisition of equity interests, the aggregate consideration for which, excluding:

- (a) consideration paid more than 12 months prior to any such acquisition;
- (b) in the case of a corporate acquisition, net of: (i) any cash, including bank deposits, Government of Canada treasury bills and Canadian bank certificates of deposits having a term of not greater than ninety (90) days held by the acquired corporation immediately after completion of the acquisition which is unrestricted and immediately available to Trimac Transportation or the Subsidiary making the acquisition; (ii) any equity (excluding preferred shares redeemable at the instance of the holder) issued by TTL: (A) as part of the consideration for such acquisition; or (B) in conjunction with and for the purposes of funding in whole or in part such acquisition; and (iii) any vendor take-back financing to the extent it is unsecured debt and is, by written agreement between the relevant debtor, the holder of such debt and the Administrative Agent, subordinated to the Obligations on terms and conditions satisfactory to the Administrative Agent; and
- (c) the \$9,000,000 consideration paid by TTL in March, 2012 to acquire a 29% limited partnership interest in NRT;

does not exceed 25% of Consolidated EBITDA for the four fiscal quarter period of TTSI preceding the acquisition, provided that the aggregate of such consideration paid for all acquisitions after the Effective Date in any consecutive period of four fiscal quarters of TTSI shall not exceed 35% of Consolidated EBITDA for the four fiscal quarter period of TTSI preceding any particular acquisition.

"Permitted Disposition" shall mean, as at any particular time, any of the following dispositions of the assets of TTSI or any Material Subsidiary:

- (a) a sale, transfer or other disposition in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, or is no longer used in the conduct of its business, or is being replaced in the ordinary course of its business, as the case may be;
- (b) the sale of equipment originally purchased for a specific project or service contract following the expiration of such project or contract, or during such contract where the other party is required or has the right to purchase such equipment; and
- (c) a disposition to a Wholly-Owned Subsidiary of TTSI.

"Permitted Distribution" shall mean, as at any particular time, any of the following Distributions:

- (a) Distributions by one Borrower to another;
- (b) Distributions by a Material Subsidiary to Trimac Transportation or to another Material Subsidiary; and
- (c) provided no Default or Event of Default exists or could reasonably be expected to occur immediately after giving effect thereto Distributions by Trimac Transportation to TTL, as limited partner in accordance with the terms of the LP Agreement and dividends by TTSI to TTL (referred to herein as the **"TTL Distributions"**), provided however TTL Distributions over the course of any fiscal year of TTSI to fund TTL Normal Course Issuer Bids shall be limited to \$5,000,000.

"Permitted Encumbrances" shall mean, in respect of TTL, either Borrower or a Material Subsidiary any of the following:

- (a) Liens for taxes, assessments or government charges, including charges for workers' compensation and employment insurance, which are not due or delinquent, or the validity of which is being contested by it in good faith, provided that the outcome of such contest would not reasonably be expected to have a Material Adverse Effect;
- (b) Liens imposed or permitted by law such as carriers' liens, builders' liens, materialmens' liens and other liens, privileges or other charges of a similar nature, provided that such liens, privileges and other charges, in the aggregate, would not reasonably be expected to have a Material Adverse Effect;
- (c) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law and in respect of which no steps or proceedings to enforce such Liens have been initiated, and which relate to obligations which are not due or delinquent or which, although filed, relate to obligations not overdue or to obligations being contested

by it in good faith with a reasonable likelihood of success, or which would not reasonably be expected to have a Material Adverse Effect;

- (d) Liens granted to the Lenders or any of them (or their respective agents) expressly for the rateable benefit of the entire Lenders;
- (e) Liens securing obligations assumed or incurred by it to fund the purchase price or lease of chattels and/or equipment including any expenditures made for improvements thereto after acquisition, provided that the aggregate principal amount of all such obligations incurred in any fiscal year secured by such Liens shall not exceed Cdn.\$10,000,000, further provided that in each case the Liens are limited to the chattels and/or equipment so acquired or leased and the improvements thereon;
- (f) Liens of judgments rendered or claims filed which are being contested in good faith by it by proper legal proceedings, provided that (i) such proceedings effectively postpone enforcement of any such Lien and (ii) the aggregate amount of such Liens is not in excess of Cdn.\$5,000,000 exclusive of Liens of judgments for which valid insurance claims exist;
- (g) Liens granted in respect of obligations that are expressly subordinated in a manner satisfactory to the Administrative Agent, acting reasonably, to the Obligations;
- (h) Liens in favour of an Obligor granted by an Affiliate; and
- (i) other Liens not specifically referred to above securing obligations not in excess of Cdn.\$500,000.

"Permitted Hedging" shall mean any Hedging Agreement permitted under Section 10.28.

"Permitted Title Defects" shall mean, as at any particular time, any of the following rights, limitations, reservations, provisos, conditions, exceptions, qualifications, agreements, obligations and interests on or in respect of the Property of TTL, either of the Borrowers or any Material Subsidiary:

- (a) easements, rights-of-way, servitudes, zoning and similar rights in or restrictions in respect of land (including rights-of-way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons, which do not, individually or in the aggregate, materially detract from the use or value of the Property subject thereto;
- (b) the reservations, limitations, provisos and conditions in any original grants from the Crown of any land or interests therein and statutory exceptions, qualifications and reservations in respect of title;
- (c) the unexercised rights reserved or vested in any Governmental Authority by the terms of any title documents, or by any statutory provisions, to terminate any

such title documents, or other interests in land, or to require annual or other periodic payments as a condition of the continuance thereof; and

- (d) defects in title which are not general in application and which do not, individually or in the aggregate, materially detract from the value of the Property or any significant part thereof or materially impair the use of any thereof in the operation of their respective businesses.

"Person" shall mean any individual, corporation, company, voluntary association, partnership, joint venture, trust, unincorporated organization or government, or any agency, instrumentality or political subdivision thereof.

"Post-Default Rate" shall mean a rate per annum equal to (a) 2% plus the Prime Rate plus the Applicable Margin for Prime Loans in respect of Obligations in Canadian Dollars, and (b) 2% plus the U.S. Base Rate plus the Applicable Margin for U.S. Base Rate Loans in respect of Obligations owing to Lenders in U.S. Dollars, provided that if the amount is principal of a Eurodollar Loan, the "Post-Default Rate" for such principal shall be, for the period up to but excluding the last day of the Interest Period, 2% plus the interest rate for such Eurodollar Loan as provided in Section 3.2(a)(iii) or 3.2(b)(iii), as applicable, and, thereafter, the rate provided for above in this definition.

"Prime Loans" or "Prime Rate Loans" shall mean Loans in Canadian Dollars that bear interest at rates based upon the Prime Rate which, without limitation but for better certainty, shall include Swingline Loans unless expressly excluded.

"Prime Rate" shall mean, for any day, a variable rate per annum equal to the higher of (a) the per annum floating rate of interest established from time to time by The Bank of Nova Scotia as the base rate it will use to determine rates of interest on Canadian Dollar commercial loans to its customers in Canada, and (b) the sum of (i) the CDOR Rate in respect of 30 day bankers' acceptances, and (ii) 1.0%. Each change in any interest rate provided for herein based upon the Prime Rate resulting from a change in the Prime Rate shall take effect at the time of such change in the Prime Rate, without any requirement for notice to any Person. The Prime Rate is a reference rate and does not represent the lowest or best rate being charged to any customer.

"Property" shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Redeemable Preferred Shares" shall mean, in respect of any Person, shares of the Capital Stock (or other equity interests) of such Person that are entitled to preference or priority over any other shares of the Capital Stock (or other equity interests) of such Person in respect of payment of dividends (or their equivalent) or distribution of assets upon liquidation, and which are:

- (a) redeemable, payable or required to be purchased or otherwise retired or extinguished or convertible into Debt of such Person, in any case (a) at a fixed or determinable date, whether by operation of sinking fund or otherwise, (b) at the option of any Person other than such Person, or (c) upon the occurrence of a condition not solely within the control of such Person; or
- (b) convertible into other Redeemable Preferred Shares.

"Regulatory Change" shall mean the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrowers of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on a Lender's general income) or any capital requirement which has, due to a Lender's compliance therewith, the effect, directly or indirectly, of (i) increasing the cost to that Lender of performing its obligations hereunder or under any availment hereunder; (ii) reducing any amount received or receivable by that Lender or its effective return hereunder or in respect of any availment hereunder or on its capital; or (iii) causing that Lender to make any payment or to forgo any return based on any amount received or receivable by such Lender hereunder or in respect of any availment hereunder determined by such Lender in its discretion; provided that notwithstanding anything herein to the contrary, (y) the Dodd-Frank Wall Street Reform and *Consumer Protection Act* and all requests, rules, guidelines or directives thereunder or issued in connection therewith; and (z) all requests, rules guidelines or directives promulgated by the Bank for International Settlement, the Basel Committee on Banking Supervision (or any successor or similar authority) or the Canadian or United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Regulatory Change", regardless of the date enacted, adopted or issued.

"Release" shall mean any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

"Sale-Leaseback" shall mean an arrangement under which title to any property, asset or an interest therein is transferred by or on the direction of a Person ("X") to another Person which leases or otherwise grants the right to use such property, asset or interest (or other property which X intends to use for the same or a similar purpose) to X (or nominee of X), whether or not in connection therewith X also acquires a right or is subject to an obligation to acquire the property, asset or interest, and regardless of the accounting treatment of such arrangement.

"Schedule I Lender" shall mean a Lender which is a Canadian chartered bank listed on Schedule I to the *Bank Act* (Canada).

"Schedule I Reference Lenders" shall mean up to three Schedule I Lenders which are designated as such by both the Administrative Agent and the Borrowers from time to time (it being agreed that the Administrative Agent and the Borrowers may at any time terminate the designation of a Lender as a Schedule I Reference Lender and designate another Schedule I Lender in its place by delivery to the Lenders of a written notification to such effect executed by each Borrower and by the Administrative Agent), provided that, if a Person ceases to be a Lender hereunder, then such Person shall thereupon cease to be a Schedule I Reference Lender without further action.

"Schedule II Lender" shall mean a Lender which is a Canadian chartered bank listed on Schedule II to the *Bank Act* (Canada).

"Schedule II and III Reference Lenders" shall mean any combination of up to three Schedule II Lenders and Schedule III Lenders which are designated as such by both the Administrative Agent and the Borrowers from time to time (it being agreed that the Administrative Agent and the Borrowers may at any time terminate the designation of a Lender

as a Schedule II and III Reference Lender and designate another Schedule II Lender or Schedule III Lender in its place by delivery to the Lenders of a written notification to such effect executed by each Borrower and the Administrative Agent), provided that, if a Person ceases to be a Lender hereunder, then such Person shall thereupon cease to be a Schedule II and III Reference Lender without further action; as of the date hereof there is no Schedule II and III Reference Lender.

"Second Amended and Restated Credit Agreement" shall mean that amended and restated credit agreement dated as of January 2, 2011 between TTSI and Trimac Transportation, as Borrowers, the Current Guarantors (other than TTL), as Guarantors, the Lenders, and The Bank of Nova Scotia, as Administrative Agent, as same has been amended from time to time as to and including a Fourth Amending Agreement dated May 31, 2013.

"Schedule III Lender" shall mean a Lender which is a Schedule III bank under the *Bank Act* (Canada).

"Secured Obligations" shall have the meaning assigned in Section 7.1 hereof.

"Securities Act" shall mean the *Securities Act*, R.S.A. 2000, c. S-4, including the regulations made from time to time and in force under that Act.

"Security" shall mean collectively the Existing Security and the TTL Subordination Agreement and any other security held by the Administrative Agent from time to time to secure the Obligations and the Hedging Obligations.

"Shared Services Agreement" shall mean an Amended and Restated Shared Services Agreement dated as of October 11, 2012, between TMS, TTL, TEL and Trimac Holdings, as amended and modified by a Consent, Acknowledgment and Amendment dated as of February 21, 2013, between TTL, TEL, Trimac Holdings, TMS and Bank of Montreal.

"Stamping Fee" shall mean, in respect of any Bankers' Acceptance or BA Loan, the fee payable by the applicable Borrower pursuant to Section 2.4(d) hereof.

"Subordinated Creditor" shall mean any party which has entered into or become party to a Subordination Agreement, as a subordinated creditor.

"Subordinated Debt" shall mean all obligations, liabilities and indebtedness of the Borrowers to Subordinated Creditors.

"Subordination Agreements" shall mean collectively the TTL Subordination Agreement and the Affiliate Subordination Agreements.

"Subsidiary" shall mean, for any Person, any corporation, partnership or other entity over which such Person exercises Control and, for certainty, in relation to TTL and TTSI, Trimac Transportation and each of its Subsidiaries shall constitute Subsidiaries of TTL and TTSI.

"Swingline Account" shall mean a Canadian Dollar or a U.S. Dollar Collateral Account that each Borrower maintains with the Swingline Lender and which is designated as such by the Borrower and the Swingline Lender.

"Swingline Advance" shall mean a drawdown under the Credit Facilities pursuant to Section 2.14.

"Swingline Event" shall mean (i) the occurrence of an Event of Default which is continuing, or (ii) the cancellation of the Credit Facilities pursuant to Section 2.14(e).

"Swingline Lender" shall mean The Bank of Nova Scotia in its capacity as a Lender under the Credit Facilities or any other Lender selected and approved by the Administrative Agent and the Borrowers who agrees to make Swingline Advances.

"Swingline Limit" shall mean Cdn. \$10,000,000, as such amount may be adjusted or reduced from time to time pursuant to the provisions of this Agreement. For certainty, the Swingline Limit forms part of and is included in the Commitment of the Swingline Lender.

"Swingline Loan" shall mean a Prime Loan or U.S. Base Rate Loan funded by a Swingline Advance pursuant to Section 2.14.

"Syndicated Loan" shall mean a Prime Loan or U.S. Base Rate Loan which is not a Swingline Loan.

"Swingline Notice" has the meaning assigned thereto in Section 2.14(d).

"Taxes" shall mean all taxes, levies, imposts, stamp taxes, duties, charges to tax, fees, deductions, withholdings, royalties, charges, compulsory loans or restrictions or conditions resulting in a charge, which are imposed, levied, collected, withheld or assessed by any taxing authority or any political subdivision in any jurisdiction, including Canada and any province or territory thereof, and the United States of America and any state thereof, whether as of the date of this Agreement or at any time in the future, together with interest thereon and penalties with respect thereto, if any, and any payments made on or in respect thereof, including windfall profit taxes, and **"Tax"** and **"Taxation"** shall be construed accordingly.

"TEL" shall mean Trimac Equipment Leasing Inc.

"TMS" shall mean Trimac Management Services Limited Partnership, which is an Affiliate of TTL and the Borrowers.

"TMS Financing" shall mean the credit, including borrowed money, obtained by TMS from Bank of Montreal under a revolving line of credit of \$9,500,000 with an additional \$500,000 facility available for hedging purposes.

"TMS Reimbursement Obligations" shall mean the reimbursement obligations of TTL to TMS under the Shared Services Agreement including, without limitation, the obligation of TTL to TMS for TTL's share (as determined by the terms of the Shared Services Agreement) of all principal, interest, fees and other costs incurred by TMS in connection with the TMS Financing.

"Total Commitment" shall mean, at any time, the aggregate of the Total LP Commitment and the Total TTSI Commitment at such time, which are initially as shown on Schedule A.

"Total LP Commitment" shall mean at any time, the amount equal to the aggregate of the LP Commitments of the Lenders at such time.

"Total TTSI Commitment" shall mean, at any time, the aggregate of the TTSI Commitments of the Lenders at such time.

"Trimac Holdings" shall mean Trimac Holdings Ltd., a corporation incorporated under the ABCA.

"Trimac Transportation" shall mean Trimac Transportation Services Limited Partnership, a limited partnership organized under the laws of the Province of Alberta, one of the Borrowers.

"TTL" shall mean Trimac Transportation Ltd., the sole shareholder of TTSI and a limited partner of Trimac Transportation.

"TTL Debenture" shall mean the floating charge debenture in the original stated principal amount of \$150,000,000 dated as of January 2, 2011 granted by TTL to the Administrative Agent for the benefit of itself, the Lenders and the Hedge Lenders securing TTL's guarantee of the Secured Obligations, as amended by supplemental indenture dated as of even date herewith increasing the stated principal amount of such debenture to \$225,000,000.

"TTL Distributions" has the meaning assigned thereto in paragraph (c) of the definition of Permitted Distributions contained in this Section 1.1.

"TTL Normal Course Issuer Bids" shall mean purchases by TTL on the Toronto Stock Exchange or any other public stock exchange on which its shares trade of its own shares for purposes of cancelling those shares.

"TTL Shares" shall mean shares in the capital stock of TTL.

"TTL Subordination Agreement" shall mean the subordination agreement dated January 2, 2011 between the Administrative Agent on behalf of the Lenders, TTSI, for itself and its Subsidiaries, and Trimac Transportation.

"TTSI" shall mean Trimac Transportation Services Inc., a corporation amalgamated under the laws of the Province of Alberta, one of the Borrowers.

"TTSI Articles" shall mean the articles of arrangement of TTSI which became effective on or about January 2, 2011, subject to amendment thereof pursuant to and in accordance with Section 10.25 and otherwise as amended as permitted hereunder.

"TTSI Commitment" shall mean, in relation to a Lender (including the Swingline Lender), the maximum principal amount such Lender has agreed to make available to TTSI under the TTSI Facility as set forth in Schedule A, subject to reduction and adjustment in accordance with and pursuant to Section 2.1(f) and the other terms hereof.

"TTSI Facility" shall mean the credit facility in favour of TTSI established by Section 2.1(a)(ii).

"TTSI Loans" shall mean the extensions of credit to TTSI by the Lenders out of the TTSI Commitment (whether in Canadian or U.S. Dollars), including for certainty Bankers' Acceptances, BA Loans, Letters of Credit and Swingline Loans, all as provided for in Sections 2.1(c) and 2.14 hereof.

"TTSI Outstandings" shall mean, as at any time, the outstanding principal amount of (i) TTSI Loans and (ii) Swingline Loans made under the TTSI Commitment of the Swingline Lender, and includes, for certainty any BA Liabilities and LC Liabilities outstanding at that time.

"Type" shall have the meaning assigned in Section 1.2 hereof.

"U.S. Base Rate" shall mean, for any day, a variable rate per annum equal to the higher of (a) the per annum floating rate of interest based on a year of 365 days established from time to time by The Bank of Nova Scotia as the base rate it will use to determine rates of interest on U.S. Dollar commercial loans to its customers in Canada, and (b) the Federal Funds Effective Rate (equated, for these purposes, to a rate based on a year of 365 days rather than 360 days) for such day plus 0.50%. Each change in any interest rate provided for herein based upon the U.S. Base Rate resulting from a change in the U.S. Base Rate shall take effect at the time of such change in the U.S. Base Rate, without any requirement for notice to any Person. The U.S. Base Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer.

"U.S. Base Rate Loans" shall mean Loans in U.S. Dollars that bear interest at rates based upon the U.S. Base Rate which, without limitation but for better certainty, shall include Swingline Loans unless expressly excluded.

"U.S. Dollars" and **"U.S.\$"** shall mean lawful money of the United States of America.

"Wholly-Owned Subsidiary" shall mean, with respect to any Person, any corporation, partnership or other entity of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are directly or indirectly owned by such Person, or by one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person.

1.2 **Type of Loans; "Including"; Currency**

(a) Loans hereunder may be distinguished by **"Type"**. The **"Type"** of a Loan refers to whether such Loan is a Prime Loan, a Bankers' Acceptance, a BA Loan, a Letter of Credit, a U.S. Base Rate Loan or a Eurodollar Loan, each of which constitutes a Type.

(b) The word "including" shall not be construed to limit or restrict the generality of the matter that precedes it.

(c) Unless otherwise stated, amounts herein are expressed in Canadian Dollars.

1.3 **Accounting Terms and Definitions**

(a) GAAP Interpretations. Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Administrative Agent hereunder shall (unless otherwise disclosed to the Administrative Agent in writing at the time of delivery thereof in the manner described in paragraph (c) below) be prepared in accordance with GAAP applied on a basis consistent with those used in the preparation of the latest financial statements furnished to Administrative Agent hereunder.

(b) GAAP Calculations. All calculations made for the purposes of determining compliance with this Agreement shall (except as otherwise expressly provided herein) be made by application of GAAP applied on a basis consistent with those used in the preparation of the latest annual or quarterly financial statements furnished to the Administrative Agent pursuant to Section 10.1 hereof unless (i) the Borrowers object to the Administrative Agent in writing to determining such compliance on such basis at the time of delivery of such financial statements to Administrative Agent, or (ii) the Majority Lenders shall object to the Borrowers (through the Administrative Agent) in writing to so determining such compliance within 30 days after such delivery of such financial statements, in either of which events such calculations shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made.

(c) Variations. The Borrowers shall deliver to the Administrative Agent (i) a description in reasonable detail of any material variation between the application of accounting principles employed in the preparation of particular statements and the application of accounting principles employed in the preparation of the next preceding annual or quarterly financial statements as to which no objection has been made in accordance with paragraph (b) above, and (ii) explanations and reasonable estimates of the differences between such statements arising as a consequence thereof.

(d) Changes in Year End. The Borrowers and TTL covenant and agree as follows:

- (i) Trimac Transportation shall not and shall not permit any of its Material Subsidiaries to change the last day of its fiscal year from December 31 of each year, or change the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30 and September 30 of each year, respectively;
- (ii) TTSI shall not change the last day of its fiscal year from December 30 of each year, or change the last days of the first three fiscal quarters in each of its fiscal years from March 30, June 29 and September 29 of each year, respectively; and
- (iii) TTL shall not and shall not permit any of the Material Subsidiaries to change the last day of its fiscal year from December 31 of each year, or change the last days of the first three fiscal quarters from March 31, June 30 and September 30 of each year, respectively;

without first reaching agreement with the Majority Lenders in respect of mutually acceptable reporting and covenant compliance adjustments hereunder which could otherwise be affected by such changes.

(e) Calculation Currency. Unless otherwise stated, all calculations made for the purposes of determining compliance by the Obligors with its obligations in this Agreement shall be made using the Equivalent Amount in Canadian Dollars of all amounts otherwise expressed in U.S. Dollars or any other non-Canadian currency as at the respective dates of determination.

(f) IFRS. Upon the adoption by a Borrower of International Financial Reporting Standards, or in the event of a change in GAAP, the Borrowers and the Administrative Agent shall negotiate in good faith to revise (if appropriate) any financial covenant made or to be made by the Borrowers under this Agreement in order to give effect to the intention of the parties

hereunder as at the Effective Date, and any new financial covenant shall be subject to approval by the Majority Lenders. Until the successful conclusion of any such negotiation and approval by the Majority Lenders, all calculations thereafter made for the purpose of determining compliance with any financial covenant contained herein shall be made on a basis consistent with GAAP in existence as at the Effective Date.

1.4 **Borrowers Residency**

Each of the Borrowers shall at all times be a resident of Canada for the purposes of the *Income Tax Act* (Canada) and organized under the laws of Canada or a province or territory thereof.

1.5 **Joint and Several Obligations of the Borrowers**

Notwithstanding anything else contained in this Agreement or in any of the other Loan Documents, all covenants, agreements, undertakings, representations and warranties of the Borrowers, or either of them, under this Agreement and the other Loan Documents including, without limitation, the obligation and liability to pay the Obligations shall constitute the joint and several covenants, agreements, undertakings, representations and warranties of Trimac Transportation and TTSI. Further, the Borrowers covenant and agree that any notice, election, acceptance, consent or other communication given or sent, whether in writing or verbally or otherwise, by either of them to the Administrative Agent or the Lenders as provided or contemplated by this Agreement or any of the other Loan Documents, or otherwise, shall be binding upon both of the Borrowers as if same had been given by both the Borrowers jointly. The Lenders and the Administrative Agent acknowledge and agree that the delivery by a Borrower of any document, certificate, notice or other information required to be delivered by the Borrowers to the Administrative Agent or the Lenders shall satisfy the obligation of the other Borrower to deliver such document, certificate, notice or information.

1.6 **Loans for Takeovers**

Neither of the Borrowers shall utilize Loans to, nor shall it provide funds to any Affiliate or any Subsidiary of either of the Borrowers to, offer to acquire (which shall include an offer to purchase securities, solicitation of an offer to sell securities, an acceptance of an offer to sell securities, whether or not solicited, or any combination of the foregoing) outstanding securities of any Person (other than a private company as defined under the *Securities Act* (Alberta) or a corporation whose shares are directly or indirectly held or controlled by one Person and members of their immediate family) (the "**Target**") where, as of the date of the offer to acquire, the securities that are subject to the offer to acquire, together with the securities of such Person that are beneficially owned, or over which control or direction is exercised, by either of the Borrowers or their respective Subsidiaries and any Person acting jointly or in concert with the Borrowers or their Affiliates on the date that the offer to acquire is made, constitute in the aggregate the lesser of (i) such percentage of outstanding securities as is considered to be a "takeover bid" under any law or regulation applicable to the Target, and (ii) 20% or more of all of the outstanding securities of that class of securities of the Person (a "**Takeover**"), unless:

- (a) such Takeover is made pursuant to exemptions from formal takeover bid requirements as provided in Section 132 of the *Securities Act* (Alberta) or any order of the Alberta Securities Commission or in any successor legislation or by any successor securities regulatory authority or in any analogous provisions of

the securities laws of any other jurisdiction or by any securities regulatory authority of any other jurisdiction;

- (b) such Takeover is one where the board of directors or like body of the Target has approved or recommended approval of the Takeover and the Target was not the subject of a "takeover bid" made within the 90 days preceding such approval or recommendation; or
- (c) the Borrowers have given the Administrative Agent at least 7 days' advance notice of its intent to utilize Loans for such purpose, specifically referring to this Section and the time frame for a response herein, and the Administrative Agent has not advised the Borrowers during such period that one or more of the Lenders may be subject to a material conflict of interest in making funds available for such purpose.

ARTICLE 2

CREDIT FACILITIES, COMMITMENTS, LOANS AND PAYMENTS

2.1 Establishment of Credit Facilities

(a) Credit Facilities. Subject to this Agreement, the following Credit Facilities are hereby established in favour of the Borrowers:

- (i) each Lender severally agrees to make available LP Loans in an aggregate amount up to its LP Commitment; and
- (ii) each Lender agrees to make available TTSI Loans in an aggregate amount up to its TTSI Commitment.

(b) Types of Loans Available to Trimac Transportation Under the LP Facility. Trimac Transportation may obtain Loans from the Lenders under the LP Facility by way of:

- (i) Prime Loans;
- (ii) U.S. Base Rate Loans;
- (iii) Eurodollar Loans;
- (iv) BA Loans;
- (v) the issuance and acceptance of Bankers' Acceptances; and
- (vi) the issuance of Letters of Credit;

provided that both before and after obtaining any such Loan the LP Outstandings shall not exceed the LP Commitment.

(c) Types of Loans Available to TTSI under the TTSI Facility. TTSI may obtain Loans from the Lenders under the TTSI Facility by way of:

- (i) Prime Loans;

- (ii) U.S. Base Rate Loans;
- (iii) Eurodollars Loans ;
- (iv) BA Loans;
- (v) the issuance and acceptance of Bankers' Acceptances; and
- (vi) the issuance of Letters of Credit;

provided that both before and after obtaining any such Loan the TTSI Outstandings shall not exceed the TTSI Commitment.

(d) Availability. Subject to the terms of this Agreement, the Borrowers may borrow, repay and re-borrow Prime Rate Loans (including Swingline Loans) or U.S. Base Rate Loans, borrow, repay and re-borrow BA Loans, issue, repay and re-issue Bankers' Acceptances, and apply for and obtain Letters of Credit, and may, subject to Section 2.10 hereof, effect Conversions and Continuations.

(e) Lending Offices. The Loans of each Type made by each Lender shall be made and maintained at such Lender's Applicable Lending Office for Loans of such Type.

(f) Initial Amounts of TTSI Commitment and LP Commitment. The Borrowers, the Lenders and the Administrative Agent hereby agree that:

- (i) the Total Commitment is hereby established at Cdn. \$125,000,000;
- (ii) subject to Section 2.1(f)(iii), the amount of the Total TTSI Commitment effective the Effective Date is Cdn. \$nil, and accordingly the amount of the Total LP Commitment effective as at the Effective Date is Cdn. \$125,000,000; and
- (iii) by joint notice in writing to the Administrative Agent, effective five (5) Business Days following the date of such notice, the Borrowers may reallocate the then current Total Commitment between the TTSI Commitment and the LP Commitment, provided that no such reallocation shall be effective if, as a result thereof and after giving effect thereto, the TTSI Outstandings would exceed the TTSI Commitment or the LP Outstandings would exceed the LP Commitment.

(g) Direct Advances Under Existing Credit Agreement. On the Effective Date all direct advances owing under the Existing Credit Agreement and accrued interest thereon shall be deemed to be and shall constitute LP Outstandings.

2.2 Advance of Loans

(a) LP Loans. Trimac Transportation shall give the Administrative Agent notice (and the Administrative Agent shall promptly notify the Lenders) of each borrowing of a LP Loan within the time and in the manner provided in Section 2.6. In respect of Prime Loans, U.S. Base Rate Loans and Eurodollar Loans, each Lender shall make available the LP Loan(s) to be made by it on such date to the Administrative Agent, by deposit in the Administrative Agent's account

for the currency in which such LP Loan is denominated (as maintained by the Administrative Agent at its principal office as advised to each Lender), in immediately available funds for the account of Trimac Transportation not later than 12:00 noon Toronto time on such date. The amount so received by the Administrative Agent shall be made available to Trimac Transportation not later than 2:00 p.m. Toronto time on such date by either depositing the same, in immediately available funds, in an account of Trimac Transportation maintained with the Administrative Agent, or by transferring such funds to an account designated by Trimac Transportation in writing. In respect of Bankers' Acceptances and BA Loans, the Lenders shall make such LP Loans available to Trimac Transportation as provided in Section 2.4. In respect of Letters of Credit, the Issuing Lender shall make such LP Loans available to Trimac Transportation as provided in Section 2.5.

(b) TTSI Loans. TTSI shall give the Administrative Agent notice (and the Administrative Agent shall promptly notify the Lenders) of each borrowing of a TTSI Loan within the time and in the manner provided in Section 2.6. In respect of Prime Loans and U.S. Base Rate Loans and Eurodollar Loans, each Lender shall make available the TTSI Loan(s) to be made by it on such date to the Administrative Agent, by deposit in the Administrative Agent's account for the currency in which such TTSI Loan is denominated (as maintained by the Administrative Agent at its principal office as advised to each Lender), in immediately available funds for the account of TTSI not later than 12:00 noon Toronto time on such date. The amount so received by the Administrative Agent shall be made available to TTSI not later than 2:00 p.m. Toronto time on such date by either depositing the same, in immediately available funds, in an account of TTSI maintained with the Administrative Agent or by transferring such funds to an account designated by TTSI in writing. In respect of Bankers' Acceptances and BA Loans, the Lenders shall make such TTSI Loans available to TTSI as provided in Section 2.4. In respect of Letters of Credit, the Issuing Lender shall make such TTSI Loans available to TTSI as provided in Section 2.5.

(c) Deemed Representation. Each request for the advance of a Loan shall constitute a certification and deemed representation by the Borrowers to all Lenders that the representations and warranties in Article 9 are true and correct in all material respects on and as of the date of the request for such Loans, and as at the date of making of such Loans, and will be true and correct in all material respects immediately after giving effect to the advance of such Loan, with the same force and effect as if repeated on and as of each such time (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

2.3 Minimum Amounts

(a) TTSI Loans. Except for mandatory prepayments made pursuant to Section 2.11 hereof or prepayments or Conversions made pursuant to Section 6.4 hereof in respect of TTSI Loans, each borrowing, Conversion, Continuation and partial prepayment under the TTSI Facility of (i) principal of Prime Loans and U.S. Base Rate Loans shall be in an aggregate amount at least equal to Cdn.\$5,000 or U.S.\$5,000, as applicable, or a larger multiple of Cdn.\$5,000 or U.S.\$5,000, as applicable, (ii) Bankers' Acceptances and BA Loans shall be in an aggregate amount at least equal to Cdn.\$1,000,000 or a larger multiple of Cdn.\$100,000, (iii) Eurodollar Loans shall be in an aggregate amount at least equal to U.S.\$1,000,000 or a larger multiple of U.S.\$100,000. and (iv) subject to Section 2.5(c), Letters of Credit may be in any face amount.

(b) LP Loans. Except for mandatory prepayments made pursuant to Section 2.11 hereof or prepayments or Conversions made pursuant to Section 6.4 hereof in respect of LP Loans, each borrowing, Conversion, Continuation and partial prepayment under the LP Facility of (i) principal of Prime Loans and U.S. Base Rate Loans shall be in an aggregate amount at least equal to Cdn.\$5,000 or U.S.\$5,000, as applicable, or a larger multiple of Cdn.\$5,000 or U.S.\$5,000, as applicable, (ii) Bankers' Acceptances and BA Loans shall be in an aggregate amount at least equal to Cdn.\$1,000,000 or a larger multiple of Cdn.\$100,000, (iii) Eurodollar Loans shall be in an aggregate amount at least equal to U.S.\$1,000,000 or a larger multiple of U.S.\$100,000. and (iv) subject to Section 2.5(c), Letters of Credit may be in any face amount.

(c) Separate Loans. Borrowings, Conversions, Continuations or prepayments of or into Loans of different Types or, in the case of Eurodollar Loans, having different Interest Periods at the same time, or prepayments of Loans of different currencies hereunder, shall be deemed to be separate borrowings, Conversions, Continuations and prepayments for purposes of the foregoing, one for each Type, currency or Interest Period.

2.4 Provisions Regarding Bankers' Acceptances

The TTSI Commitment may be utilized for the acceptance by the Lenders of Bankers' Acceptances issued by TTSI and the LP Commitment may be utilized for the acceptance by the Lenders of Bankers' Acceptances issued by Trimac Transportation, provided that such Bankers' Acceptances shall have maturities of not less than 30 days nor more than 180 days from the BA Acceptance Date and shall mature not later than the Maturity Date.

The following additional provisions shall apply to Bankers' Acceptances:

- (a) Power of Attorney. The Borrowers hereby agree to the "Power of Attorney" terms set out in Schedule G hereto.
- (b) Notice. When a Borrower wishes to make a borrowing by way of Bankers' Acceptances, such Borrower shall give the Administrative Agent prior written notice with respect to the issuance of the Bankers' Acceptances (such written notice a "**BA Request**") as provided in Section 2.6. Each BA Request shall be irrevocable and binding on the Borrowers. The Borrowers shall indemnify the Lender, as the case may be, against any loss or expense incurred by such Lender as a result of any failure by either Borrower to fulfill or honour before the date specified as the BA Acceptance Date the applicable conditions set forth in Section 8.2, if, as a result of such failure, the requested Bankers' Acceptance is not made on such date. The aggregate amount of all Bankers' Acceptances issued on any BA Acceptance Date hereunder shall be accepted as nearly as practicable pro rata by all Lenders relative to their respective Commitment Percentage (as allocated among such Lenders by the Administrative Agent in its sole discretion, acting in good faith), rounded, upwards or downwards, as the case may be, to the nearest multiple of Cdn.\$100,000.
- (c) Remittance of Net Proceeds. Unless the applicable Borrower has notified the Administrative Agent in a BA Request that such Borrower intends to itself arrange the sale of the Bankers' Acceptances which are the subject of such BA Request (a "**BA Arrangement**") (in which case paragraph (j) below shall apply), on the BA Acceptance Date at or about 10:00 a.m. Toronto time, the

Administrative Agent shall determine the BA Discount Rate. Not later than 2:00 p.m. Toronto time:

- (i) each Lender that is an Accepting Lender shall accept and purchase its share of the Bankers' Acceptances that are issued and shall make available to the Administrative Agent, in accordance with Section 2.2(a) or 2.2(b) hereof, the BA Net Proceeds of the purchase of Bankers' Acceptances on such day by such Lender, less the Stamping Fee due to such Lender in respect thereof; and
- (ii) each Lender that is not an Accepting Lender and which instead is making BA Loans pursuant to Section 2.4(i) below shall comply with that paragraph.

The Administrative Agent shall transfer to the applicable Borrower the BA Net Proceeds and the proceeds of any concurrent BA Loan in accordance with Section 2.2(a) or 2.2(b) hereof (net of the Stamping Fee) and shall notify the applicable Borrower and each such Lender by facsimile or telephone (if by telephone, to be confirmed subsequently in writing) of the details of the issue.

- (d) Stamping Fee. On the BA Acceptance Date, the applicable Borrower shall pay an Accepting Lender or to a Lender providing a BA Loan, as the case may be, a stamping fee with respect to each Bankers' Acceptance and each BA Loan. The Stamping Fee payable by the applicable Borrower shall be the product obtained by multiplying:
 - (i) the applicable BA Fee Rate specified in the definition of Applicable Margin in effect from time to time; by
 - (ii) the face amount of that Bankers' Acceptance or the principal amount of that BA Loan;

and prorating that product for the number of days in the term from and including the BA Acceptance Date to but not including the BA Maturity Date of that Bankers' Acceptance, or the Interest Period for the BA Loan, as the case may be, on the basis of a year of 365 days. Such Stamping Fee may be deducted by an Accepting Lender in the manner contemplated in paragraph (c) above.

- (e) Acceptance. An Accepting Lender shall, and is hereby authorized by each of the Borrowers to, accept the Bankers' Acceptances by inserting the appropriate face amount, BA Acceptance Date and BA Maturity Date in accordance with the BA Request relating thereto and affixing its acceptance thereto and shall purchase the same or make them available for sale in accordance with a BA Arrangement. An Accepting Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.
- (f) Use of Commitment. On each day during the period from the BA Acceptance Date for a Bankers' Acceptance to the date the BA Liability in respect thereof shall have been paid by the applicable Borrower, the Commitment of an Accepting Lender shall be deemed to be utilized in an amount equal to the face

amount of such Bankers' Acceptance. The Commitment of any Lender providing a BA Loan rather than Bankers' Acceptances shall be deemed utilized during this period for a Lender in an amount equal to its Commitment Percentage of the total amount of Bankers' Acceptances requested in the applicable BA Request resulting in the making of the BA Loan.

- (g) Payment on Maturity. The Borrowers agree to pay on the BA Maturity Date for each Bankers' Acceptance, to the Administrative Agent for account of each Accepting Lender an amount equal to the BA Liability for such Bankers' Acceptance and BA Loan. Each of the Borrowers waive presentment for payment of Bankers' Acceptances by any Accepting Lender and any defense to payment of amounts due to an Accepting Lender which might exist by reason of such Bankers' Acceptance being held at maturity by the Accepting Lender which accepted it, and the Borrowers agree not to claim from such Lenders any days of grace for the payment at maturity of Bankers' Acceptances.
- (h) Payment of BA's by Borrowing. In the event the applicable Borrower fails to notify Administrative Agent, as the case may be, in writing not later than 1:00 p.m. Toronto time on the Business Day prior to any BA Maturity Date that such Borrower intends to pay with its own funds the BA Liabilities due on such BA Maturity Date, or if it fails to make such payment, such Borrower shall be deemed to have given the Administrative Agent notice of a borrowing of a Prime Loan pursuant to Section 2.6 for an amount equal to the BA Liabilities, and:
 - (i) the BA Maturity Date for such Bankers' Acceptance shall be considered to be the date of such borrowing;
 - (ii) the proceeds of such Prime Loan shall be used to pay the amount of the BA Liabilities due on such BA Maturity Date;
 - (iii) each Lender which has made a maturing BA Loan (in accordance with paragraph (i)) shall continue to extend credit to the applicable Borrower by way of a Prime Loan (without further advance of funds to the applicable Borrower) in the principal amount equal to its Commitment Percentage of the total amount of credit requested to be extended by Bankers' Acceptances when the BA Loan was originally made; and
 - (iv) the Administrative Agent shall promptly, and in any event within 3 Business Days following the BA Maturity Date of such Bankers' Acceptances, notify the applicable Borrower in writing of the making of such Prime Loan pursuant to this paragraph.
- (i) BA Loans Where BA's Are Unavailable. If, in the sole judgment of a Lender, as the case may be, such Lender is unable or unwilling, as a result of applicable law or customary market practice, to extend credit by way of Bankers' Acceptance in accordance with this Agreement, such Lender shall give notice to that effect to the Borrowers and the Administrative Agent, prior to 11:00 a.m. (Toronto time) on the date of the requested credit extension (which notice may, if so stated therein, remain in effect with respect to subsequent requests for Bankers' Acceptance until revoked by notice to the Borrowers and the Administrative Agent) and in lieu of Bankers' Acceptances shall advance a Canadian Dollar loan (a "**BA Loan**"),

having the same term as the Bankers' Acceptances for which it is a substitute. The actual amount of the proceeds of that BA Loan to be disbursed to the applicable Borrower on the BA Acceptance Date shall be the same amount as if that Lender had accepted and purchased its Commitment Percentage of the requested Bankers' Acceptances at a discount from the principal amount of that Bankers' Acceptance calculated at a discount rate per annum equal to the BA Loan Discount Rate for the term of such Bankers' Acceptances in the same manner that BA Net Proceeds are calculated (the "**BA Equivalent Proceeds**"), and the BA Equivalent Proceeds, less the Stamping Fee payable in respect thereof to the Lender advancing the BA Loan, shall be provided to the Administrative Agent in accordance with Section 2.2(a) or Section 2.2(b), as applicable, hereof not later than 2:00 p.m. Toronto time on the date for such requested extension of credit. The amount advanced under either the LP Facility or the TTSI Facility shall accrue interest at a rate per annum equal to the BA Loan Discount Rate for such Bankers' Acceptances throughout the Interest Period applicable to that BA Loan. On the maturity date for the issue of the concurrent requested Bankers' Acceptances, the Borrowers shall pay to each such Lender, in satisfaction of the principal and interest of the BA Loan, an amount equal to such Lender's Commitment Percentage of the requested Bankers' Acceptances originally requested, as contemplated in paragraph (g) above, failing which paragraph (h) shall apply.

- (j) Borrowers Arranging Their Own Sale of BA's. Each Borrower may, if it so notifies the Administrative Agent in the applicable BA Request, arrange the sale of any particular issuance of Bankers' Acceptances to be accepted by the Lenders hereunder. To that end, on the BA Acceptance Date:
 - (i) The applicable Borrower shall obtain quotations from prospective purchasers regarding the sale of the Bankers' Acceptances to be accepted by the Lenders, as the case may be, and shall, on or before 11:00 a.m. (Toronto time) on such date, provide each Lender, through the Administrative Agent, with a schedule setting out all necessary information required by such Lender to enable such Lender to comply with clause (ii) below, together with the identity of and the face amount of Bankers' Acceptances to be purchased by each of the purchaser(s) of the Bankers' Acceptances to be accepted by such Lender. In obtaining such quotes, if the Lender so notifies the applicable Borrower at least one day prior to the date for the applicable sale of Bankers' Acceptances, the applicable Borrower shall offer such Lender the right to bid on the Bankers' Acceptances accepted by it. The Lenders and the Administrative Agent shall not be responsible for any losses occasioned by the failure of either of the Borrowers to comply with its obligations under this clause and shall not be required to purchase any Bankers' Acceptances on such BA Acceptance Date if such Borrower has requested a BA Arrangement; and
 - (ii) on receipt from the applicable Borrower of the information referred to in clause (i), the following shall be established and the Administrative Agent shall promptly notify each Lender of the same:

- (A) the Bankers' Acceptance discount rate to be applicable to such issue;
 - (B) the minimum proceeds to be received by such Lender on the sale of the Bankers' Acceptances accepted by such Lender, based upon such Bankers' Acceptance discount rate obtained by the applicable Borrower for each such Lender; and
 - (C) the Stamping Fee payable to such Lender in connection with such issue.
- (k) Lack of BA Market. If the Administrative Agent, as the case may be, determines in good faith, which determination shall be final and binding upon the Borrowers, and notifies the Borrowers that, by reason of circumstances affecting the money market:
- (i) there is no market for Bankers' Acceptances; or
 - (ii) the demand for Bankers' Acceptances is insufficient to allow the sale or trading of the Bankers' Acceptances created and purchased hereunder;
- then:
- (A) the right of the Borrowers to request Bankers' Acceptances or a BA Loan shall be suspended until the Administrative Agent determines that the circumstances causing such suspension no longer exist and the Administrative Agent so notifies the Borrowers; and
 - (B) any BA Request which is outstanding shall be cancelled and the Bankers' Acceptances or BA Loan requested therein shall not be made.

This paragraph shall not apply if the applicable Borrower has elected a BA Arrangement.

- (l) DBNA. It is the intention of the Administrative Agent, the Lenders and the Borrowers that, pursuant to the *Depository Bills and Notes Act* (Canada) ("**DBNA**"), Bankers' Acceptances accepted by the Lenders under this Agreement may be issued in the form of a "depository bill" (as defined in the DBNA), deposited with the Canadian Depository for Securities Ltd. and made payable to CDS & Co., or otherwise as contemplated in the DBNA from time to time. In order to give effect to the foregoing, the Administrative Agent may establish and notify the Borrowers and Lenders of any procedure, consistent with the terms of this Agreement and the requirements of the DBNA, as is reasonably necessary to accomplish such intention, including requirements that:
- (i) any instrument held by the Administrative Agent or a Lender for the purposes of Bankers' Acceptances have marked prominently and legibly on its face and within its text, at or before the time of issue, the words, or

words to like effect: "This is a depository bill subject to the *Depository Bills and Notes Act* (Canada)";

- (ii) any reference to the authentication of the Bankers' Acceptances be removed; and
- (iii) any reference to "bearer" be removed and no Bankers' Acceptance be marked with any words prohibiting negotiation, transfer or assignment of it or of an interest in it.

2.5 **Provisions Regarding Letters of Credit**

(a) **Term.** Each Letter of Credit shall have a maximum term of not more than one year, shall expire prior to the Maturity Date and shall otherwise be in a form satisfactory to the Issuing Lender.

(b) **Documents Required.** The Issuing Lender shall have no obligation to issue a Letter of Credit at the request of a Borrower until the applicable Borrower has executed and delivered to the Issuing Lender such ancillary documents, including applications and indemnities, as the Issuing Lender normally requires for similar transactions.

(c) **Maximum Amount.** The aggregate face amount of all outstanding and undrawn Letters of Credit under the LP Facility and the TTSI Facility combined shall not exceed Cdn.\$10,000,000 or the Equivalent Amount in U.S. Dollars at any one time.

(d) **Reimbursement.** The Borrowers shall immediately reimburse the Issuing Lender for any amounts drawn on a Letter of Credit, provided that if the Borrowers do not fully reimburse the Issuing Lender for such amounts, the applicable Borrower shall be deemed to have Converted such Letter of Credit into: (i) a Prime Loan in the case of a Letter of Credit issued at the request of such Borrower and denominated in Canadian Dollars; and (ii) a U. S. Base Rate Loan in the case of a Letter of Credit issued at the request of such Borrower and denominated in U.S. Dollars; in each case to the extent of the payment made by the Issuing Lender thereunder and not reimbursed by the Borrowers. If this Section 2.5(d) applies to deem a Conversion of a Letter of Credit issued by the Issuing Lender at the request of either of the Borrowers, each Lender shall, immediately upon request by the Issuing Lender, pay to the Administrative Agent for the account of the Issuing Lender its Commitment Percentage of the Prime Loan or U.S. Base Rate Loan resulting from such deemed Conversion.

(e) **Letter of Credit Fees.** The Borrowers shall pay to the Administrative Agent for the account of the Lenders an LC Fee calculated at a rate per annum equal to the Applicable Margin and on the amount of each such Letter of Credit for the number of days which such Letter of Credit will be outstanding in the year of 365 days; provided that the minimum LC Fee for each Letter of Credit shall be Cdn.\$150. The LC Fee shall be payable quarterly in arrears on each Quarterly Date following the issuance of the relevant Letter of Credit.

(f) **LC Fronting Fee.** The Borrowers shall pay to the Administrative Agent for the account of the Issuing Lender in respect of each Letter of Credit issued, to be issued or renewed by the Issuing Lender and as a condition of such issuance or renewal, a non-refundable LC Fronting Fee in the currency of the Letter of Credit calculated on the basis of the face amount and term of the Letter of Credit at a rate per annum equal to 25 Basis Points.

2.6 **Certain Notices**

Notices by the Borrowers to the Administrative Agent of the following matters shall be irrevocable and shall be effective only if received not later than 11:00 a.m. (10:00 a.m. in the case of same-day notices permitted below) Toronto time, at least the number of Business Days prior to the date of the relevant matter specified below.

Matter Requiring Notice	Number of Business Days Prior to Advance
Borrowings or prepayments of, or Conversions into, Prime Loans or U.S. Base Rate Loans (excluding any Swingline Loans)	Borrowings less than \$10,000,000 (Cdn.\$ or U.S.\$, as applicable): Same day.
Borrowings or prepayments of, Conversions into, Continuations as, BA Loans, Bankers' Acceptances or Letters of Credit	Otherwise, 1 2
Borrowing or prepayment of, Conversions into, Continuations as, Eurodollar Loans	3
Termination or reduction of a Commitment	3

Each such notice of borrowing, Conversion, Continuation or optional prepayment shall specify the Loans to be borrowed, Converted, Continued or prepaid and the amount and the Type and currency, if applicable, of each Loan to be borrowed, Converted, Continued or prepaid and the date of borrowing, Conversion, Continuation or optional prepayment (which shall be a Business Day) and, if applicable, the relevant Interest Period.

Each such notice of the duration of an Interest Period shall specify the Loans to which such Interest Period is to relate.

Each such notice of termination or reduction shall specify the amount of the Commitments to be terminated or reduced.

The Administrative Agent shall promptly notify the Lenders of the contents of each such notice provided to it.

If the applicable Borrower fails to select the duration of any Interest Period for any Eurodollar Loan within the time period and otherwise as provided in this Section, such Loan will be automatically Converted into a U.S. Base Rate Loan on the last day of the then current Interest Period for such Loan.

2.7 **Reduction of Commitment**

(a) **Optional Termination or Reduction.** The Borrowers shall have the right at any time or from time to time prior to the Maturity Date (i) so long as there are no LP Outstandings, to terminate the Total LP Commitment, or (ii) so long as there are no TTSI Outstandings, to terminate the Total TTSI Commitment, or (iii) to reduce the unused amount of either such Commitment; provided that (x) the Borrowers shall give notice of each such termination or reduction to the Administrative Agent as provided in Section 2.6 hereof, (y) each partial reduction shall be in an aggregate amount at least equal to Cdn.\$5,000,000 and in multiples of Cdn.\$1,000,000 in excess thereof in the case of the LP Facility and Cdn.\$5,000,000 and in multiples of Cdn.\$1,000,000 in excess thereof in the case of the TTSI Facility, and (z) the

aggregate amount of the TTSI Commitment and the LP Commitment shall, subject to Section 2.16, not, in any event, exceed Cdn \$125,000,000.

(b) No Reinstatement. Subject to Section 2.1(f), any Commitment once terminated or reduced may not be reinstated.

2.8 Standby Fees

The Borrowers agree to pay to the Administrative Agent for the account of each Lender a standby fee in Canadian Dollars for each day at a rate per annum equal to the Applicable Standby Fee Rate times such Lender's Commitment Percentage of the Commitment less the Outstandings (with any amounts outstanding in U.S. Dollars being expressed as an Equivalent Amount in Canadian Dollars) owed to such Lender on such day for the period from and including the Effective Date to but not including the date such Lender's Commitment is terminated. Accrued standby fees shall be payable in arrears on each calendar quarter and on the date such Commitment is terminated and shall only be payable to those Lenders who at the time of payment are not then in default of their obligations under this Agreement.

2.9 Lender Obligations Several

The failure of any Lender to make any Loan to be made by it on the date specified therefor shall not relieve any other Lender of its obligation to make its Loan on such date, but neither any Lender nor the Administrative Agent shall be responsible for the failure of any other Lender to make a Loan to be made or provided by such other Lender, and no Lender shall have any obligation to the Administrative Agent or any other Lender for the failure by such other Lender to make any Loan required to be made by such Lender. The amounts payable by the Borrowers to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out of the Loan Documents, and it shall not be necessary for any other Lender or the Administrative Agent to consent to, or be joined as an additional party in, any proceedings for such purposes.

2.10 Optional Prepayments, Conversions and Continuations of Loans

Subject to the minimum amounts in Section 2.3(a) and 2.3(b) hereof, the Borrowers shall have the right to prepay Loans, or to Convert all or a part of any Loan of one Type into a Loan of another Type of the same currency, or Continue all or a part of any Loan of one Type as a Loan of the same Type, at any time or from time to time, provided that:

- (a) the Borrowers shall give notice to the Administrative Agent of each such prepayment, Conversion or Continuation as provided in Section 2.6 hereof based on the Type of Loan prepaid or that will result (and, upon the date specified in any notice of prepayment, the amount to be prepaid shall become due and payable hereunder);
- (b) Eurodollar Loans, BA Loans and Bankers' Acceptances may be Converted only on the last day of an Interest Period or on the BA Maturity Date, as applicable;
- (c) if a Borrower prepays Eurodollar Loans on a date other than the last day of an Interest Period, the Borrowers shall comply with Section 6.5;

- (d) the Borrowers may not prepay Bankers' Acceptances or BA Loans, unless they provide cover for such Bankers' Acceptances or BA Loans pursuant to Section 2.12;
- (e) Continuations of Letters of Credit may only be effected by the Issuing Lender extending the expiry date of an existing Letter of Credit, either by the issuance of a new Letter of Credit containing the new expiry date or by an amendment to the existing one and with or without a reduction in the amount payable thereunder; and
- (f) subject to Section 2.5(d), the Borrowers may not Convert Letters of Credit.

If the Borrowers wish to Convert a Loan of one currency into a Loan of another currency, they shall, at the time of such Conversion, repay the Loan or portion thereof being Converted in the currency in which it is denominated and obtain a new Loan in the desired currency.

Notwithstanding the foregoing, if any Event of Default shall have occurred and be continuing, the Administrative Agent may (and at the request of the Majority Lenders shall), by notice to the Borrowers suspend the right of the Borrowers to Convert any Loan into a Eurodollar Loan, a U.S. Base Rate Loan, a Bankers' Acceptance or a BA Loan, or to Continue any Loan as a Eurodollar Loan, a U.S. Base Rate Loan, a Bankers' Acceptance or a BA Loan, or to request the issuance of Eurodollar Loans, Bankers' Acceptances and BA Loans, in which event all Loans shall be Converted (on the last day(s) of the respective Interest Periods therefor, if applicable) or Continued, as the case may be, as Prime Loans, if denominated in Canadian Dollars, or U.S. Base Rate Loans, if denominated in U.S. Dollars.

2.11 Repayments Relating to Exchange Rate Changes

If at any time following one or more fluctuations in the exchange rate of the U.S. Dollar against the Canadian Dollar, the Equivalent Amount in Canadian Dollars of the Outstandings exceeds the Total Commitment by an amount equal to or in excess of 3% of the Total Commitment on such date, the Borrowers shall promptly after receipt of notice from the Administrative Agent and, in any case, within 5 Business Days, repay Loans (and/or provide cover for BA Liabilities and LC Liabilities as specified in Section 2.12) in an amount (such amount being called herein the "**Exchange Rate Deficiency**") necessary to reduce Outstandings to an amount equal to or less than the Total Commitment on such date.

2.12 Cover Mechanics for BA Liabilities and LC Liabilities

In the event that the Borrowers are required pursuant to this Agreement to provide cover for BA Liabilities or LC Liabilities, it shall pay to the Administrative Agent, as applicable, immediately available funds in an amount equal to the required amount, which funds shall be retained by the Administrative Agent in an account maintained by it (the "**Collateral Account**") as collateral security in the first instance *pro rata* for the BA Liabilities and LC Liabilities until such time as the Bankers' Acceptances, BA Loans and Letters of Credit shall have matured and all of the BA Liabilities and LC Liabilities have been paid in full. Interest on such funds shall accrue for the account of the Borrowers.

2.13 **Accounts**

The Administrative Agent shall open and maintain account(s) evidencing all Loans and all other amounts owing by the Borrowers to the Lenders hereunder. The Administrative Agent shall enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrowers hereunder. The information entered in the foregoing accounts shall constitute *prima facie* evidence of the obligations of the Borrowers to the Lenders hereunder with respect to all Loans and all other amounts owing by the Borrowers to the Lenders hereunder.

2.14 **Swingline Facility**

(a) Each Borrower shall maintain a Swingline Account with the Swingline Lender for the purpose of making Swingline Advances and for repaying Swingline Loans from time to time.

(b) Subject to the limitations set forth in this Agreement, the Borrowers shall be entitled to obtain from the Swingline under its LP Commitment and/or TTSI Commitment, Prime Loans and U.S. Base Rate Loans by way of overdraft on the applicable Swingline Account for the currency of such Loan, provided that no Swingline Advances shall be made if following the provision thereof, (A) the outstanding principal amount of all Loans and any Swingline Loans will exceed the Total Commitment, (B) the aggregate principal amount of outstanding Swingline Loans will exceed the Swingline Limit, or (C) the LP Outstandings or TTSI Outstandings, as the case may be, will exceed the LP Commitment or TTSI Commitment of the Swingline Lender.

(c) The aggregate amount of all cheques, wire transfers and other items of payment drawn on the Swingline Account and honoured by the Swingline Lender on each day together with the aggregate amount of all other withdrawals debited to such account during such day, net of the credit balance of such account at the beginning of such day (if any) and all deposits or credits to such account during such day, shall be deemed to be a request by the Borrowers for a Swingline Advance.

(d) Upon notice in writing to the Administrative Agent and each of the other Lenders by the Swingline Lender (the "**Swingline Notice**"), each of the other Lenders shall purchase Swingline Loans in such amount as is specified in the Swingline Notice in accordance with Section 2.15.

(e) For certainty, the right of the Borrowers to obtain Swingline Advances shall automatically, and without additional notice to the Borrowers or action by the Swingline Lender, be terminated and cancelled upon (i) the Maturity Date, (ii) upon the termination or cancelling of the Total Commitment in accordance with the terms and conditions of this Agreement, or (iii) upon the giving of a Swingline Notice under Section 2.15.

(f) Swingline Advances shall be made solely by the Swingline Lender without assignment to or participation by the other Lenders except as provided for in Section 2.15. The making of each Swingline Advance shall constitute a drawdown under the Credit Facilities and reduce the availability under the Credit Facilities by the principal amount of such Swingline Advance.

(g) Notwithstanding Section 2.6, no notice of repayment shall be required to be given by a Borrower in respect of any repayment of a Swingline Loan nor shall Swingline Loan be

converted into any other Type of Loan other than into a non Swingline Loan Prime Rate Loan or US Base Rate Loan depending upon the currency of the Swingline Loan being converted.

2.15 Swingline Adjustments among the Lenders

Upon the occurrence of a Swingline Event, or at any other time, the Swingline Lender at its option may issue a Swingline Notice to the Administrative Agent and the other Lenders. As soon as practicable following receipt of such notice by the Administrative Agent and, if required, confirmation by the Swingline Lender of the amount of the outstanding Swingline Loans:

(a) The Administrative Agent shall calculate each Lender's proportionate share of the total outstanding Loans under the Credit Facility based on such Lender's outstanding Loans under the Credit Facilities at such time ("**Unadjusted Pro Rata Share**") which in the case of the Swingline Lender shall include any Swingline Loans and shall give notice to each of Lenders of the amount of Loans and Swingline Loans it is required to sell or purchase pursuant to this Section to result in a participation by each Lender in the Outstandings under the Credit Facilities based on its Commitment Percentage (prior to termination of any Commitments).

(b) If a Lender's Unadjusted Pro Rata Share of the Credit Facilities is greater than such Lender's Commitment Percentage of the Credit Facilities (such Lender, a "**Selling Lender**"), then each of the other Lenders' whose Unadjusted Pro Rata Share under the Credit Facilities is less than its Commitment Percentage (each such other Lender, a "**Purchasing Lender**") shall forthwith after receipt of notice from the Administrative Agent purchase for cash from the Selling Lender, without recourse or representation or warranty (other than as to ownership and no liens or claims by any Person), an interest in the Outstandings of the Selling Lender under the Credit Facilities at par (including, for certainty, all accrued and unpaid interest and fees thereon) in such amount as would result in a participation by each Lender in the Outstandings under the Credit Facilities based on its Commitment Percentage (prior to termination of any Commitments).

(c) Each Lender hereby (i) absolutely and unconditionally agrees, upon receipt of notice as provided above, to sell or purchase Outstandings as required pursuant to this Section, and (ii) acknowledges and agrees that its obligation to acquire Outstandings pursuant to this Section is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or Event of Default or reduction or termination of the Commitments under the Credit Facilities, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Purchasing Lender shall comply with its obligation under this Section by wire transfer of immediately available funds to the Administrative Agent, and the Administrative Agent shall promptly pay to each Selling Lender the amounts so received by it to which such Selling Lender is entitled. The Administrative Agent shall notify the Borrower of any transfers of Outstandings under the Credit Facilities pursuant to this Section, and thereafter payments in respect of such Outstandings shall be made to the Administrative Agent for the account of the Purchasing Lenders and not to the Selling Lender. Any amounts received by a Selling Lender from the Borrowers (or other party on behalf of the Borrowers) in respect of Outstandings purchased by a Purchasing Lender after receipt by the Selling Lender of the proceeds of the sale thereof shall be promptly remitted to the Administrative Agent, and the Administrative Agent shall promptly remit such amounts to the Purchasing Lenders entitled thereto. The purchase of Outstandings under the Credit Facility pursuant to this Section shall not relieve the Borrowers of any default in the payment thereof.

(d) The Administrative Agent, upon consultation with the Lenders, shall have the power to settle any documentation required to evidence any purchase contemplated by this Section and, if deemed advisable by the Administrative Agent, to execute any document as attorney for any Lender in order to complete any purchase contemplated by this Section.

(e) The Borrowers acknowledge that the foregoing arrangements are to be settled by the Administrative Agent and the Lenders among themselves, and the Borrowers expressly consent to the foregoing arrangements among the Administrative Agent and the Lenders.

(f) For certainty, following the adjustments made to Swingline Loans under this Section, Swingline Loans shall be deemed to be Prime Loans or US Base Rate Loans, as the case may be, of the Lenders under the Credit Facilities and Swingline Advances shall no longer be available to the Borrowers.

2.16 Increase in Commitment Amount

The Borrower may, subject to Sections 2.16(a) through (j) inclusive, from time to time by written notice to the Administrative Agent add additional financial institutions hereunder, as Lenders or, with the consent of the applicable Lender, increase the Commitment of a Lender, and, in each case, thereby increase the Total Commitment provided that the following shall apply to any such proposed increase in the Total Commitment:

(a) no Default or Event of Default has occurred and is continuing:

(b) the Total Commitment (as increased) shall not at any time exceed Cdn. \$150,000,000;

(c) provided that, at the relevant time, Royal Bank of Canada: (i) is a Lender; and (ii) is not a Non-Extending Lender within the meaning of Section 4.2, the Borrower shall provide Royal Bank of Canada the first opportunity to provide the entire proposed increase in the Total Commitment.

(d) should Royal Bank of Canada not or not be entitled to take up the opportunity to provide the entire proposed increase in the Total Commitment, as provided for in Section 2.16(c), the Borrower shall offer each Lender (excluding any Non-Extending Lenders) the opportunity to provide the requested increase in the Total Commitment on a *pro rata* basis, based on the Commitments of all Lenders who are not Non-Extending Lenders.

(e) the Borrower shall deliver to each Lender which is entitled to an opportunity to increase its Commitment by virtue of Section 2.16(c) or Section 2.16(d) a written offer to that effect and the relevant Lender or Lenders shall have ten (10) Business Days to respond to such offer. Any Lender which fails to respond to such offer to increase its Commitment shall be deemed to have refused such offer unless it provides a written acceptance of that offer within such period of ten (10) Business Days.

(f) the Borrower shall only be entitled to add a new or additional financial institution as a Lender to the extent that the existing Lenders have not taken up the proposed increase in the Total Commitment.

(g) the consent of both the Administrative Agent and the Swingline Lender shall be required for any new or additional financial institution to become a Lender, and in the case of

any Lender already having a Commitment hereunder increasing its Commitment, such consent not to be unreasonably withheld;

(h) the Commitment of any new or additional financial institution being added as a Lender pursuant to this Section 2.16 shall not be less than Cdn. \$5,000,000 and be in multiples of \$1,000,000;

(i) concurrently with the addition of a financial institution as a new or additional Lender hereunder, or the increase of a Lender's Commitment, such financial institution or Lender, as the case may be, shall purchase from each Lender, such portion of the aggregate principal amount owed to each Lender as is necessary to ensure that the aggregate principal amount owed to all Lenders (including the Swingline Lender and including therein such additional financial institution and the increased Commitment of any Lender), are in accordance with the Commitment Percentage of all such Lenders and such new financial institution shall execute such documentation as is required by the Administrative Agent, acting reasonably, to novate such financial institution as a Lender hereunder; provided that with respect to any portion of such aggregate principal amount which is outstanding by way of Bankers' Acceptance and Letters of Credit, the new financial institution or a Lender whose Commitment is increasing shall provide an indemnity to the other Lenders in order to ensure such Bankers' Acceptances and Letters of Credit are outstanding in accordance with the new Commitment Percentages; and

(j) the Borrower shall be required to provide to the Administrative Agent a certified copy of a directors' resolution of the Borrower authorizing any such increase in the Commitment together with a favourable legal opinion addressed to the Administrative Agent and the Lenders with respect thereto in form and substance acceptable to the Administrative Agent and its legal counsel, acting reasonably.

ARTICLE 3

PAYMENTS OF PRINCIPAL AND INTEREST

3.1 Repayment of Loans

The Borrowers hereby jointly and severally hereby promise to pay to the Administrative Agent for the account of each Lender the entire outstanding principal amount of such Lender's Loans (which in the case of the Swingline Lender shall include any Swingline Loans) on the applicable Maturity Date, and each such Loan shall mature and be due and payable on that date. In addition, if following any reduction in the Total Commitment, the aggregate principal amount of the Outstandings (expressed as an Equivalent Amount in Canadian Dollars) shall exceed the Total Commitment, the Borrowers shall first, prepay Outstandings other than BA Liabilities and LC Liabilities, and second, provide cover for BA Liabilities and LC Liabilities as specified in Section 2.12, in an aggregate amount equal to such excess.

3.2 Interest Rates

(a) Loans. The Borrowers hereby jointly and severally promise to pay to the Administrative Agent for the account of each Lender in respect of Loans interest on the unpaid principal amount of each Loan (other than Bankers' Acceptances and Letters of Credit) made by each such Lender to either of the Borrowers (and with respect to BA Loans, on the amount made available by the applicable Lender to either of the Borrowers as determined in accordance

with Section 2.4(i)) for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, at the following rates:

- (i) in respect of Prime Loans (including Swingline Loans), the Prime Rate (as in effect from time to time) plus the Applicable Margin for such Loans;
- (ii) in respect of U.S. Base Rate Loans (including Swingline Loans), the U.S. Base Rate (as in effect from time to time) plus the Applicable Margin for such Loans;
- (iii) in respect of Eurodollar Loans, for each Interest Period relating thereto, the Libor Rate for such Loan for such Interest Period plus the Applicable Margin for such Loans; and
- (iv) in respect of BA Loans, for each Interest Period relating thereto, the BA Loan Discount Rate calculated as provided in Section 2.4(i).

(b) Interest Payment Dates. Accrued interest on each Loan as aforesaid shall be payable (i) on the last Business Day of each month, for Prime Loans, U.S. Base Rate Loans and Swingline Loans, (ii) as provided in Section 2.4(i) for BA Loans, (iii) at the end of each Interest Period for Eurodollar Loans, and if an Interest Period for Eurodollar Loans is longer than 3 months, on the last Business Day of each 3 month period during the Interest Period, and (iv) in the case of any Eurodollar Loan, upon the payment or prepayment thereof (but only on the principal amount so paid or prepaid).

3.3 Interest During Event of Default

(a) Notwithstanding the foregoing, in lieu of interest otherwise payable hereunder, the Borrowers hereby jointly and severally hereby promise to pay to the Administrative Agent, for the account of each Lender in respect of Loans, interest at the applicable Post-Default Rate on all Outstandings held by each such Lender hereunder, and on all overdue interest in respect thereof, at all times during which an Event of Default shall have occurred and be continuing, calculated for the period from and including the date upon which the Event of Default occurred until the date the Event of Default is cured, or the relevant Outstandings are repaid, whichever first occurs.

(b) All interest that is payable at the Post-Default Rate under this Section shall be payable from time to time on demand.

3.4 Interest on Overdue Amounts

(a) The Borrowers hereby jointly and severally promise to pay to the Administrative Agent, for the account of each Lender interest at the applicable Post-Default Rate on all overdue Obligations (other than principal and interest dealt with in Section 3.3) owed to each such Lender hereunder, calculated for the period from and including the date due hereunder until the date the overdue amount is paid in full.

(b) All interest that is payable at the Post-Default Rate under this Section shall be payable from time to time on demand.

3.5 **Computations of Interest**

Interest on Eurodollar Loans shall be computed on the basis of a year of 360 days and actual days elapsed occurring in the period for which that interest is payable.

BA Discount Rates, interest on BA Loans and U.S. Base Rate Loans, and Stamping Fees, LC Fees and commitment fees, shall be computed on the basis of a year of 365 days and actual days elapsed (including the first day but excluding the last day) occurring during the period for which such interest or fees are payable.

Interest on Loans or other amounts not covered by the foregoing shall be computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed (including the first day but excluding the last day) during the period for which such interest, fees or other amounts are payable.

Notwithstanding the foregoing, for each day that the U.S. Base Rate or any other interest computation is calculated by reference to the Federal Funds Effective Rate, interest shall be computed on the basis of a year of 360 days and actual days elapsed.

Notwithstanding any provision herein to the contrary, in no event shall the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada)) payable under the Loan Documents exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section) permitted under that section and, if any payment, collection or demand pursuant to the Loan Documents in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand shall be deemed to have been made by mutual mistake and the amount of such payment or collection shall be refunded to the Borrowers. For purposes of the Loan Documents, the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of this Credit Facility on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent shall be *prima facie* evidence, for the purposes of such determination.

To the extent permitted by applicable law, the provisions of the *Judgment Interest Act* (Alberta) shall not apply to the Loan Documents and are hereby expressly waived by the Borrowers.

For purposes of the *Interest Act* (Canada), whenever any interest or fee under the Loan Documents is calculated using a rate based on a year of 360 days or 365 days, the annual rate of interest to which such rate is equivalent is (x) the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 360 or 365, as the case may be.

The principle of deemed reinvestment of interest shall not apply to any interest calculation under the Loan Documents and the rates of interest stipulated in the Loan Documents are intended to be nominal rates and not effective rates or yields.

3.6 Currency

The Borrowers shall make all payments of principal, interest and fees in respect of Loans hereunder in the currency in which the relevant Loan is denominated.

ARTICLE 4 **EXPIRATION AND EXTENSION OF MATURITY DATE**

4.1 Expiration of the Total TTSI Commitment and Total LP Commitment

The Total TTSI Commitment and the Total LP Commitment shall be permanently reduced to zero on the applicable Maturity Date and the Borrowers shall fully pay, satisfy and discharge all LP Outstandings, all TTSI Outstandings and all other outstanding Obligations on such date.

4.2 Extensions of Maturity Date

(a) Definitions. In this Section:

"Request for an Offer of Extension" means a request by the Borrowers for the Lenders to issue an offer to the Borrowers extending the Maturity Date as provided for in Section 4.2(b); and

"Offer of Extension" means an offer by the Administrative Agent on behalf of the Lenders to the Borrowers to extend the Maturity Date as aforesaid, either on the existing terms or, if not, setting forth the changed terms and conditions on which such extension may be accepted by the Borrowers.

(b) Request for Extension Offer. The Borrowers may, at their option and from time to time, by delivering to the Administrative Agent an executed Request for an Offer of Extension, request the Lenders to issue an Offer of Extension in respect of the Maturity Date for a further period of not less than one (1) year and not more than four (4) years provided that: (i) such request may only be made not later than 60 days and not earlier than 90 days of the then upcoming Anniversary Date; and (ii) in no event shall the requested extended Maturity Date extend more than four (4) years beyond the then upcoming Anniversary Date.

(c) Lender Responses. Upon receipt of an executed Request for an Offer of Extension, the Administrative Agent shall forthwith deliver to each Lender a copy of such request, and each Lender shall, within 30 days after the date the Administrative Agent received such request from the Borrowers (the Administrative Agent to advise each Lender of such date of receipt), advise the Administrative Agent in writing whether such Lender will offer to extend the Maturity Date on the existing terms and conditions or, if not, whether such Lenders would be prepared to offer to extend the Maturity Date on changed terms and conditions, as set out in such Lender's response; provided that if any Lender shall fail to so advise the Administrative Agent within such period, then such Lender shall be deemed to have denied the request. The determination of each Lender whether or not to extend the Maturity Date shall be made by each individual Lender in its sole discretion.

(d) Response to the Borrowers. Within 3 Business Days after the earlier of (i) the expiry of the aforementioned 30 day period, or (ii) the day on which all Lenders' responses have been received by the Administrative Agent:

- (i) if the Majority Lenders have advised the Administrative Agent that they will offer to extend the Maturity Date on the existing terms and conditions, then the Administrative Agent shall deliver to the Borrowers (with a copy to each Lender) an Offer of Extension on the existing terms, signed by the Administrative Agent, and shall advise the Borrowers of the Lenders, if any, that are not offering to extend the Maturity Date on this basis;
- (ii) if the Majority Lenders have not advised the Administrative Agent that they will offer to extend the Maturity Date on the existing terms and conditions, but that they are prepared to offer to extend the Maturity Date on changed terms and conditions on which such Majority Lenders are in agreement, then the Administrative Agent shall deliver to the Borrowers (with a copy to each Lender) an Offer of Extension, signed by the Administrative Agent, specifying the new terms and conditions upon which the extension of the Maturity Date is offered and shall advise the Borrowers of the Lenders, if any, that are not offering to extend the Maturity Date on this basis; or
- (iii) if neither clause (i) nor (ii) is applicable, then the Request for an Offer of Extension shall be denied and the Administrative Agent shall so notify the Borrowers.

(e) Time for Acceptance. An Offer of Extension extended under paragraph (d)(i) or (ii) may be accepted by the Borrowers returning an executed Offer of Acceptance to the Administrative Agent at least 1 Business Day before the then upcoming Anniversary Date. If it is not accepted within such time, the Maturity Date will not be extended.

(f) Effect of Extension. Upon acceptance of an Offer of Extension by the Borrowers within the time specified in paragraph (e), then:

- (i) as between the Lenders willing to extend (each, an "**Extending Lender**") and the Borrowers, (A) the Maturity Date shall be extended to 12:01 a.m. on the date which is one (1) year beyond the then current Maturity Date by the Administrative Agent, and (B) the changed terms and conditions (if any) specified in the accepted Offer of Extension shall be immediately effective, and this Agreement shall be deemed to be amended in accordance therewith as of such date; and
- (ii) as between each Lender not willing to extend (a "**Non-Extending Lender**") and the Borrowers, then, unless such Non-Extending Lender has assigned its Commitment Percentage pursuant to paragraph 4.3(a), or has its Loans prepaid pursuant to paragraph 4.3(b) below, the Loans outstanding to each such Non-Extending Lender shall become due and mature on the current Maturity Date before giving effect to any extension hereunder, its Commitment Percentage shall be deemed to be reduced to zero on that maturity date, and the Borrowers shall repay the Loans owed to such Non-Extending Lender on that maturity date.

(g) At the time the Borrowers notifies the Administrative Agent that it is willing to accept the Offer of Extension, it shall also provide the Administrative Agent and each Extending

Lender with written notice of its desire to proceed under (and referring to) Section 4.3 in respect of Non-Extending Lenders.

4.3 **Replacement or Prepayment of Non-Extending Lenders**

If an Offer of Extension has been made pursuant to Section 4.2(d)(i) or 4.2(d)(ii) but there are Non-Extending Lenders, then, prior to the then current Maturity Date and provided that the Borrowers have notified the Administrative Agent of its willingness to accept the Offer of Extension within 10 days of their receipt thereof:

- (a) **Assignment of Commitment:** the Borrowers may require any Non-Extending Lender to assign all of its rights, benefits and interests under the Loan Documents, its Commitment and its Commitment Percentage of all outstanding Loans and other obligations (collectively, the "**Assignable Interests**") to:
 - (i) any Extending Lenders which have agreed to increase their Commitment Percentage and purchase Assignable Interests (pro rata, in proportion to the Commitment Percentages of the Extending Lenders wishing to purchase Assignable Interests); and
 - (ii) to the extent the Assignable Interests are not transferred to Extending Lenders under clause (i) above, any financial institutions selected by the Borrowers and which are also acceptable to the Administrative Agent and Swingline Lender, acting reasonably.

Such assignments shall be effective upon (A) execution of assignment documentation satisfactory to the relevant Non-Extending Lender, the assignee, the Borrowers and the Administrative Agent (each acting reasonably), (B) payment to the relevant Non-Extending Lender (in immediately available funds) by the relevant assignee of an amount equal to its Commitment Percentage of all Loans being assigned and all accrued but unpaid interest and fees hereunder in respect of those portions of the Loans being assigned, and (C) provision satisfactory to the Non-Extending Lender (acting reasonably) being made for (I) payment at maturity of outstanding Bankers' Acceptances accepted by it and outstanding Letters of Credit issued by it, and (II) any costs, losses, premiums or expenses incurred by such Non-Extending Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of Eurodollar Loans outstanding hereunder. Upon such assignment and transfer, the Non-Extending Lender shall have no further right, interest, benefit or obligation hereunder and the assignee thereof shall succeed to the position of such Non-Extending Lender as if the same was an original party hereto in the place and stead of such Non-Extending Lender and subject to the Offer of Extension; for such purpose, to the extent that the assignee is not already a party hereto, the assignee shall execute such documentation as may be reasonably required by the Administrative Agent and the Borrowers to confirm their agreement to be bound as a Lender by the provisions hereof and the Offer of Extension; and

- (b) **Prepayment:** to the extent that the Borrowers have not caused any Non-Extending Lender to transfer Assignable Interests either to an Extending Lender or other financial institution as provided in paragraph (a) above, the Borrowers may, notwithstanding any other provision hereof, repay, or cause to be repaid, to

each Non-Extending Lender its Commitment Percentage of the outstanding Loans, together with all accrued but unpaid interest and fees thereon, without making corresponding repayment to the Extending Lenders, and upon provisions satisfactory to the relevant Non-Extending Lender (acting reasonably) being made for (A) payment at maturity of all outstanding Bankers' Acceptances accepted by such Lender and all outstanding Letters of Credit issued by such Lender, and (B) any costs, losses, premiums or expenses incurred by the Non-Extending Lender by reason of a liquidation or re-deployment of deposits or other funds in respect of Eurodollar Loans outstanding hereunder, the Borrowers may cancel such Non-Extending Lender's Commitment. Upon completion of the foregoing, such Non-Extending Lender shall have no further right, interest, benefit or obligation hereunder and the Total Commitment shall be reduced by the amount of such Lender's Commitment.

4.4 **Subsisting Default**

The Borrowers shall not be entitled to request any action, give any notice, cause any assignment or transfer or effect any prepayment to a Non-Extending Lender under this Article at any time when a Default shall have occurred and is continuing unless such Default has been waived by all Lenders (other than Non-Extending Lenders) for the purposes of this Section.

4.5 **Authorization**

Each Guarantor hereby consents to all Offers of Extension that may be accepted by the Borrowers under this Article.

ARTICLE 5 **PAYMENTS; PRO RATA TREATMENT; ETC.**

5.1 **Obligations**

(a) **Loans.** Except to the extent otherwise provided herein, all Obligations shall be paid in immediately available funds, without deduction, set-off or counterclaim, to the Administrative Agent not later than 1:00 p.m. Toronto time on the date on which such payment shall become due.

(b) **Debits.** In all cases subject to Section 5.4(b):

- (i) the Borrowers hereby authorize the Administrative Agent to debit the amount of any payment due to the Administrative Agent or the Lenders to any ordinary deposit accounts of either of the Borrowers maintained with the Administrative Agent; and
- (ii) following an Event of Default, and subject to the provisions hereof, any Lender that is not the Administrative Agent, and for whose account any such payment is to be made, may (but shall not be obligated to) debit the amount of any such payment that is not made by such time to any ordinary deposit account of either of the Borrowers with such Lender (with notice to the Borrowers, provided that such Lender's failure to give such notice shall not affect the validity thereof).

(c) Allocation of Payments. In connection with making each payment in respect of any Loan owing to the Lenders, the Borrowers shall, at the time of making each payment, specify to the Administrative Agent (which shall so notify the intended recipient(s) thereof) which Loans or other amounts payable by the Borrowers hereunder such payment is to be applied to. If the Borrowers fail to so specify, or if an Event of Default has occurred and is continuing, the Administrative Agent may distribute such payment to the Lenders for application in such manner as it determines to be appropriate.

(d) Payment by Administrative Agent to Lenders. Each payment received by the Administrative Agent under this Agreement for account of any Lenders shall be paid by the Administrative Agent promptly to such Lenders, in immediately available funds, for the account of such Lender's Applicable Lending Office for the Loan or other obligation in respect of which such payment is made.

(e) Non-Business Day. Except as provided in clause (a)(ii) of the definition of "Interest Period", if the due date of any payment under this Agreement would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day, and interest shall be payable for any principal payment so extended for the period of such extension.

5.2 Pro Rata Treatment

Except to the extent otherwise provided herein:

- (a) each borrowing of Loans (other than Swingline Loans) of a particular Type from the Lenders shall be made pro rata according to their Commitments, subject to the last sentence of Section 2.4(b), and each termination or reduction of the amount of the Total Commitment under Section 2.7 hereof shall be applied to the Commitments of the Lenders *pro rata* according to the amounts of their Commitments;
- (b) the making, Conversion and Continuation of Loans (other than Swingline Loans) of a particular Type from the Lenders shall be made pro rata among the Lenders according to the amounts of their Commitments (in the case of the making of Loans) or their Outstandings (in the case of Conversions and Continuations of Loans other than Swingline Loans);
- (c) for any request for Bankers' Acceptances, the Interest Period of each BA Loan and the BA Maturity Date for each Bankers' Acceptance, as the case may be, shall be coterminous;
- (d) each payment or prepayment of principal by the Borrowers of Loans held by Lenders shall be made for the account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by them; provided that if immediately prior to giving effect to any such payment in respect of any Loans the outstanding principal amount of the Loans are not held by the Lenders *pro rata* in accordance with their Commitments in effect at the time such Loans were made (whether by reason of a failure of a Lender to make a Loan hereunder in the circumstances described in the last paragraph of Section 14.4 hereof or otherwise), then such payment shall be applied to the Loans held by Lenders in such manner as shall result, as nearly as is practicable, in the outstanding

principal amount of the Loans being held by such Lenders *pro rata* in accordance with their Commitments; and

- (e) each payment of interest or fees by the Borrowers on Loans held by the Lenders shall be made for account of the Lenders *pro rata* in accordance with the amounts of interest on such Loans, as the case may be, then due and payable to the respective Lenders.

5.3 **Non-Payment of Funds to Administrative Agent**

Unless the Administrative Agent shall have been notified by a Lender or a Borrower (in each case the "**Original Payor**") prior to the date on which the Original Payor is to make payment to the Administrative Agent that the Original Payor does not intend to pay to the Administrative Agent:

- (a) in the case of a Lender, the proceeds of a Loan to be made by such Lender; or
- (b) in the case of a Borrower, a payment to the Administrative Agent for the account of one or more of the Lenders hereunder;

(in any case such payment being herein called the "**Required Payment**"), which notice shall be effective upon receipt, the Administrative Agent may assume that the Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient(s) (the "**Recipient**") on such date. If the Original Payor has not in fact made the Required Payment to the Administrative Agent, the Recipient of such payment shall, on demand, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date (the "**Advance Date**") such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount, at the following rate:

- (i) if the Recipient is a Lender, at a rate per annum equal to the CDOR Rate for 30 day Bankers' Acceptances if the Required Payment relates to a Loan in Canadian Dollars, and the Federal Funds Effective Rate if the Required Payment relates to a Loan in U.S. Dollars; and
- (ii) if the Recipient is either of the Borrowers, at a rate per annum equal to the Prime Rate plus the Applicable Margin for Prime Loans if the Required Payment relates to a Loan in Canadian Dollars, and the U.S. Base Rate plus the Applicable Margin for U.S. Base Rate Loans if the Required Payment relates to a Loan in U.S. Dollars;

provided that if neither the Recipient nor the Original Payor shall pay the Required Payment to the Administrative Agent within 3 Business Days of the Advance Date, then retroactively to the Advance Date, the Original Payor and the Recipient shall each be severally obligated to pay the Required Payment to the Administrative Agent together with interest on the Required Payment at a rate per annum equal to the Prime Rate plus the Applicable Margin for Prime Loans if the Required Payment relates to a Loan in Canadian Dollars, and if the Required Payment relates to a Loan in U.S. Dollars, the U.S. Base Rate plus the Applicable Margin for U.S. Base Rate Loans; provided that the Administrative

Agent shall only be entitled to retain interest in respect of the Required Payment from either the Original Payor or the Recipient.

5.4 **Set-Off, Etc.**

(a) **Lenders.** Each Obligor agrees that, in addition to any right of set-off, banker's lien or counterclaim a Lender may otherwise have (including debit authority under Section 5.1(b) hereof), each Lender shall be entitled, at its option (to the fullest extent permitted by law), following an Event of Default to set off and apply any deposit (general or special, time or demand, provisional or final) or other indebtedness held by it for the credit or account of such Obligor at any of its offices, in Canadian Dollars, U.S. Dollars or in any other currency, against any Obligation that is not paid when due (regardless of whether such deposit or other indebtedness is then due to such Obligor), in which case it shall promptly notify such Obligor and the Administrative Agent thereof, provided that such Lender's failure to give such notice shall not affect the validity thereof.

(b) **Set-Off Benefits Pro Rata.** Other than any payments expressly permitted to be paid solely to a Lender pursuant to this Agreement, if any Lender shall obtain from any Obligor payment of any Obligations through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise (other than from the Administrative Agent as provided herein), and, as a result of such payment, such Lender shall have received a greater percentage of amounts then due from such Obligor to such Lender than the percentage received by any other Lender, it shall promptly purchase from such other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the amounts owing to such other Lenders, and make such other adjustments from time to time as shall be equitable, to the end that all Lenders shall share the benefit of such excess payment (net of any expenses that may be incurred by such Lender in obtaining or preserving such excess payment) *pro rata* in accordance with the Obligations owed to them. To such end all Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored.

(c) **Participations.** The Obligors agree that any Lender so purchasing a participation or direct interest pursuant to clause (b) may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans or other amounts (as the case may be) owing to such Lender in the amount of such participation.

(d) **Secured Claim in Lieu.** If, under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a set-off to which this Section applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section to share in the benefits of any recovery on such secured claim.

ARTICLE 6
YIELD PROTECTION, INDEMNITIES; TAXES.

6.1 **Additional Costs**

(a) **Regulatory Changes Affecting Eurodollar Loans.** The Borrowers shall pay directly to each applicable Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs that such Lender

determines are attributable to its making or maintaining any Eurodollar Loans, or its obligation to make any Eurodollar Loans hereunder, or any reduction in any amount receivable by such Lender hereunder in respect of any of such Eurodollar Loans or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change that:

- (i) changes the basis of taxation of any amounts payable to such Lender under the Loan Documents in respect of any of such Eurodollar Loans (other than taxes imposed on or measured by the overall net income of such Lender or of its Applicable Lending Office for any of such extensions of credit by the jurisdiction in which such Lender has its principal office or such Applicable Lending Office); or
- (ii) imposes or modifies any reserve, special deposit or similar requirements relating to any Eurodollar Loans or other assets of, or any deposits with or other liabilities of, such Lender (including any of such Eurodollar Loans or any deposits referred to in the definition of "Libor Rate" in Section 1.1 hereof), or any commitment of such Lender (including its Commitment hereunder); or
- (iii) imposes any other condition affecting the Loan Documents (or any of such extensions of credit or liabilities) or its Commitment.

If any Lender requests compensation from the Borrowers under this paragraph, the Borrowers may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender thereafter to make or Continue or Convert any Loans into Eurodollar Loans until the Regulatory Change giving rise to such request ceases to be in effect (in which case the provisions of Section 6.4 hereof shall be applicable), without affecting the right of such Lender to receive the compensation so requested.

(b) Suspension of Eurodollar Obligations. Without limiting the foregoing, in the event that, by reason of any Regulatory Change, any Lender either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender that includes deposits by reference to which the interest rate on Eurodollar Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender that includes Eurodollar Loans, or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Lender so elects by notice to the Borrowers (with a copy to the Administrative Agent), the obligation of such Lender to make or Continue, or to Convert Loans into, Eurodollar Loans hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 6.4 hereof shall be applicable).

(c) Indemnity for Increased Costs. Without limiting the foregoing but without duplication, if any Regulatory Change has, due to such Lender's compliance therewith, the effect, directly or indirectly, of (i) increasing the cost to such Lender of performing its obligations hereunder or under any avallment hereunder; (ii) reducing any amount received or receivable by such Lender or its effective return hereunder or in respect of any avallment hereunder or on its capital; or (iii) causing such Lender to make any payment or to forgo any return based on any amount received or receivable by such Lender hereunder or in respect of any avallment hereunder determined by such Lender in its discretion, then upon demand from time to time the Borrower shall pay such amount as shall compensate such Lender for any such cost, reduction,

payment or forgone return (collectively "**Increased Costs**") as such amounts are reasonably determined by such Lender and set forth in a certificate to the Borrower.

In the event of the Borrower becoming liable for such Increased Costs, the Borrower shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by a Lender for the account of the Borrower, including, without limitation, a Letter of Credit or a Bankers' Acceptance. Upon any such prepayment, the Borrower shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate a Lender for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by such Lender.

(d) Notice Requirements. Each Lender shall notify the Borrowers of any event occurring after the date of this Agreement entitling such Lender to compensation under paragraph (a) or (c) of this Section, or Section 6.6, as promptly as practicable, but in any event within 4 months, after such Lender obtains actual knowledge thereof; provided that if any Lender fails to give such notice within such time, such Lender shall, with respect to compensation payable pursuant to this Section or Section 6.6 in respect of any costs resulting from such event, only be entitled to payment under this Section or Section 6.6 for costs incurred from and after the date 4 months prior to the date that such Lender gives such notice. Each Lender will furnish to the Borrowers a certificate setting forth the basis and amount of each request by such Lender for compensation under paragraph (a) or (c) of this Section. Determinations and allocations by any Lender for purposes of this Section of the effect of any Regulatory Change pursuant to paragraph (a) or (b) of this Section, or of the effect of capital maintained pursuant to paragraph (c) of this Section, on its costs or rate of return of maintaining Loans or its obligation to make Loans, or on amounts receivable by it in respect of Loans, and of the amounts required to compensate such Lender under this Section, shall be conclusive absent manifest error, provided that such determinations and allocations are made in good faith and on a reasonable basis.

6.2 Unavailable Loans

Anything herein to the contrary notwithstanding, if:

- (a) the Administrative Agent determines, which determination shall be conclusive, that quotations of interest rates in the definition of "Libor Rate" herein are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for Eurodollar Loans as provided herein; or
- (b) the Administrative Agent determines, which determination shall be conclusive, that:
 - (i) the relevant rates of interest referred to in the definition of "Libor Rate" upon the basis of which the rate of interest for Eurodollar Loans for such Interest Period is to be determined are not likely to be adequate to cover the cost to the Lenders of making or maintaining Eurodollar Loans for such Interest Period;

- (ii) by reason of circumstances affecting financial markets inside or outside Canada, deposits of U.S. Dollars are unavailable to the Lenders in such markets; or
- (iii) the making or Continuation of any Eurodollar Loan has been made impracticable:
 - (A) by the occurrence of a contingency (other than a mere increase in rates payable by any Lender to fund such Loan) which materially and adversely affects the funding of a Loan at any interest rate computed on the basis of the Libor Rate; or
 - (B) by reason of:
 - (x) any law or the interpretation or application thereof by any official body; or
 - (y) compliance by any Lender with any guideline, official directive or request from any central bank or other official body (whether or not having the force of law);

then the Administrative Agent shall give the Borrowers and each Lender prompt notice thereof and, so long as such condition remains in effect, the Lenders shall be under no obligation to make, Continue or Convert into Eurodollar Loans, and the Borrowers shall, on the last day(s) of the then current Interest Period(s) for the outstanding Eurodollar Loans, either prepay such Loans, or Convert such Loans into U.S. Base Rate Loans in accordance with Section 2.10 hereof.

6.3 **Illegality**

Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Lender or its Applicable Lending Office to honour its obligation to make or maintain Eurodollar Loans or U.S. Base Rate Loans hereunder, then such Lender shall promptly notify the Borrowers thereof (with a copy to the Administrative Agent) and such Lender's obligation to make, Continue or to Convert Loans of any other Type into Eurodollar Loans or U.S. Base Rate Loans, as the case may be, shall be suspended until such time as such Lender may again make and maintain Eurodollar Loans or U.S. Base Rate Loans, as the case may be (in which case the provisions of Section 6.4 hereof shall be applicable).

6.4 **Treatment of Affected Extensions of Credit**

If the obligation of any Lender to make Eurodollar Loans or to Continue or to Convert U.S. Base Rate Loans, Prime Loans or Bankers' Acceptances (and the related BA Loans) into Eurodollar Loans shall be suspended pursuant to Section 6.1, 6.2 or 6.3 hereof, then all Eurodollar Loans shall be automatically Converted (if cross-currency, in the manner contemplated in Section 2.10) into U.S. Base Rate Loans on the last day(s) of the then current Interest Period(s) for Eurodollar Loans (or, in the case of a Conversion required by Section 6.1(b) or 6.3 hereof), on such earlier date as the Administrative Agent in the case of a Lender may specify to the Borrowers, and unless and until the Administrative Agent gives notice as

provided below that the circumstances specified in Section 6.1, 6.2 or 6.3 hereof that gave rise to such Conversion no longer exist (which it agrees to do promptly upon such circumstances ceasing to exist):

- (a) to the extent that all such Lenders' Eurodollar Loans have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Eurodollar Loans shall be applied instead to their U.S. Base Rate Loans; and
- (b) all Loans that would otherwise be made or Continued by such Lenders as Eurodollar Loans shall be made or continued instead as U.S. Base Rate Loans and all U.S. Base Rate Loans shall remain as such.

If any U.S. Base Rate Loans are outstanding or the Borrowers are obligated to convert any Loans into U.S. Base Rate Loans pursuant to the foregoing provisions of this Section at any time when the right of the Borrowers to elect U.S. Base Rate Loans is suspended, all those outstanding U.S. Base Rate Loans shall be repaid and may be reborrowed as Prime Loans as contemplated in Section 2.10.

6.5 **Compensation**

The Borrowers agree to pay to the Administrative Agent for the account of each Lender, upon the request of such Lender (through the Administrative Agent in the case of Lenders), such amount or amounts as shall be sufficient (in the good faith reasonable opinion of such Lender) to compensate it for any loss, cost of breakage, redeployment of funds or other cost or expense that such Lender determines is attributable to:

- (a) any payment being made by the Borrowers in respect of a Eurodollar Loan, BA Loan or a Bankers' Acceptance (due to acceleration hereunder or a mandatory repayment or prepayment of principal or for any other reason) on a day other than the last day of an Interest Period or the BA Maturity Date applicable thereto;
- (b) the Borrowers' failure to give notice in the manner and at the times required hereunder; or
- (c) any failure by the Borrowers for any reason (including the failure of any of the conditions precedent specified in Section 8.2 hereof to be satisfied) to borrow a Eurodollar Loan from such Lender on the date for such borrowing specified in the relevant notice therefor.

A certificate of any Lender submitted to the Borrowers as to the amount necessary to so compensate such Lender shall be conclusive evidence, absent demonstrated error, of the amount due from the Borrowers to such Lender.

6.6 **Additional Costs in Respect of Bankers' Acceptances**

Without limiting the foregoing (but without duplication) if, as a result of any Regulatory Change, the cost to any Lender hereunder of issuing or maintaining its obligation to issue any Bankers' Acceptance has increased or has decreased any amount receivable by any Lender hereunder in respect of any Bankers' Acceptance (which increases in cost, or reductions in amount receivable, shall be the result of such Lender's or Lenders' reasonable allocation of the aggregate of such increases or reductions resulting from such event), then, upon demand

by such Lender or Lenders (through the Administrative Agent), the Borrowers shall pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender (through the Administrative Agent), such additional amounts as shall be sufficient to compensate such Lender for such increased costs or reductions in amount. A statement showing calculations in reasonable detail of such increased costs or reductions in amount incurred by any such Lender, submitted by such Lender to the Borrowers, shall be conclusive in the absence of manifest error as to the amount thereof.

6.7 **Taxes Regarding Obligations**

(a) **Definition.** In this Section,

- (i) **"Covered Taxes"** shall mean all present and future Taxes and withholdings whatsoever now or hereafter imposed, assessed, levied or collected on or in respect of the Obligations owing to the Lenders or the Administrative Agent (including guarantees thereof) or the Loan Documents, the recording, registration, notarization or other formalization of any thereof, the enforcement thereof or the introduction thereof in any judicial proceedings, or on or in respect of any payments of principal, interest, premium, charges, fees or other amounts made on, under or in respect of any thereof to the Lenders or the Administrative Agent, other than income or franchise taxes imposed on a Lender or the Administrative Agent by a jurisdiction as a result of such Lender or Administrative Agent being organized under the laws of such jurisdiction or of its Applicable Lending Office being located in such jurisdiction; and
- (ii) **"Other Taxes"** shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder to any Lender or the Administrative Agent or from the execution, delivery or enforcement of, or otherwise with respect to, the Loan Documents.

(b) **No Reduction in Payments.** All payments on account of the Obligations owing to the Lenders or the Administrative Agent by the Borrowers or any Guarantors to or for the account of the Administrative Agent or any Lender, including amounts payable under paragraph (c) of this Section, shall be made free and clear of and without reduction or liability for Covered Taxes or Other Taxes. The Borrowers and the Guarantors will pay all Covered Taxes, without charge to or offset against any amount due to the Administrative Agent or any Lender, prior to the date on which penalties attach thereto, except for any Covered Taxes (other than Covered Taxes imposed on or in respect of any amount payable under any Loan Document) the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained, so long as no claim for such Covered Taxes is made on the Administrative Agent or any Lender.

(c) **Indemnity.** Each of the Borrowers and the Guarantors shall jointly and severally indemnify the Administrative Agent and each Lender against, and reimburse the Administrative Agent and each Lender on demand for, any Covered Taxes and Other Taxes and any loss, liability, claim or expense, including interest, penalties and legal fees, that the Administrative Agent or such Lender may incur at any time arising out of or in connection with any failure of either of the Borrowers or any Guarantor to make any payment of Covered Taxes when due.

(d) Gross-Up. In the event that a Borrower or any Guarantor is required by applicable law, decree or regulation to deduct or withhold Covered Taxes or Other Taxes from any amounts payable on, under or in respect of the Obligations owing to the Lenders or the Administrative Agent, such Borrower or such Guarantor shall promptly pay the Person entitled to such amount such additional amounts as may be required, after the deduction or withholding of Covered Taxes and Other Taxes, to enable such Person to receive from such Borrower or such Guarantor on the due date thereof, an amount equal to the full amount stated to be payable to such Person under the Loan Documents.

(e) Tax Receipts. The Borrowers shall furnish to the Administrative Agent, upon the request of any Lender (through the Administrative Agent), together with sufficient certified copies for distribution to each such Lender requesting the same (identifying the Lenders that have so requested), official tax receipts in respect of each payment of Covered Taxes and Other Taxes referred to under this Section, within 30 days after the date such payment is made, and the Borrowers shall promptly furnish to the Administrative Agent at its request or at the request of any Lender (through the Administrative Agent) any other information, documents and receipts that the Administrative Agent or such Lender may reasonably require to establish to its satisfaction that full and timely payment has been made of all Covered Taxes and Other Taxes required to be paid under this Section.

(f) Representation. The Borrowers and each Guarantor represents and warrants to the Administrative Agent and each Lender that, on and as of the date hereof (i) none of the Loan Documents, or the execution or delivery by the Borrowers and such Guarantor of the Loan Documents, is subject to any Covered Taxes or Other Taxes, and (ii) no payment to be made by either of the Borrowers under the Loan Documents is subject to any Covered Taxes.

(g) Resident Lenders. The Administrative Agent and each Lender represents that it is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

ARTICLE 7

GUARANTEES AND SECURITY

7.1 Guarantee of the Borrowers' Obligations

The Guarantors hereby jointly and severally guarantee to each Lender, Hedge Lender, the Administrative Agent and their respective successors and permitted assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) and full performance of the Outstandings and all other Obligations, including Hedge Obligations, from time to time owing or performable by the Borrowers or either of them to each Lender or Hedge Lender and the Administrative Agent under the Loan Documents, in each case strictly in accordance with the terms thereof (such Outstandings and all other Obligations and Hedge Obligations being herein collectively called the "**Secured Obligations**"). The Guarantors hereby further jointly and severally agree that if the Borrowers or either of them shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Secured Obligations, the Guarantors will promptly pay the same upon demand, and that in the case of any extension of time of payment or renewal of any of the Secured Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. The Guarantors shall indemnify the Lenders, Hedge Lenders and the Administrative Agent on demand against any loss or liability suffered by any of them as a result of any Secured Obligation being or becoming unenforceable, invalid or illegal.

7.2 **Continuing Guarantee**

The guarantees under Section 7.1 shall be continuing guarantees, shall cover and secure any ultimate balance owing to the respective Lenders, Hedge Lenders and the Administrative Agent, and shall be operative and binding notwithstanding that at any time or times the Secured Obligations may equal zero, or that any payments from time to time may be made to them or any settlements of account effected, or any other thing whatsoever done, suffered or permitted, or any other action short of actual and final payment to them of all Secured Obligations.

7.3 **Identity of the Borrowers**

The guarantees under Section 7.1 are to extend to the Persons for the time being and from time to time carrying on the business now carried on by the Borrowers or either of them notwithstanding any change or changes in the name, business, powers, the objects, membership, partners, shareholders, directors, organization or management of the Borrowers or either of them and notwithstanding any reorganization of the Borrowers or either of them or the merger or amalgamation of the Borrowers or either of them with another or others, or the sale or disposition of businesses in whole or in part of either or both of the Borrowers to another or others, or the surrender, forfeiture or termination of its articles or charter, or the receivership, dissolution, insolvency, winding-up, arrangement, reorganization, bankruptcy or liquidation of or in respect of either or both of the Borrowers, and no such event shall lessen, release or discharge the obligations of the Guarantors hereunder.

7.4 **Obligations Unconditional**

The obligations of the Guarantors under this Article are absolute, unconditional and irrevocable, irrespective of the value, genuineness, validity, regularity or enforceability of the Secured Obligations, or any substitution, release or exchange of any other guarantee or security for any of the Secured Obligations, and to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that none of the following shall release, alter, lessen, abate, reduce or impede the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

- (a) the Administrative Agent or any Lender or Hedge Lender agreeing to any renewal, extension, increased commitment, change, variation, alteration, restatement, waiver, modification, release or discharge in or in respect of the Secured Obligations, or anything done, suffered or permitted by the Administrative Agent or any Lender in relation to the Secured Obligations, including any amendment or change in the manner, time, place or calculation of payment of the Secured Obligations, including increases or decreases in principal, interest rates, fees or other obligations;
- (b) time or any indulgence being given to the Borrowers or either of them or any other Person by the Administrative Agent or any Lender or Hedge Lender;

- (c) the merging of the Secured Obligations or other obligations of the Borrowers or either of them in, or any alteration thereof by virtue of, any subsequent agreement or amending agreement;
- (d) the Administrative Agent or any Lender or Hedge Lender agreeing to any compromise, settlement, proposal, arrangement or plan of reorganization affecting the Borrowers or either of them or any other Person;
- (e) the Administrative Agent or any Lender or Hedge Lender agreeing to the release of any Person liable directly or as surety or otherwise for the Secured Obligations or any part thereof, or the addition of any guarantor, endorser or surety;
- (f) the Administrative Agent or any Lender or Hedge Lender failing or omitting to, or refraining from, taking any action to enforce any Loan Document, Hedge Agreement or any rights or remedies thereunder or proving the claim or part of the claim of the Administrative Agent or any Lender or Hedge Lender in any liquidation, bankruptcy, winding-up, compromise, arrangement or other proceeding relating to either or both of the Borrowers or any other Person;
- (g) the lack of validity, enforceability, provability or collectability (in whole or in part) for any reason of, or any informality, defect or irregularity in or omission from, the Secured Obligations or any impossibility, impracticability, frustration, illegality, fraud, forgery, *force majeure*, act of government or change in applicable laws, or the loans or advances constituting the Secured Obligations having been made in excess of the power of the Administrative Agent or any Lender or Hedge Lender or in contravention of any of their governing statutes or constating documents;
- (h) any common law or statute bar on enforcement of the whole or any part of the Secured Obligations;
- (i) any marshalling of assets and liabilities;
- (j) any notice by a Guarantor purporting in any way to limit its liability hereunder in respect of any Secured Obligations, whether arising prior or subsequent to such notice;
- (k) any failure or lack of diligence on the part of the Administrative Agent or any Lender or Hedge Lender to examine, inspect, investigate, monitor or take any other steps in connection with obligations of the Borrowers or either of them under any Loan Document or Hedge Agreement, including in respect of environmental matters;
- (l) any limitation on the amount guaranteed by any Person of or in respect of the Secured Obligations or the lack of validity or the unenforceability of this guarantee against any other Guarantor for any reason;
- (m) the Hedge Obligations not being in respect of Permitted Hedging; or
- (n) any other event, circumstance, occurrence or contingency which might otherwise constitute a legal or equitable defence available to, or discharge of, the

Guarantor, either or both of the Borrowers or any other Person of or in respect of the Secured Obligations;

in each case regardless of how substantial, fundamental or material such event or circumstance mentioned above may be, or however prejudicial it may be to a Guarantor, and without any requirement for notice to any Guarantor of any of such event or circumstance.

7.5 Security for Secured Obligations

(a) Without limiting the generality of Section 7.4, the Administrative Agent and each Lender and Hedge Lender shall be at liberty (without in any way prejudicing or affecting their rights hereunder) from time to time to receive such security for the Secured Obligations or any part thereof as they may deem proper, and may give-up, vary, exchange, release, surrender, discharge, waive, postpone, subordinate, abandon or otherwise deal with or fail to deal with such security or any part thereof or property covered thereby or allow the Borrowers or either of them or others to deal with the property covered thereby, all as the Administrative Agent and the Lenders may consider expedient or appropriate.

(b) The Administrative Agent and each Lender may, without exonerating in whole or in part any Guarantor, abstain from perfecting or registering, or from continuing any such perfection or registration of, or from taking advantage of, any security or the provisions of any applicable laws relating thereto.

(c) The Administrative Agent and each Lender may realize or refrain from realizing upon any security when, and in such manner, as they deem expedient, and each Guarantor waives any right it may have to receive notice of any actions or proceedings taken in respect thereof.

(d) None of (i) any loss of or in respect of any security or the property covered thereby, whether occasioned by the fault, omission, carelessness, negligence or recklessness of the Administrative Agent or any Lender or Hedge Lender or otherwise (including improvident or improper handling, collection or realization thereof or thereunder), (ii) the failure by the Administrative Agent or any Lender or Hedge Lender, in whole or in part, to put or keep itself in a position to deliver the security or any of it to a Guarantor on payment of the Secured Obligations, or (iii) any release, modification or waiver of, or failure, omission, delay, neglect, refusal or lack of diligence to enforce, any right, benefit, privilege or interest under any contract or agreement under which the rights of the Borrowers or either of them have been collaterally or absolutely assigned or in which a security interest has been granted, shall in any way limit, lessen or release or otherwise abate the liability of any Guarantor hereunder.

7.6 Dealing with the Borrowers

It is the intent of the Guarantors and the Lenders that the Administrative Agent and each Lender may discontinue, reduce, increase or otherwise vary the credit of the Borrowers or either of them and otherwise deal, in the broadest sense of that word, with each or both of the Borrowers and any other Person, as they may see fit, all without prejudice to or in any way limiting or lessening any Guarantor's liability hereunder and without necessity for obtaining the consent of or giving notice to any Guarantor.

7.7 Notices not Required

The Administrative Agent, the Lenders and any other Person shall have no duty or obligation to notify, on a timely basis or otherwise, any Guarantor of (i) any Default or similar event under any Loan Document, or any renewal, extension, supplement, modification, rearrangement, amendment, restatement, replacement, cancellation, rescission, revocation or reinstatement (whether or not material), (ii) any assignment of any part of the Secured Obligations or Loan Document, (iii) any release or exchange of any security, (iv) any action taken or not taken by the Administrative Agent or any Lender or any other Person against the Borrowers or either of them or other Person, (v) any new agreement between the Administrative Agent, any Lender or the Borrowers or either of them or any other Person, or (vi) any other event or circumstance whatsoever.

7.8 Not Bound to Exhaust Recourse

This is a guarantee of payment and not collection only. Each of the Guarantors expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any other Guarantors under the Loan Documents and Hedge Agreements, or against any other Person under any other guarantee of, or security for, any of the Secured Obligations. Each Guarantor agrees that its obligations pursuant to this Article shall not be affected by any assignment or participation entered into by any Lender pursuant to Section 14.6 hereof.

7.9 Reinstatement

The obligations of the Guarantors under this Article shall be automatically reinstated if and to the extent that for any reason any payment in respect of the Secured Obligations is rescinded or must be otherwise restored by any holder of any of the Secured Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantors jointly and severally agree that they will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including reasonable fees of counsel on a solicitor and own client basis) incurred by any of them in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

7.10 Subrogation

Until all Secured Obligations have been irrevocably paid in full and the Total Commitment has been terminated, each Guarantor waives all rights of subrogation or contribution, whether arising by contract or operation of law or otherwise, by reason of any payment by it pursuant to the provisions of this Article.

7.11 Remedies

The Guarantors agree that, as between the Guarantors and the Lenders, the obligations of the Borrowers or either of them under the Loan Documents may be declared to be forthwith due and payable as provided in Section 11.1 hereof (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 11.1) notwithstanding any stay, injunction or other prohibition preventing such declaration (or such

obligations from becoming automatically due and payable) as against the Borrowers or either of them, and that in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by both or either of the Borrowers) shall forthwith become due and payable by the Guarantors for purposes of this Article.

7.12 **Security**

(a) **Existing Security.** As continuing collateral security for the payment and performance of the Guaranteed Obligations:

- (i) the Borrowers have granted to the Administrative Agent debenture amending agreements increasing the principal amount secured by the Borrowers' Debenture to \$225,000,000; and;
- (ii) the Borrowers have caused the Current Guarantors to grant to the Administrative Agent debenture amending agreements increasing the principal amount secured by the Current Guarantors' Debentures to \$225,000,000.

(b) **Future Security.** TTL and each of the Borrowers undertake to cause each Material Subsidiary (excluding the Current Guarantors), when they become Material Subsidiaries, to grant to the Administrative Agent as security for the payment and performance of the Guaranteed Obligations, debenture security in the form of the Debenture Form, and to provide or cause to be provided all such supporting legal opinions, directors or partners resolution and officers certificates and other documentation as the Administrative Agent and its legal counsel, acting reasonably, may require.

7.13 **Pari Passu Sharing of Security**

For purposes of sharing the benefit of the Security the Obligations and Hedging Obligations shall rank *pari passu* such that any proceeds resulting from the enforcement thereof shall be paid to the Lenders and the Hedge Lenders in proportion that the principal amount of the Obligations and Hedging Obligations are to the aggregate thereof after firstly paying (i) all expenses and costs incurred by the Administrative Agent in regard the enforcement of such Security, (ii) then all costs and expenses then due and payable to the Administrative Agent under this Agreement, (iii) then any fees payable under this Agreement which are due and outstanding, and (iv) then outstanding and overdue interest on any Loans, including Swingline Loans. Any monies received by a Lender or the Administrative Agent under or in respect of any Security shall be held in trust for the benefit of the Lenders and Hedge Lenders hereunder and paid in accordance with this Section for which purpose the Lender of a Hedge Lender shall be the lawful agent and attorney of such Hedge Lender.

7.14 **Secured Hedging Obligations**

If requested by any of the Administrative Agent or any Hedge Lender, then each of the Administrative Agent and the Hedge Lenders will enter into such further intercreditor agreements and assurances as may be reasonably requested to further evidence the sharing provisions of Section 7.13, provided that the following principles form part thereof:

- (a) a Hedge Lender cannot elect to enforce the Security unless the Majority Lenders have elected to enforce the Security in accordance with Section 11.1;
- (b) any matter or thing done or omitted to be done by a Lender under or in respect of this Agreement, the Security or the other Loan Documents will be binding upon the Hedge Affiliate of such Lender and each Lender does hereby indemnify and save the other Lenders and the Administrative Agent harmless from any and all claims, demands or actions that a Hedge Affiliate of such Lender may have against the other Lenders and the Administrative Agent for any matter or thing done or omitted to be done by any of them under and in respect of this Agreement, the Security and the other Loan Documents;
- (c) a Hedge Lender (in such capacity) will under no circumstances be considered to be a Lender for the purposes of this Agreement and will not be entitled to vote or to receive any notices hereunder;
- (d) if the Administrative Agent accelerates the Obligations pursuant to Section 11.1, each Hedge Lender will promptly take all such steps as may be reasonably required to ensure that a Hedge Crystallization Event occurs in respect of all of its outstanding Lender Hedge Agreements;
- (e) subject to Section 7.13, if any Lender Hedge Agreements remain outstanding after the Obligations are fully paid and satisfied and the Credit Facilities are cancelled, the Administrative Agent shall discharge the Security; provided that:
 - (i) at the request of any Hedge Lender, but subject to (iv) below, the Borrower will promptly enter into margin arrangements with such Hedge Lender which will require the Borrower to promptly provide such Hedge Lender with a pledge of cash or marketable securities with an aggregate value not less than the aggregate Hedge Obligations then owing to such Hedge Lender from time to time (to be determined as if a Hedge Crystallization Event had occurred);
 - (ii) at the request of any Hedge Lender, but subject to (iv) below, the Borrower agrees to amend its ISDA Master Agreement with such Hedge Lender to reflect the provisions of (i) above;
 - (iii) the provisions in (i) and (ii) above shall survive repayment of the Obligations and termination of the Credit Facilities; and
 - (iv) any Hedge Lender may elect to expressly override the provisions in (i) and (ii) above in its ISDA Master Agreement (or in any amendment thereto) by expressly contemplating the discharge of the Security and the consequences thereof; provided that no such election shall affect the rights of any other Hedge Lender.

7.15 **Hedge Lenders**

Each Lender hereby confirms to and agrees with the Administrative Agent and the other Lenders as follows:

- (a) Such Lender is, for the purpose of securing the Hedge Obligations owing to or in favour of a Hedge Affiliate pursuant the Security, executing and delivering this Agreement both on its own behalf and as agent for and on behalf of such Hedge Affiliate; and
- (b) The Administrative Agent shall be and is hereby authorized by each such Hedge Lender to hold the Security on behalf of such Hedge Affiliate as security for the Hedge Obligations owing to or in favour of it in accordance with the provisions of the this Agreement.

7.16 **Borrowers as Guarantors**

Without derogating from Section 1.5 and notwithstanding the terms and conditions and other Loan Documents, any Hedge Agreement or any agreement, instrument or other documents pertaining to Bank Products or Bank Product Obligations, each of the Borrowers hereby covenants and agrees with each Lender, Hedge Lender and the Administrative Agent and their respective successors and permitted assigns, that (i) to the extent that it is not a primary obligor of any of the Secured Obligations (including without limitation Bank Product Obligations and Hedge Obligations), it hereby jointly and severally guarantees the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) and full performance of all such Secured Obligations, as if it were a Guarantor, and (ii) in its capacity as a surety of all such Secured Obligations it shall be bound by this Article 7 which shall apply to it, *mutatis mutandis*.

ARTICLE 8
CONDITIONS PRECEDENT

8.1 **Conditions to Effectiveness**

This Agreement shall become effective upon the satisfaction by the Borrower or the waiver by the Lenders of each of the following conditions precedent (the time as at which such conditions precedent are satisfied or waived being the "**Effective Time**"):

- (a) as of the Effective Time, there exists no Default or Event of Default and the Agent has received a certificate of the Borrowers certifying the same;
- (b) the representations and warranties contained in Article 9 are true and correct in all material respects as of the Effective Time and the Agent has received a certificate of the Borrowers certifying the same;
- (c) the Administrative Agent has received, for distribution to each of the Lenders in form and substance satisfactory to the Agent and the Lenders, four (4) duly executed originals of the following:
 - (i) this Agreement;
 - (ii) the consolidated budget for TTL due under Section 8.1(c) for the period of January 1, 2014 through December 31, 2017;
 - (iii) an officer's certificate in respect of each of the Borrowers, each Guarantor and TTL: (1) attaching thereto, inter alia, (A) its certificate and articles of

incorporation and by-laws, partnership agreement or other constating documents, as applicable, (B) a resolution of its board of directors, trustees or similar body relating to its authority to execute, deliver and perform its obligations under the Loan Documents to which it is a party and the manner in which and by whom the foregoing Loan Documents are to be executed and delivered, and (C) specimen signatures of the individuals who will be executing the Loan Documents on its behalf; and (2) addressing such other matters as required by the Agent and its legal counsel, acting reasonably including, in the case of TTL, certification of the legal structure and ownership of each of TTL's Subsidiaries;

- (iv) an officer's certificate confirming the form of each Material Contract, to the extent not attached to the officer's certificate in respect of each of the Borrowers delivered pursuant to subsection 8.1(c)(iii);
 - (v) Certificates of Status issued under the laws of the Province of Alberta in respect of the Borrowers and each of the Current Guarantors which are corporations;
 - (vi) debenture amending agreements duly executed by the Borrowers and the Current Guarantors whereby the stated principal amount secured by the Borrowers' Debenture and the Current Guarantors' Debentures is increased to \$225,000,000;
 - (vii) an opinion of the Borrowers' legal counsel addressed to the Agent and each Lender with respect to the Borrower, each Guarantor and this Agreement, in form and substance satisfactory to the Agent and the Lenders, acting reasonably;
 - (viii) an opinion of Gowling Lafleur Henderson LLP, legal counsel to the Agent and the Lenders, addressed to the Agent and each Lender, in form and substance satisfactory to the Agent and the Lenders, acting reasonably; and
 - (ix) such other documents and documentation which the Agent may reasonably request.
- (d) prior to or concurrently with the execution of this Agreement, the Borrower shall have paid all fees which are then due which have been agreed to be paid by it in connection herewith to the Agent and the Lenders

8.2 **All Extensions of Credit**

The obligation of the Lenders to advance any Loans hereunder is subject to the conditions precedent that, both immediately prior to the making of such Loans, and also immediately after giving effect thereto and to the intended use thereof:

- (a) **Notice:** except in the case of a Swingline Loan, the Administrative Agent shall have received a request for the advance of the Loan in accordance with Section 2.6;

- (b) No Default: no Event of Default shall have occurred and be continuing;
- (c) Representations Correct: the representations and warranties made by the Borrowers in Article 9 hereof, and by each Obligor in each of the other Loan Documents to which it is a party, shall be true and correct in all material respects (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);
- (d) Outstandings: the Equivalent Amount in Canadian Dollars of Outstandings shall not exceed the Total Commitment; and
- (e) Exchange Rate Deficiency: no Exchange Rate Deficiency shall exist that has not been provided for under Section 2.11.

ARTICLE 9

REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants to the Lenders and the Administrative Agent (which representations and warranties shall be deemed to be repeated on each Loan advance) that:

9.1 Existence

Each of the Obligors: (a) is a corporation, partnership or other entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite corporate or partnership power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted; (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary, and where failure so to qualify would reasonably be expected to have a Material Adverse Effect; and (d) is in compliance with all applicable laws, statutes, rules and regulations, and all orders and decrees of all Governmental Authorities having jurisdiction over it, where failure so to be in compliance would reasonably be expected to have a Material Adverse Effect.

9.2 Litigation

As at the date hereof, there are no proceedings by or before any Governmental Authority now pending or, to the knowledge of the Borrowers, threatened against the Obligors which, if adversely determined, would reasonably be expected to have a Material Adverse Effect, and there is no action, suit, investigation or proceeding pending or, to the knowledge of either of the Borrowers, threatened against any of the Obligors which purports to challenge or affect the validity or enforceability of any Loan Document.

9.3 No Breach or Conflict

None of the execution and delivery of the Loan Documents to which any Obligor is a party, the consummation of the transactions herein and therein contemplated or compliance with the terms and provisions hereof and thereof will (a) conflict with or result in a breach of, or require any consent under, the charter or by laws or other constitutive document of such Obligor, or any applicable law, rule or regulation, or any order, writ, injunction or decree of any

Governmental Authority, or any agreement or instrument to which either of the Borrowers or any of the Guarantors is a party or by which any of them or any of their Property is bound or to which any of them is subject, or (b) constitute a default under any such agreement or instrument, or (c) result in the creation or imposition of any Lien upon any Property of either of the Borrowers or of any of the Guarantors pursuant to the terms of any such agreement or instrument.

9.4 **Due Execution and Enforceability**

Each Obligor has all necessary corporate or partnership power, authority and legal right to execute, deliver and perform its obligations under each of the Loan Documents to which it is a party; the execution, delivery and performance by each Obligor of each of the Loan Documents to which it is a party have been duly authorized by all necessary corporate or partnership action on its part (including any required shareholder or partner approvals); and this Agreement has been duly and validly executed and delivered by each Obligor and constitutes, and each of the other Loan Documents to which it is a party when executed and delivered by such Obligor will constitute, its legal, valid and binding obligation, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights, and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

9.5 **Approvals**

No authorizations, approvals or consents of, and except in respect of those required to perfect and protect any security interests granted by the Security no filings or registrations with, any Governmental Authority, including any securities exchange, are necessary for the execution, delivery or performance by any Obligor of the Loan Documents to which it is a party or for the legality, validity or enforceability thereof.

9.6 **Taxes**

Each of the Obligors have filed all Canadian federal and provincial, and all U.S. federal, state and local, income and franchise tax returns, as applicable, and all other tax returns that are required to be filed by them and have paid all taxes and withholdings due pursuant to such returns or pursuant to any assessment received by any Obligor, in each case except to the extent failure to file or pay would not reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of each of the Obligors in respect of taxes and other governmental charges are, in the opinion of each Obligor, adequate. No Obligor has given or been requested to give a waiver of the statute of limitations relating to the payment of federal, provincial, state, local and foreign taxes or other impositions.

9.7 **Environmental Matters**

(a) **Environmental Compliance:** Except where, individually or in the aggregate, no Material Adverse Effect would reasonably be expected to result therefrom:

- (i) each Obligor is in compliance with Environmental Laws, and the condition and use of their property are in compliance with Environmental Laws;

- (ii) no Obligor is subject to any environmental protection order or enforcement order under any Environmental Law;
- (iii) no Obligor is the subject of any proceeding of any Governmental Authority alleging the violation of any Environmental Law, or that may lead to a claim or order for clean-up costs, remedial work, reclamation, conservation, damage to natural resources or personal injury, or that may lead to, or which would reasonably be expected to result in the issuance of a stop-work order, environmental protection order, enforcement order, suspension order, control order, prevention order or clean-up order pursuant to such laws;
- (iv) no Obligor is the subject of any federal, provincial, state, local or foreign review, audit or investigation which may lead to a proceeding referred to in clause (iii);
- (v) no Obligor is aware of any of their predecessors in title to any of their property being the subject of any order referred to in clause (ii), or any federal, provincial, state, local or foreign review, audit or investigation which would reasonably be expected to lead to a proceeding referred to in clause (iii);
- (vi) none of the property of any Obligor is (or could reasonably be expected to be) designated as a "contaminated site" or has an equivalent designation under Environmental Laws;
- (vii) no Obligor is subject to any action, suit, claim or proceeding by any Person (other than by a Governmental Authority) relating to non-compliance with any Environmental Law or to a Release on any property or in the environment;
- (viii) no Obligor is aware of their respective property ever having been the subject of any non-compliance of any Environmental Law, or any order referred to in clause (ii), or any proceeding of the nature referred to in clause (iii), or any review, audit or investigation of the nature referred to in clauses (iv) or (v), or any designation of the nature referred to in clause (vi), or any action, suit, claim or proceeding of the nature referred to in clause (vii); and
- (ix) no Obligor is aware of any Person which is acting or has acted on their behalf, or for which they would reasonably be expected to have any liability under Environmental Laws, violating any Environmental Laws;

(b) Environmental Permits: except where, individually or in the aggregate, no Material Adverse Effect would reasonably be expected to result therefrom, each Obligor has obtained and continue to hold all approvals, permits, licenses, consents, certificates of variance, certificates of qualification and other authorizations which are necessary or advisable under Environmental Laws;

(c) Environmental Disclosure: no Obligor has any material contingent liability of which they have knowledge or reasonably should have knowledge in connection with any

Release into the environment which would reasonably be expected to have a Material Adverse Effect and no Hazardous Materials have been released on their real property (whether by any Obligor or to its knowledge, any predecessor in title), or now exist thereon, in a manner contrary to Environmental Laws and which would reasonably be expected to have a Material Adverse Effect; no Obligor directly or indirectly generates, treats, recycles or disposes of Hazardous Materials, other than incidentally to the conduct of its business as described in Section 10.13; and

(d) Environmental Risk Management: each Obligor has implemented and are now maintaining a prudent periodic program for environmental risk management in accordance with industry standards for comparable entities, including allocating sufficient officers and employees and officer/employee time to environmental matters, developing employee expertise, conducting training exercises, carrying out site inspections and audits, developing contingency plans, developing and predetermining a prompt and effective emergency response, maintaining awareness of Environmental Laws, industry standards, policies and initiatives, evaluating contractors, evaluating prospective tenants or purchasers of its property as potential handlers of Hazardous Materials and maintaining pollution prevention systems.

9.8 **Material Subsidiaries Etc.**

(a) Listing of Material Subsidiaries. Set forth in Schedule D hereto is a complete and correct list, as of the Effective Date, of all Material Subsidiaries of Trimac Transportation, together with, for each such Material Subsidiary, (i) the jurisdiction of organization of such Material Subsidiary, (ii) each Person holding ownership interests in such Material Subsidiary, and (iii) the nature of the ownership interests held by each such Person and the percentage of ownership of such Material Subsidiary represented by such ownership interests.

(b) Share Ownership. Except as disclosed in such Schedule D and subject to share sales permitted by Section 10.7 hereof, (i) each of Trimac Transportation and the Material Subsidiaries owns, free and clear of Liens, and has the unencumbered right to vote, all outstanding ownership interests in each Material Subsidiary shown to be held by it in such Schedule, (ii) all of the issued and outstanding Capital Stock of each such Material Subsidiary is validly issued, fully paid and non-assessable, and (iii) there are no outstanding equity rights with such Material Subsidiary.

(c) No Other Holdings by TTSL. TTSL has no Subsidiaries other than: (i) LCL; and (ii) Trimac Transportation and its Subsidiaries and beneficially owns no assets or property of a material nature other than: (w) its equity interests in LCL; (x) its general partnership interest and its limited partnership interest in Trimac Transportation; (y) debt and other receivables owed to it by Trimac Transportation and its Subsidiaries; and (z) cash and tax refunds due to it.

(d) Partners of Trimac Transportation. The only general partner of Trimac Transportation is TTSL and the only limited partners of Trimac Transportation are TTL and TTSL.

(e) Shareholders of TTSL. The sole Shareholder of TTSL is TTL.

9.9 **True and Complete Disclosure**

With respect to the Obligors, neither this Agreement, nor any other document, certificate or statement furnished to any Lender by an Obligor or its agents in connection herewith contains any untrue statement of a material fact or omits to state a material fact

necessary in order to make the statements contained herein or therein not misleading. There is no fact or facts peculiar to any Obligor (excluding conditions general to the industries in which they carry on business) which, individually or in the aggregate, materially adversely affects or in the future would reasonably be expected (so far as the Borrowers can now foresee) to materially adversely affect the business or assets, or financial condition of the Obligors taken as a whole and which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to the Lenders by or on behalf of the Borrowers in connection with the transactions contemplated hereby prior to the date on which this representation is made or confirmed as contemplated hereby (it being acknowledged that any future projections provided to the Lenders, while based on estimates the Borrowers believe to be reasonable, are not warranted to be correct by the Obligors hereunder).

9.10 **Title to Properties**

Each of the Obligors owns its Properties free and clear of all Liens except those permitted by Section 10.8 hereof, and free and clear of all defects in title except Permitted Title Defects. All leases, licenses, franchises, permits, consents and authorizations necessary for the conduct of the respective businesses of the Obligors are valid and subsisting and are in full force and effect except to the extent that any failure to hold any of the foregoing would not reasonably be expected to have a Material Adverse Effect.

9.11 **Pari Passu**

All payment obligations of the Obligors under the Loan Documents rank at least pari passu in priority of payment with the other Debt of the Obligors, as applicable, subject only to the secured rights of the holders of valid Liens permitted by Section 10.8 for Debt owed to them.

9.12 **No Default**

No Default has occurred and is continuing as at the date hereof, nor, except as notified to the Lenders pursuant to Section 10.1(d), is a Default subsisting as at the date of any repetition or deemed repetition of this representation.

9.13 **Intellectual Properties**

All patents, patent applications, copyrights, copyright applications, trade secrets, trade names and trademarks, technologies, methods, processes or other proprietary properties or information (collectively "Intellectual Properties") which are used by any of the Obligors in the conduct of their respective businesses are either owned by such Obligor or are used, employed or practised by such Obligor under valid and existing licenses, grants, "shop rights", or other rights, except, in any such case, as would not reasonably be expected to have a Material Adverse Effect. As at the date hereof, none of the Obligors has received a notification of infringement of any patent, copyright, trademark or trade name, or any application therefor from any Person which involves any design, discovery, invention, process, formula, method, trade secret, technology, mark or logo which, individually or in the aggregate, is material to the business and operations of either of the Obligors taken as a whole. No officer, director or employee of any of the Obligors owns or has any interest in any trademark, trade name, patent, copyright, any application therefor, or trade secret, invention or process, if any, used by either of the Obligors in connection with their businesses.

9.14 **Labour and Employee Relations Matters**

As at the date hereof no Obligor is or expects to be the subject of any union organizing activity or material labour dispute and no Obligor has violated any applicable federal, provincial or state law or regulation relating to labour or labour practices, except, in all cases, for any such organizing activity, labour disputes and violations which would not reasonably be expected to have a Material Adverse Effect.

ARTICLE 10
COVENANTS

Each Obligor covenants and agrees with the Administrative Agent and the Lenders that, so long as any Commitment is available or Loan is outstanding and until payment in full of all Obligations by the Obligors hereunder:

10.1 **Financial Statements, Etc.**

The Borrowers shall (on their own behalf and on behalf of each of the other Obligors, as applicable) deliver to the Administrative Agent and each of the Lenders:

- (a) **Quarterly Statements:** as soon as available and in any event within 45 days after the end of each quarterly fiscal period of each fiscal year of TTL, consolidated statements of income, retained earnings and cash flows of TTL, for such period and for the period from the beginning of the fiscal year to the end of such period, and the related consolidated balance sheets of TTL as at the end of such period, setting forth in comparative form the corresponding consolidated figures for the corresponding period in the preceding fiscal year, accompanied by a certificate of a senior financial officer of TTL, which certificate shall state that:
 - (i) all such consolidated financial statements fairly present the consolidated financial condition and results of operations of TTL;
 - (ii) all such financial statements are materially correct;
 - (iii) all such financial statements have been prepared in accordance with GAAP as at the end of, and for, such period (subject to normal year end audit adjustments); and
 - (iv) except as disclosed in such certificate, no event or circumstance has occurred since the date of the last certificate delivered pursuant to this clause or clause (b), whichever is later, that has had or would reasonably be expected to have a Material Adverse Effect;
- (b) **Annual Statements:** as soon as available and in any event within 90 days after the end of each fiscal year of Trimac Transportation:
 - (i) the following financial statements:
 - (A) consolidated statements of income, retained earnings and cash flows of TTL and related consolidated balance sheets of TTL;

- (B) combined statements of income, retained earnings and cash flow of Trimac Transportation and TTSI and the combined balance sheet for Trimac Transportation (prepared on a consolidated basis) and TTSI for such fiscal year;
- (C) unconsolidated statements of income, retained earnings and cash flows of each Obligor other than TTL for such fiscal year, and the related unconsolidated balance sheets of each such Obligor as at the end of such fiscal year; and
- (D) consolidating working papers setting out the consolidated statements of income, retained earnings and cash flows and a consolidated balance sheet for TTL and the Investments Without Control.

in each case setting forth in comparative form the corresponding consolidated combined or unconsolidated figures, as applicable, for the preceding fiscal year;

- (ii) a certificate of a senior financial officer of TTL, which certificate shall state that:
 - (A) all of the financial statements delivered by the Borrowers pursuant to Section 10.1(b)(i) fairly present the consolidated, combined or unconsolidated (as applicable) financial condition and results of operations of the respective entities to which such financial statements relate;
 - (B) all such financial statements are materially correct;
 - (C) all such financial statements have been prepared in accordance with GAAP as at the end of, and for, such fiscal year; and
 - (D) except as disclosed in such certificate, no event or circumstance has occurred since the date of the last certificate delivered pursuant to this clause or clause (a), whichever is later, that has had or would reasonably be expected to have a Material Adverse Effect;
- (iii) in respect of the financial statements delivered by the Borrowers pursuant to Section 10.1(b)(i)(A) an unqualified audit quality opinion thereon of independent accountants of recognized national standing, which opinion shall state that said financial statements fairly present the consolidated or unconsolidated (as applicable) financial condition and results of operations for the respective entities as at the end of, and for, such fiscal year in accordance with GAAP;
- (iv) in respect of the financial statements described in Section 10.1(b)(i)(C) a "Notice to Reader" report provided by the same independent accountants who provided the audit opinion required to be delivered by the Borrowers pursuant to Section 10.1(b)(iii); and

- (v) the consolidating working papers of Trimac Transportation and its Subsidiaries disclosing the basis upon which the consolidated financial statements of Trimac Transportation referred to in Section 10.1(b)(i)(B) were prepared.
- (c) Budgets: as soon as available and in any event within 45 days after the end of every fiscal year of TTL, including each of its Subsidiaries, commencing with the fiscal year ending December 31, 2010, a consolidated budget of TTL for the next following four (4) fiscal years, each such budget in reasonable detail and setting forth all material assumptions made in developing such budget;
- (d) Notice of Default: promptly after any Obligor knows or has reason to believe that any Default has occurred, a notice of such Default describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that any Obligor has taken or proposes to take with respect thereto;
- (e) Notice of Debt Default: promptly after any Obligor knows or has reason to believe that any default has occurred with respect to any Debt of any Obligor which in the aggregate exceeds Cdn.\$2,500,000 (or its equivalent in any other currency), a notice of such default describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that any Obligor has taken or proposes to take with respect thereto;
- (f) Notice of Material Adverse Effect: promptly after any Obligor knows or has reason to believe that any event or circumstance has occurred which has had or would reasonably be expected to have a Material Adverse Effect, a notice thereof describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that any Obligor has taken or proposes to take with respect thereto; and
- (g) Other Information: from time to time such other information regarding the financial condition, operations, business, prospects or Properties of TTL, Trimac Transportation, TTSI or any Material Subsidiaries as any Lender or the Administrative Agent may reasonably request.

The Borrowers shall furnish to the Administrative Agent, at the time it furnishes each set of financial statements pursuant to paragraph (a) and (b) above, a compliance certificate of a senior financial officer of the General Partner (i) to the effect (among other things) that no Default has occurred and is continuing (or, if any Default has occurred and is continuing, describing the same in reasonable detail and describing the action that the Borrowers have taken or proposes to take with respect thereto), and (ii) setting forth in reasonable detail the computations necessary to determine whether the Borrowers are in compliance with Sections 10.7, 10.8 (as to paragraphs (e), (f) and (i) of the definition of "Permitted Encumbrances"), 10.10, 10.11 and 10.12 hereof as of the end of the respective quarterly fiscal period, such certificate to be substantially in the form of Schedule "H".

10.2 Litigation

The Borrowers shall promptly give to each Lender notice of all proceedings by or before any Governmental Authority affecting any Obligor, where such proceedings could, if

adversely determined, result in a judgment or award against such Obligor in excess of Cdn.\$5,000,000 or its Equivalent Amount in any other currency (or would require an expenditure in excess of such amount), but excluding any motor vehicle accidents or cargo claims which are fully covered by insurance and where the insurer has not denied coverage therefor. In addition, Trimac Transportation will give to each Lender notice of the assertion of any Environmental Claim by any Person against, or with respect to the activities of, each of the Obligors and notice of any alleged violation of or non compliance with any Environmental Laws or any permits, licenses or authorizations, other than those which would not reasonably be expected to have a Material Adverse Effect.

10.3 **Anti-Money Laundering Legislation**

(a) The Borrowers acknowledge that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" Laws (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Lenders and the Administrative Agent may be required to obtain, verify and record information regarding each Borrower, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of a Borrower, and the transactions contemplated hereby. Each Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Administrative Agent, or any prospective assignee or participant of a Lender or the Administrative Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If the Administrative Agent has ascertained the identity of a Borrower or any authorized signatories of the Borrower for the purposes of applicable AML Legislation, then the Administrative Agent:

- (i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Administrative Agent within the meaning of applicable AML Legislation; and
- (ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that the Administrative Agent has no obligation to ascertain the identity of a Borrower or any authorized signatories of a Borrower on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from a Borrower or any such authorized signatory in doing so.

10.4 **Existence Etc.**

The Borrowers shall, shall cause the Material Subsidiaries to and, in the case of TTL, TTL agrees that it shall:

- (a) **Maintain Existence:** preserve and maintain its legal existence and all of its material rights, privileges, licenses and franchises, provided that nothing in this

Section shall prohibit any transaction expressly permitted under Section 10.6 or 10.7 hereof;

- (b) Comply with Laws: comply with the requirements of all applicable laws, rules, regulations and orders of Governmental Authorities if failure to comply with such requirements would reasonably be expected to have a Material Adverse Effect;
- (c) Taxes: pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained, or the non-payment of which would not reasonably be expected to have a Material Adverse Effect;
- (d) Maintain Property: maintain all of their Properties used or useful in its business in good working order and condition, ordinary wear and tear excepted;
- (e) Proper Records: keep adequate records and books of account, in which complete entries will be made in accordance with GAAP;
- (f) Inspection: permit representatives of any Lender or the Administrative Agent, at their own risk during normal business hours (and during the continuance of a Default, at the expense of the Borrowers) to examine, copy and make extracts from its books and records, to inspect any of its Properties, and to discuss its business and affairs with its officers, all to the extent reasonably requested by the Lender or the Administrative Agent, as the case may be;
- (g) Licenses: promptly obtain from time to time at its own expense and at all times maintain in full force and effect without any material modification or amendment, all such governmental licenses, authorizations, registrations, consents, permits and approvals as may be required for it or the Material Subsidiaries to comply with its obligations, and preserve its rights under, each of the Loan Documents;
- (h) Regulatory Filings: make all regulatory filings required by applicable laws or Governmental Authorities, including material change reports, if failure to do so would reasonably be expected to have a Material Adverse Effect; and
- (i) Constituting Documents: not alter its articles, by-laws or other constituent documents in any manner that would reasonably be expected to have a Material Adverse Effect.

10.5 Insurance

The Borrowers shall, and will cause each of the Material Subsidiaries to, and TTL, in respect of itself agrees to, keep insured by financially sound and reputable insurers all their Properties of a character usually insured by corporations or partnerships engaged in the same or similar business similarly situated against loss or damage of the kinds and in the amounts customarily insured against by such corporations and carry such other insurance as is usually carried by such corporations or partnerships or as is required by law.

10.6 **Merger; Sale or Disposition of All or a Significant Part of its Assets**

Neither of the Borrowers shall, and shall not permit any Material Subsidiary to, and TTL agrees not to enter into any transaction or series of related transactions whereby all or any significant part of its assets would become the property of any other Person, whether by way of reorganization, consolidation, amalgamation, arrangement, winding-up, merger, transfer, sale, Sale-Leaseback, or otherwise, without the prior written consent of the Majority Lenders, such consent not to be unreasonably withheld, except that:

- (a) Material Subsidiary with Trimac Transportation: any Material Subsidiary may combine or consolidate with or merge or be wound up into Trimac Transportation, provided that the successor entity shall expressly assume, by an agreement satisfactory in substance and form to the Administrative Agent, acting reasonably, the obligations of the predecessors under the Loan Documents to which it is a party (the Administrative Agent may require the Borrowers to deliver a favourable opinion of their legal counsel acceptable to the Administrative Agent in this regard, and in regard to withholding tax matters, satisfactory in form and substance to the Administrative Agent, acting reasonably); and
- (b) Material Subsidiaries with each other: any Material Subsidiary may amalgamate or consolidate with or merge or be wound up into any one or more other Material Subsidiaries, provided that the successor entity continues to be a Wholly-Owned Subsidiary and a Material Subsidiary.

10.7 **Sale of Assets**

Except as expressly permitted by Section 10.6, the Borrowers shall not, and shall not permit any Material Subsidiary to, and TTL agrees not to sell, lease, transfer or otherwise dispose of (including by way of a Sale-Leaseback), any assets of the Borrowers or any Material Subsidiary (which may include all of the shares of a Material Subsidiary) to any Person, except that:

- (a) Trimac Transportation and the Material Subsidiaries may make Permitted Dispositions,
- (b) Trimac Transportation and the Material Subsidiaries may sell, lease, transfer or otherwise dispose of any of their assets, in addition to Permitted Dispositions, provided that:
 - (i) such assets are sold, leased, transferred or disposed of on an arms length basis for proceeds not less than their fair market value at the time of such disposition;
 - (ii) I) such assets plus (II) all other assets of Trimac Transportation and the Material Subsidiaries sold, leased, transferred or otherwise disposed of during the then current fiscal year (other than by way of Permitted Dispositions), have an aggregate net book value of not more than 10% of Consolidated Total Assets determined as at the end of Trimac Transportation's most recently completed fiscal year; and

- (iii) no Default has occurred and is continuing or would exist if such disposition is effected.

10.8 **Negative Pledge**

Except for the Security, the Borrowers shall not, shall not permit any of the Material Subsidiaries to, and, in the case of TTL, TTL agrees not to create, incur, assume or suffer to exist any Lien upon any of their respective Properties, whether now owned or hereafter acquired, except for Permitted Encumbrances. The designation of any lien as a Permitted Encumbrance in this Agreement or any other Loan Document is not, and shall not be deemed to be, an acknowledgement by the Lenders that the lien shall have priority over any interest of the Lenders in the property of Trimac Transportation, any of the Material Subsidiaries, or TTSL.

10.9 **Restriction on Debt and Liens**

The Borrowers shall not, shall not permit any of the Material Subsidiaries to and, in the case of TTL, TTL agrees not to enter into any indenture, agreement, instrument or other arrangement (other than the Note Agreement) that, directly or indirectly, prohibits or restrains, or has the effect of prohibiting or restraining, or imposes materially adverse conditions upon, the payment of Debt owing by the Borrowers under this Agreement or the granting of Liens.

10.10 **Consolidated Total Debt to Consolidated EBITDA**

TTL and the Borrowers agree not to permit the ratio of Consolidated Total Debt to Consolidated EBITDA:

- (a) for any period of four consecutive fiscal quarters ending on March 31, September 30 or December 31 of any year to exceed 3.25:1.0; and
- (b) for any period of four consecutive fiscal quarters ending on June 30 of any year to exceed 3.50:1.0.

10.11 **Debt Coverage Ratio**

TTL and the Borrowers shall ensure that the Debt Coverage Ratio equals or exceeds 1.50 to 1.0 for each period of four consecutive fiscal quarters (as reported at the end of each fiscal quarter of TTL).

10.12 **Consolidated Total Assets/EBITDA of Material Subsidiaries**

(a) TTL and the Borrowers shall ensure that the total assets of Trimac Transportation and its Material Subsidiaries (determined on a consolidated basis) and after eliminating all intercompany and Affiliate transactions, including all investments in Affiliates, and trade receivables owed by Affiliates other than those incurred in the normal course of business, at all times exceeds 85% of Consolidated Total Assets after eliminating all investments in Affiliates and trade receivables owed by Affiliates other than those incurred in the normal course of business (as reported at the end of each fiscal quarter of Trimac Transportation).

(b) TTL and the Borrowers shall ensure that earnings before interest, taxes, depreciation and amortization of Trimac Transportation and its Material Subsidiaries for the most recently completed period of 4 consecutive fiscal quarters (determined on a consolidated

basis) and after eliminating all intercompany and Affiliate transactions, exceeds 85% of Consolidated EBITDA for such period (as reported at the end of each fiscal quarter of TTL).

10.13 **Lines of Business**

TTL and the Borrowers agree that they shall not, and shall not permit any Material Subsidiary to, change in any material respect the nature of its business or operations from the provision of truck transportation services, related product storage and handling, and related logistics and other services, or the ownership of shares of any Material Subsidiary involved in any such business, nor engage directly or indirectly in any material business activity, or purchase or otherwise acquire any material property, in either case not reasonably related to or in furtherance of the conduct of its business or operations as presently carried on.

10.14 **Transactions with Affiliates**

TTL and the Borrowers agree that they shall not, and shall not permit any Material Subsidiary to, directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal with any Affiliate which is not a Obligor, except in the ordinary course of and pursuant to the reasonable requirements of Trimac Transportation or such Material Subsidiary's business and upon fair and reasonable terms that are no less favourable to Trimac Transportation or such Material Subsidiary, as the case may be, than those that could be obtained in an arm's length transaction with an unrelated third party.

10.15 **Use of Credit Facilities**

The Borrowers shall use the Credit Facility solely for general limited partnership purposes of Trimac Transportation and general corporate purposes of TTSI, capital acquisitions (whether assets or equity) if: (a) it is a Permitted Acquisition; and (b) it is in compliance with Section 1.6 and all applicable legal and regulatory requirements;

provided that neither the Administrative Agent nor any Lender shall have any responsibility as to the use of any of such proceeds, except to the extent that the Borrowers provide a direction to the Lenders to apply the Loans in the manner outlined in paragraph (a) of this Section.

10.16 **Ownership of Material Subsidiaries**

Except as permitted by Sections 10.6 and 10.7 hereof, the Borrowers shall, and shall cause each of the Material Subsidiaries to, take such action from time to time as shall be necessary to ensure that Trimac Transportation, either directly or indirectly through its Material Subsidiaries, beneficially owns at least 90% of the issued and outstanding shares or ownership interests in the capital of all Material Subsidiaries. Without limiting the foregoing, but subject to Section 10.6, none of Trimac Transportation and the Material Subsidiaries will sell, transfer or otherwise dispose of any shares of stock or ownership interests in any Material Subsidiary, other than to Trimac Transportation or another Obligor.

10.17 **Additional Guarantors**

(a) TTL and the Borrowers shall take such action, and will cause each of the Material Subsidiaries to take such action, as shall be necessary to ensure that all present and future

Material Subsidiaries are Guarantors hereunder. Each Material Subsidiary that is required to become a Guarantor after the date hereof shall execute such instruments and agreements, in form and substance satisfactory to, and as required by, the Administrative Agent and its legal counsel, acting reasonably, to acknowledge that such Material Subsidiary has all of the obligations of a Guarantor pursuant to Article 7 of this Agreement.

(b) The Borrowers shall ensure that each of their Subsidiaries that has given a guarantee in respect of any Debt of the Borrowers (other than to the Lenders in respect of this Agreement) becomes a Guarantor hereunder.

(c) The Borrowers shall deliver an opinion of its legal counsel in respect of the instruments and agreements referred to in clauses (a) and (b) consistent in substance with the opinions required under Section 8.1(d)(vii) in respect of Obligors.

10.18 **Limitation on Aggregate Debt**

The Borrowers shall not, and shall not permit any Material Subsidiary and in the case of TTL, TTL agrees not to incur, create, assume or permit any Debt except: (i) Debt incurred under the Credit Facilities; (ii) Debt existing on the Effective Date as set out in Schedule K hereof, and any renewals thereof, provided the principal amount is not increased from its then current level, (iii) Debt secured by Permitted Encumbrances; (iv) Subordinated Debt; and (v) other unsecured Debt, provided that such Debt shall not exceed at any time in the aggregate Cdn. \$5,000,000 or the Equivalent Amount in U.S. Dollars.

10.19 **Non-Material Subsidiaries**

The Borrowers shall cause each Subsidiary that is not a Material Subsidiary to keep separate books of account and, if and to the extent required, to furnish separate financial statements to its creditors and potential creditors, such that each such Subsidiary that is a corporation will be treated as a corporate entity separate and distinct from Trimac Transportation and the Material Subsidiaries.

10.20 **Subordination of Intercompany Debt**

TTL and the Borrowers jointly agree that all Debt owed by any Obligor to any Affiliate, excluding however the TMS Reimbursement Obligations, that is not owed to another Obligor is contractually subordinated under all circumstances in which a Default is subsisting hereunder, such agreement of subordination to be substantially in the form of Schedule I hereto.

10.21 **Environmental Matters**

(a) **Compliance.** The Borrowers shall, and shall cause each of the Material Subsidiaries to, comply in all material respects with all Environmental Laws now or hereafter applicable to the Borrowers and/or the Material Subsidiaries and shall obtain, at or prior to the time required by applicable Environmental Laws, all environmental, health and safety permits, licenses and other authorizations necessary for its operations and maintain such authorizations in full force and effect, except, in any case, to the extent failure to so comply or to have any such permit, license or authorization would not reasonably be expected to have a Material Adverse Effect.

(b) Information. The Borrowers shall, and shall cause each of the Material Subsidiaries to, promptly furnish to the Administrative Agent all requests for information, notices of claim, demand letters and other notifications, received by either of the Borrowers or the Material Subsidiaries, to the effect that, in connection with its ownership or use of its Properties or the conduct of its business, it may be potentially responsible with respect to any investigation, remediation or clean-up of Hazardous Material at any location, and where the potential cost to an Obligor is reasonably expected to exceed Cdn.\$1,000,000 or an Equivalent Amount in any other currency.

10.22 **Restrictions on Distributions**

The Borrowers shall not, and shall not permit any Material Subsidiary, at any time, to declare or make, or incur any liability to declare or make, any Distributions except Permitted Distributions.

10.23 **Pari Passu**

The Borrowers shall ensure that all payment obligations of the Obligors under the Loan Documents rank at least pari passu in priority of payment with the other Debt of the Obligors, as applicable, subject only to the secured rights of the holders of valid Liens permitted by Section 10.8 for Debt owed to them.

10.24 **Most Favoured Lenders – Agreement Changes**

If, after the Effective Date, the Borrowers or either of them becomes a party to any agreement relating to any Debt (other than any Debt for which a valid Lien permitted by Section 10.8 exists), or to any amendment of or supplement to any such agreement relating to any Debt in which, in any such case, it has agreed therein to any covenants of the nature set forth in Article 10, or to events of default or definitional changes which in substance are (or modify) covenants of the nature set forth in Article 10, and which (taken as a whole) are more restrictive in a material way than, or are in a material way additional to, the covenants in Article 10 (such determination to be made by the Majority Lenders acting reasonably), it shall offer to amend this Agreement so as to provide the benefit of similar provisions to the Administrative Agent and the Lenders for so long as such provisions are in full force under such agreement, amendment or supplement. Such offer shall be made in writing to the Administrative Agent and the Lenders forthwith upon such provisions becoming effective in any such agreement, amendment or supplement and, absent such offer, such provisions shall be deemed to be incorporated in Article 10 mutatis mutandis for the benefit of the Administrative Agent and the Lenders for so long as such provisions are in full force under such agreement, amendment or supplement.

If, in exchange for the agreement of the Borrowers, or either of them, to provide more restrictive or additional covenants as aforesaid, the Borrowers, or either of them, have received concessions in their favour in respect of other provisions of the same agreement (and for which there is a substantially equivalent provision in this Agreement), then the Majority Lenders shall, within 45 Business Days of their receipt of notice from the Borrowers of such changed provisions (such notice to refer to this paragraph), elect in writing either to:

- (a) accept such modified or new covenants pursuant to an amendment to this Agreement which extends to the Borrowers the benefit of such equivalent concessions to those other provisions; or

- (b) decline to make any changes to this Agreement in regard to the covenants and such other equivalent provisions (in which event the deeming provision in the second sentence of this Section 10.24 will be regarded as never having applied);

failing which election the Majority Lenders shall be deemed to have elected clause (b).

Nothing in this Section 10.24 shall oblige the Lenders to delete, relax or otherwise amend the provisions of Article 10.

10.25 **Amend Material Contracts**

The Borrowers shall not and shall not suffer or permit the amendment, modification or alteration (except amendments to Material Contracts which are made to correct or rectify ambiguities or defective or inconsistent provisions or clerical or manifest errors or omissions; provided that in each case such amendment is not prejudicial to the interests of the Lenders or of any of the Obligors), restatement or replacement of any Material Contract or waive strict and timely performance of compliance with the terms of any Material Contract or terminate, cancel, suspend or assign any Material Contract or any term, provision, obligation or covenant contained in any Material Contract, if, in any such case, to do so would be prejudicial to the interests of the Lenders without the prior written consent of the Administrative Agent.

10.26 **Permitted Acquisitions**

TTL and the Borrowers agree not and not to permit any Subsidiary of Trimac Transportation in any fiscal year of Trimac Transportation to acquire any business, either directly by the purchase of assets or by the acquisition of the shares, partnership interests or similar equity interests of any entity, other than Permitted Acquisitions.

10.27 **Operating Leases**

Annual operating lease rent payments of the Obligors shall not exceed \$5,000,000 per annum. For purposes of this Section "operating leases" shall mean lease obligations with a term to maturity of greater than one year excluding premises leases and office equipment / computer leases.

10.28 **Permitted Hedging**

Except for Interest Rate Hedge Agreements and FX Hedge Agreements made with a Lender or Hedge Affiliate, the Borrowers shall not nor permit any Material Subsidiary to enter into a Hedge Agreement without the consent of the Administrative Agent and the Lenders, provided that any Hedge Agreement or Lender Hedge Agreement, as the case may be:

- (a) is consistent with the policies of the board of directors of the Borrower or Obligor, or if the Obligor is a partnership, the board of directors of its managing partner;
- (b) is entered into the ordinary course of business and is not for speculative purposes; and
- (c) in respect of an Interest Rate Hedge Agreement the term does not exceed 7 years.

For purposes of this Section 10.28 an "Interest Rate Hedge Agreement" is one defined by clause (a) in the definition herein of "Hedge Agreement" while "FX Hedge Agreement" is one defined by clause (b) in the definition herein of "Hedge Agreement".

10.29 **Further Assurances**

The Borrower shall and shall cause each Material Subsidiary, and in the case of TTL, TTL agrees, after notice thereof from the Administrative Agent, do all such further acts and things and execute and deliver all such further documents as shall be reasonably requested by the Administrative Agent in order to give effect to the intention evidenced by the Loan Documents.

10.30 **Covenants of TTL**

TTL hereby covenants and agrees that:

- (a) it will abide by each of the covenants and agreements contained in Article 10 applicable to it;
- (b) it shall cause each of the Borrowers and the Material Subsidiaries to abide by each of their covenants and agreements contained in this Article 10;
- (c) it shall not own any Material Subsidiary other than indirectly, through Trimac Transportation; and
- (d) it shall not own any material property other than its equity interests in Trimac Transportation and TTSL and associated debt owed to it by TTSL.

ARTICLE 11
EVENTS OF DEFAULT

11.1 **Events of Default and Acceleration**

If one or more of the following events (herein called "Events of Default") shall occur and be continuing:

- (a) Principal: the Borrowers shall default in the payment when due (whether at stated maturity or upon mandatory or optional prepayment) of any Outstandings; or
- (b) Interest and Fees: the Borrowers shall default in the payment when due of any interest or fees payable by it under any Loan Document and such default shall continue for a period of 3 Business Days; or
- (c) Cross Default; Cross Acceleration: any Obligor shall default in the payment when due of any principal or interest in respect of any of its other Debt aggregating Cdn.\$2,500,000 or more (or its equivalent in any other currency); or, subject to the provisos in Sections 11.1(o) and 11.1(p) hereof, any event or circumstance specified in any note, agreement, indenture or other document evidencing or relating to any such Debt aggregating Cdn.\$2,500,000 or more (or its equivalent in any other currency) shall occur if the effect of such event or circumstance is to

cause such Debt or any portion thereof to become due, or to be prepaid in full (whether by redemption, purchase, offer to purchase or otherwise), prior to its stated maturity or, in the case of any Hedging Agreement, to permit the obligations under such Hedging Agreement to be liquidated; or

- (d) Representations: any representation, warranty or certification made or deemed made in any Loan Document by any Obligor, or any certificate furnished to any Lender or the Administrative Agent pursuant to the provisions thereof, shall prove to have been false or misleading in any material respect as of the time made or furnished or repeated or deemed repeated; or
- (e) Immediate Covenant Defaults: any Obligor shall default in the performance of any of the following obligations in this Agreement: Sections 10.6, 10.7, 10.8, 10.10, 10.11 and 10.23 hereof; or
- (f) Grace Period Covenant Defaults: any Obligor shall default in the performance of any agreement, covenant, term or condition contained in a Loan Document other than those referred to in the preceding clause (e), and such default shall continue unremedied for a period of 30 days (7 days in the case of Sections 10.1(d) and 10.9 hereof) after notice thereof to the Borrowers by the Administrative Agent; or
- (g) Insolvency (voluntary proceedings): any Obligor shall:
 - (i) become insolvent, or generally not pay its debts or meet its liabilities as the same become due, or admit in writing its inability to pay its debts generally, or declare any general moratorium on its indebtedness, or propose a compromise or arrangement between it and any class of its creditors;
 - (ii) commit an act of bankruptcy under Canadian Bankruptcy Laws, or make a proposal (or file a notice of its intention to do so) under any such law, or make an assignment of its property for the general benefit of its creditors under any law;
 - (iii) institute any proceeding seeking to adjudicate it an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or file a petition under any other statute, rule or regulation relating to bankruptcy, winding-up, insolvency, reorganization, plans of arrangement, relief or protection of debtors (including Canadian Bankruptcy Laws), or at common law or in equity;
 - (iv) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property; or
 - (v) threaten to do any of the foregoing, or take any action, corporate or otherwise, to approve, consent to or authorize any of the actions

described in this clause (g) or in clause (h), or otherwise act in furtherance thereof, or fail to act in defence thereof; or

- (h) Insolvency (involuntary proceedings): any petition shall be filed, application made or other proceeding instituted against or in respect of any Obligor:
- (i) seeking to adjudicate it an insolvent;
 - (ii) seeking a receiving order against it under Canadian Bankruptcy Laws;
 - (iii) seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any statute, rule or regulation relating to bankruptcy, winding-up, insolvency, reorganization, plans of arrangement, relief or protection of debtors (including Canadian Bankruptcy Laws), or at common law or in equity; or
 - (iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property;

and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of 60 days after the institution thereof, provided that if an order, decree or judgment is granted (whether or not entered or subject to appeal) against such Obligor thereunder in the interim and such order, decree or judgment is not stayed or discharged within five days of it being granted, such grace period shall cease to apply; or

- (i) Extra-Territorial Proceedings: any other event shall occur which, under the laws of any applicable jurisdiction, has an effect equivalent to any of the events referred to in clauses (g) or (h); or
- (j) Attachment or Seizure (secured or unsecured): any property of any Obligor having a fair market value in excess of Cdn.\$2,500,000 (or its equivalent in any other currency) in the aggregate shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any charging order or equitable execution of a Governmental Authority, or any writ of enforcement, writ of execution or distress warrant shall exist in respect of any Obligor or the property of either, or any sheriff or other Person shall seize or distrain upon such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other applicable laws whereunder similar remedies are provided, and in any case such seizure, enforcement, execution, attachment, garnishment, distraint, charging order or equitable execution, or other seizure or right, shall continue in effect and not be released or discharged for more than 30 days, provided that, if any property is removed from the use of any Obligor, or is sold, in the interim, such grace period shall cease to apply; or

- (k) Judgments: one or more judgments for the payment of money in excess of Cdn.\$2,500,000 (or its equivalent in any other currency) in the aggregate, exclusive of amounts that are fully covered by insurance and for which the insurer has not denied coverage, shall be rendered against any Obligor and such Obligor shall not have (i) satisfied or provided for the discharge of such judgment in accordance with its terms within 30 days from the date of entry thereof, or (ii) procured a stay of execution thereof within 30 days from the date of entry thereof and within such period, or such longer period during which execution of such judgment shall have been stayed, appealed such judgment and caused the execution thereof to be stayed during such appeal, provided that, if enforcement and/or realization proceedings are commenced in respect thereof in the interim, such grace period shall cease to apply; or
- (l) Unenforceability of Documents: any Loan Document or any material provision thereof shall at any time for any reason cease to be in full force and effect, be declared to be void or voidable or shall be repudiated, or the validity or enforceability thereof shall at any time be contested by any Obligor, or any Obligor shall deny that it has any or any further liability or obligation thereunder, or at any time it shall be unlawful or impossible for the Obligors to perform any of its obligations thereunder; or
- (m) Material Adverse Effect: any event or circumstance occurs that has had a Material Adverse Effect; or
- (n) TTSI as General Partner: TTSI shall cease to be the sole general partner of Trimac Transportation with complete responsibility for managing and operating Trimac Transportation; or
- (o) TTL as Limited Partner: TTL and TTSI shall cease to be the only limited partners of Trimac Transportation; or
- (p) Ownership of Material Subsidiaries: Trimac Transportation shall cease to own at least 90% of the issued and outstanding voting shares of each Material Subsidiary; or
- (q) Shareholdings in TTSI: TTSI shall cease to be a Wholly-Owned Subsidiary of TTL; or
- (r) Change of Control: there occurs a Change of Control without the prior written consent of the Majority Lenders.

THEREUPON:

- (A) in the case of an Event of Default other than one referred to in clause (g), (h) or (i) of this Section with respect to the Loan Parties, the Administrative Agent may and, upon request of the Majority Lenders shall, by notice to the Borrowers, terminate the Total Commitment, and/or declare all Outstandings and all other Obligations to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without

presentment, demand, protest or other formalities of any kind, all of which are expressly waived by each Obligor; and

- (B) in the case of the occurrence of an Event of Default referred to in clause (g), (h) or (i) of this Section with respect to any Obligor, the Total Commitment shall automatically terminate and the Outstandings and all other Obligations shall automatically become immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are expressly waived by each Obligor.

In addition, upon the occurrence and during the continuance of any Event of Default, if the Administrative Agent has declared any Outstandings and other Obligations to be due and payable, the Borrowers shall, if requested by the Administrative Agent or the Majority Lenders through the Administrative Agent (and, in the case of any Event of Default referred to in clause (g), (h) or (i) of this Section with respect to any Loan Party, forthwith, without any demand or the taking of any other action by the Administrative Agent or such Lenders) provide cover for all outstanding BA Loans, Bankers' Acceptances and Letters of Credit by paying to the Administrative Agent, in immediately available funds, an amount equal to the Outstandings in respect of all BA Loans, Bankers' Acceptances and Letters of Credit, which funds shall be held by the Administrative Agent in the Collateral Account as specified in Section 2.12, as collateral for the Bankers' Acceptances, BA Loans and Letters of Credit.

ARTICLE 12

THE AGENT

12.1 Appointment, Powers and Immunities

Each Lender appoints and authorizes the Administrative Agent to act as its agent under the Loan Documents with such powers as are specifically delegated to the Administrative Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. The Administrative Agent (which term as used in this sentence and in Section 12.5 and the first sentence of Section 12.6 hereof shall include reference to its affiliates and its own and its affiliates' officers, directors, employees and agents):

- (a) shall have no duties or responsibilities except those expressly set forth in the Loan Documents, and shall not by reason of the Loan Documents be a trustee for any Lender;
- (b) shall not be responsible to the Lenders for any recitals, statements, representations or warranties contained in the Loan Documents, or in any certificate or other document referred to or provided for in, or received by any of them under, the Loan Documents, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any collateral security provided for by any of the Loan Documents, or for any failure by any Obligor to perform any of its obligations hereunder or thereunder;
- (c) shall not be required to initiate or conduct any litigation or collection proceedings under any Loan Document; and

- (d) shall not be responsible for any action taken or omitted to be taken by it under any Loan Document or in connection herewith or therewith, except for its own gross negligence or wilful misconduct.

The Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

12.2 **Reliance by Administrative Agent**

The Administrative Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telecopy, e-mail or other electronic communication) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. As to any matters not expressly provided for by a Loan Document, the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or thereunder in accordance with instructions given by the Majority Lenders or all Lenders, as the case may be. Such instructions and any action taken or failure to act pursuant thereto, shall be binding on all of the Lenders.

12.3 **Defaults**

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default (other than the non-payment of principal of or interest on Loans or of commitment fees) unless the Administrative Agent has received notice from a Lender or the Borrowers specifying such Default and stating that such notice is a "Notice of Default". If the Administrative Agent receives such a notice of the occurrence of a Default, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall (subject to Section 12.7 hereof) take such action with respect to such Default as shall be directed by the Majority Lenders, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interests of the Lenders, except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Majority Lenders, or all Lenders, as the case may be.

12.4 **Rights as a Lender**

With respect to its Commitment, and the Loans made by it, the Administrative Agent in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent, in its individual capacity. The Administrative Agent and its respective affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in and generally engage in any kind of banking, trust or other business with the Borrowers and their Affiliates as if it were not acting as the Administrative Agent, and it and its respective affiliates may accept fees and other consideration from the Obligors for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

12.5 **Indemnification**

The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed under Sections 14.3 and 14.7 hereof, but without limiting the obligations of the Borrowers under said Sections), rateably in accordance with the Outstandings held by them (or, if none are at the time outstanding, rateably in accordance with their respective Commitments or, if none of the foregoing are at the time outstanding or in effect, rateably in accordance with their respective Commitments as most recently in effect), for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against the Administrative Agent (including by any Lender) arising out of or by reason of or in any way relating to any Loan Document or any other documents contemplated by or referred to therein or the transactions contemplated thereby (including the costs and expenses that the Borrowers are obligated to pay under Sections 14.3 and 14.7 hereof, but excluding, unless a Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or wilful misconduct of the Administrative Agent.

12.6 **Non-Reliance on Administrative Agent and Other Lenders**

Each Lender agrees that it has, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of Trimac Transportation, its Subsidiaries and TTSI and decision to enter into this Agreement and that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by any Obligor of any Loan Document or any other document referred to or provided for herein or therein or to inspect the Properties or books of Trimac Transportation, its Subsidiaries or TTSI. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of Trimac Transportation, TTSI or any of their Affiliates that may come into the possession of the Administrative Agent or any of its affiliates.

12.7 **Failure to Act**

Except for action expressly required of the Administrative Agent under a Loan Document, the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder and thereunder unless it shall receive further assurances to its satisfaction from the Lenders of their indemnification obligations under Section 12.5 hereof against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

12.8 **Resignation or Removal of Administrative Agent**

Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving notice thereof to the Lenders and the Borrowers and the Administrative Agent may be removed at any time with

or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent, which, if no Default is subsisting, shall be subject to the Borrowers' consent not to be unreasonably withheld. If no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation or the removal of the retiring Administrative Agent, then the retiring Administrative Agent may appoint a successor Administrative Agent that shall be a bank that has an office in Toronto and Calgary with a combined capital and surplus of at least Cdn.\$100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

12.9 Agency Fees

The Borrowers shall pay agency fees to the Administrative Agent in the amounts and at the times specified in any letter agreements from time to time between the Administrative Agent and the Borrowers on or after the Effective Date. Following an Event of Default and acceleration of Outstandings hereunder, such fees shall be paid to the Administrative Agent as a first charge on proceeds of enforcement of the Obligors' obligations hereunder.

**ARTICLE 13
AMENDMENT AND RESTATEMENT**

13.1 Amendment and Restatement

- (a) On the Effective Date:
 - (i) the Second Amended and Restated Credit Agreement shall be and is hereby amended and restated in the form of this Agreement;
 - (ii) Each existing BA which has not matured and remains outstanding and was accepted by a Lender at the request of and for the account of the Borrower shall be deemed to be outstanding as a BA accepted by such Lender at the request of and for the account of the Borrower hereunder;
 - (iii) Each existing Letter of Credit which is presently outstanding and was issued by BNS at the request and for the account of the Borrower shall be deemed to be outstanding as a Loan hereunder; and
 - (iv) Each outstanding Prime Rate Loan and US Base Rate Loan under the Existing Credit Agreement shall be deemed to be outstanding as a Prime Rate Loan and US Base Rate Loan, as the case may be, under this Agreement.
- (b) Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of the Borrower under the Second

Amended and Restated Credit Agreement and all of the claims and causes of action arising against the Borrower in connection therewith, in respect of all matters, events, circumstances and obligations arising or existing prior to the date hereof shall continue, survive and shall not be merged in the execution of this Agreement or any other Loan Document or any advance or provision of any Loan hereunder.

- (c) References herein to the "date hereof" or similar expressions shall be and shall be deemed to be to the date of the restatement hereof, being the Effective Date.

ARTICLE 14

MISCELLANEOUS

14.1 Waiver

No failure on the part of the Administrative Agent or any Lender to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

14.2 Notices

All notices, requests and other communications provided for under the Loan Documents shall be given or made by telecopy or other writing and telecopied or delivered to the intended recipient at the "Address for Notices" specified below the name of such party on the signature pages hereof or at such other address as shall be designated by such party in a notice to the Borrowers and the Administrative Agent given in accordance with this Section. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier (and receipt is electronically confirmed) or personally delivered, upon receipt, in each case given or addressed as aforesaid.

14.3 Expenses

The Borrowers agree to pay or reimburse each of the Lenders and the Administrative Agent for: (a) all reasonable out-of-pocket costs and expenses of the Administrative Agent, including the reasonable fees and expenses of legal counsel on a solicitor and own client basis in connection with the negotiation, preparation, execution and delivery of the Loan Documents and the extensions of credit hereunder, and any amendment, modification, supplement or waiver of any of the terms of any Loan Document; (b) all reasonable out-of-pocket costs and expenses of the Lenders and the Administrative Agent (including reasonable counsel fees on a solicitor and own client basis) in connection with (i) any Default and any enforcement or collection proceedings resulting therefrom or in connection with the negotiation of any restructuring or "work-out" (whether or not consummated) of the obligations of any Obligor hereunder, and (ii) the enforcement of this Section and Section 14.7; and (c) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any Governmental Authority in respect of any Loan Document or any other document referred to herein or therein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Loan Document or any other document referred to therein.

14.4 **Amendments Etc.**

Except as otherwise provided in this Agreement, a provision of this Agreement may be modified or supplemented only by an instrument in writing signed by the Obligors, the Administrative Agent and the Majority Lenders, and any provision of this Agreement may be waived by the Majority Lenders; provided that no modification, supplement or waiver shall, unless by an instrument signed by all Lenders (unless another provision of this Agreement deals with the matter and sets out other procedures):

- (a) increase, or extend the term of, any Commitment, or extend the time or waive any requirement for the reduction or termination of any Commitment;
- (b) extend the date fixed for the payment of principal of or interest on the Loans or any fee hereunder;
- (c) reduce the amount of any such payment of principal;
- (d) reduce the rate at which interest is payable on any Loan or any fee is payable hereunder;
- (e) alter the rights or obligations of the Borrowers to prepay Loans;
- (f) alter the Types of Loans that are available;
- (g) alter the terms of this Section;
- (h) release any of the Security, except as required by the terms hereof; or
- (i) modify the definition of the term "Majority Lenders" or modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder.

Any modification of or supplement to this Agreement that increases any of the obligations or reduces or impairs any of the rights of, or otherwise adversely affects the interests of, the Administrative Agent under any Loan Document shall require the consent of the Administrative Agent.

Notwithstanding anything in this Agreement to the contrary, if any Lender shall fail to fulfill its obligations to make the Loan to be made by it at a time when the conditions precedent set forth in Sections 8.1 and 8.2 hereof to any Loans or other extension of credit hereunder are, in the opinion of the Majority Lenders, satisfied, then, for so long as such failure shall continue, such Lender shall (unless the Majority Lenders determined, in either case, as if such Lender were not a "Lender" hereunder, shall otherwise consent in writing) be deemed for all purposes relating to amendments, modifications, waivers or consents under any Loan Documents to have no Loans or Commitment, shall not be treated as a "Lender" hereunder when performing the computation of Majority Lenders and shall have no rights under the first paragraph of this Section.

14.5 **Successors and Assigns**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

14.6 **Assignments and Participations**

Obligors. Subject to Section 10.6, no Obligor may assign any of its rights or obligations under any Loan Document without the prior consent of all Lenders and the Administrative Agent.

(a) Lenders. No Lender may assign any of its Loans or Commitment without the consent of the Borrowers and the Administrative Agent and Swingline Lender, which consents shall not be unreasonably withheld or delayed; provided that:

- (i)
 - (A) no such consent by the Borrowers or the Administrative Agent shall be required in the case of any assignment to another Lender, or to an affiliate of a Lender if the Lender assigning to such affiliate is not released from its obligations;
 - (B) no such consent of the Borrowers shall be required if an Event of Default has occurred and is continuing;
 - (C) except to the extent that the Borrowers and the Administrative Agent shall otherwise consent, any partial assignment of a Commitment shall be in a minimum amount of Cdn.\$5,000,000;

provided that in each case unless a Lender is assigning all of its Loans and Commitment, the assigning Lender shall maintain a Commitment of not less than Cdn.\$5,000,000;
- (ii) each such permitted assignment by a Lender of its Loans or Commitment, shall be made in such manner so that the same portion of its:
 - (A) LP Loans and LP Commitment; and
 - (B) its TTSI Loans and its TTSI Commitment;is assigned to the respective assignee; and
- (iii) no Lender shall assign all or any portion of its Loans or Commitment to any financial institution which is unable to make the representation contained in Section 6.7(g).

Upon execution and delivery by the assignee to the Borrowers and the Administrative Agent, to the extent required above, of an instrument in writing pursuant to which such assignee agrees to become a "Lender" hereunder (if not already a Lender) holding the Commitment and Loans, and upon consent thereto by the Borrowers and the Administrative Agent as provided in this Section, the assignee shall have, to the extent of such assignment, the obligations, rights and benefits of a Lender hereunder holding the Commitment and Loans

assigned to it (in addition to the Commitment and Loans theretofore held by such assignee), and the assigning Lender shall, to the extent of such assignment, be released from the Commitment and Loans so assigned.

Notwithstanding the foregoing, any Bankers' Acceptances and Letters of Credit specified in such instrument shall remain the liability and obligation of the Lender accepting such Bankers' Acceptances or issuing such Letters of Credit and such Lender shall be entitled to all of the rights, titles and benefits arising out of the Loan Documents with respect to such Bankers' Acceptances and Letters of Credit (including reimbursement rights), provided that the assignee shall indemnify such Lender and hold such Lender harmless from and against any losses, costs or amounts paid or incurred by such Lender in connection with such Bankers' Acceptances and Letters of Credit other than losses or costs which arise out of the gross negligence or wilful misconduct of such Lender.

Upon each such assignment the assigning Lender shall pay the Administrative Agent an assignment fee of Cdn.\$3,500.

(b) Participations. Each Lender may sell or agree to sell to one or more other Persons (a "**Participant**") a participation of its rights and obligations under this Agreement. A Participant shall not have any rights against the Obligors under the Loan Documents, it being acknowledged that the Participant's rights against such Lender in respect of such participation will be those set forth in the applicable agreements executed by such Lender in favour of the Participant. All amounts payable by the Borrowers to any Lender under Article 6 hereof in respect of Loans held by it, and its Commitment, shall be determined as if such Lender had not sold or agreed to sell any participations in such Loans and Commitment, and as if such Lender were funding each of such Loans and in the same way that it is funding the portion of such Loans and Commitment in which no participations have been sold. In no event shall a Lender that sells a participation agree with the Participant to take or refrain from taking any action under any Loan Document, except that such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to any matter which, under Section 14.4 hereof, requires the consent of all Lenders.

(c) Information. A Lender may furnish any information concerning the Borrowers or any of their Subsidiaries in the possession of such Lender from time to time to assignees and Participants (including prospective assignees and participants), subject, however, to the confidentiality provisions of Section 14.13 hereof.

14.7 Indemnification

The Borrowers agree:

- (a) to indemnify the Administrative Agent and each Lender and their respective directors, officers, employees, attorneys and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them (collectively, "**Damages**") arising out of or by reason of (i) any Default hereunder, and (ii) any investigation or litigation or other proceedings (including any threatened investigation or litigation or other proceedings) relating to the extensions of credit hereunder or any actual or proposed use by the Borrowers, or either of them, or any of their Subsidiaries of the proceeds of any of the Loans hereunder, including in each case the reasonable fees and disbursements of counsel on a solicitor and own client basis

incurred in connection with any such Default, investigation or litigation or other proceedings, but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or wilful misconduct of the Person to be indemnified; and

- (b) not to assert any claim against the Administrative Agent, any Lender, any of their affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to any of the transactions contemplated herein or in any other Loan Document, absent a finding by a court of competent jurisdiction of wilful and intentional misconduct on the part of the Person against whom the claim is made; provided that nothing in this clause shall be construed as an admission that any such finding entitles the claimant to any special, indirect, consequential or punitive damages.

Without limiting the generality of the foregoing, the Borrowers shall indemnify the Administrative Agent and each Lender for, and hold the Administrative Agent and each Lender harmless against, any Environmental Claim and any losses, liabilities, claims, damages or expenses arising under any Environmental Laws as a result of the past, present or future operations of any Obligor or any of its Subsidiaries (or any predecessor in interest to any Obligor or any of its Subsidiaries), or the past, present or future condition of any site or facility owned, operated or leased by any Obligor or any of its Subsidiaries (or any such predecessor in interest), or any Release or threatened Release of any Hazardous Materials from any such site or facility.

14.8 Survival

(a) The obligations of the Borrowers under Sections 14.3 and 14.7 hereof, the obligations of the Guarantors under Article 7 hereof and the obligations of the Lenders under Section 12.5 hereof shall survive the repayment of the Loans and reimbursement obligations and the termination of the Total Commitment.

(b) Each representation and warranty made, or deemed to be made by a notice of any request for a Loan pursuant hereto, shall survive the making of such representation and warranty, and no Lender shall be deemed to have waived, by reason of making any Loan hereunder, any Default which may arise by reason of such representation or warranty proving to have been false or misleading, notwithstanding that such Lender or the Administrative Agent may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time such extension of credit was made.

14.9 Captions

The table of contents and captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

14.10 Counterparts

Any Loan Document may be executed in any number of counterparts, including by facsimile, all of which taken together shall constitute one and the same instrument and any of the parties thereto may execute a Loan Document by signing any such counterpart.

14.11 **Governing Law; Submission to Jurisdiction**

Unless a Loan Document shall expressly provide otherwise, the Loan Documents shall be governed by, and construed in accordance with, the law of the Province of Alberta. Each Obligor submits to the nonexclusive jurisdiction of the Courts of Alberta for the purposes of all legal proceedings arising out of or relating to the Loan Documents or the transactions contemplated therein. Each Obligor irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

14.12 **Waiver of Jury Trial**

EACH OF THE OBLIGORS, THE ADMINISTRATIVE AGENT AND THE LENDERS IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY.

14.13 **Treatment of Certain Information**

(a) The Obligors acknowledge that from time to time financial advisory, investment banking and other services may be offered or provided to an Obligor or one or more of its Subsidiaries (in connection with this Agreement or otherwise) by any Lender or by one or more subsidiaries or affiliates of such Lender, and such Obligor, subject to paragraph (b) hereof, authorizes each Lender to share any information delivered to such Lender by such Obligor and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, with any such subsidiary or affiliate.

(b) Each of the Lenders and the Administrative Agent agrees (on behalf of itself and each of its affiliates, directors, officers, employees and representatives) to use reasonable precautions to keep confidential, in accordance with their customary procedures for handling confidential information of the same nature and in accordance with safe and sound banking practices, any non-public information supplied by Trimac Transportation or TTSI to a Lender or the Administrative Agent, provided that nothing herein shall limit the disclosure of any such information:

- (i) to the extent required by statute, rule, regulation or judicial process;
- (ii) to legal counsel for any of the Lenders or the Administrative Agent;
- (iii) to bank examiners, auditors or accountants;
- (iv) to the Administrative Agent or any other Lender;
- (v) in connection with any litigation to which any one or more of the Lenders or the Administrative Agent is a party;
- (vi) to a subsidiary or affiliate of such Lender as provided in paragraph (a) above, provided that neither the Administrative Agent nor any Lender shall disclose any non-public information delivered by any Obligor

pursuant to this Agreement to any subsidiary or affiliate of the Administrative Agent or any such Lender, as the case may be, which is generally engaged in the securities and/or investment banking business other than in connection with (x) Hedging Agreements, or (y) the syndication or participation of the Loans and Commitments under this Agreement, without the prior written consent of the Borrowers; or

- (vii) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) first executes and delivers to the respective Lender a Confidentiality Agreement substantially in the form of Schedule F hereto.

If lawful and practicable in the sole judgement of the Administrative Agent or the Lender affected, acting reasonably, the Administrative Agent or Lender agrees to notify the Borrowers of any request for disclosure of any such non-public information (prior to disclosure thereof) (I) by any governmental agency or representative thereof (other than any such request in connection with an examination of the Lender's financial condition by any Governmental Authority), or (II) pursuant to legal process. In no event shall the Lenders or the Administrative Agent be obligated to return any materials furnished to them pursuant to this Agreement.

14.14 **Judgment Currency**

This is a loan transaction in which the specification of Canadian Dollars or U.S. Dollars is of the essence, and the stipulated currency shall in each instance be the currency of account and payment in all instances. A payment obligation in one currency hereunder (the "**Original Currency**") shall not be discharged by an amount paid in another currency (the "**Other Currency**"), whether pursuant to any judgment expressed in or converted into any Other Currency or in another place except to the extent that such tender or recovery results in the effective receipt by the payee of the full amount of the Original Currency payable by it under this Agreement.

If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Original Currency into the Other Currency, the rate of exchange that shall be applied shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase Original Currency with the Other Currency on the Business Day next preceding the day on which such judgment is rendered. The obligation of Trimac in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under any other Loan Document (in this Section called an "**Entitled Person**") shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by such Entitled Person of any sum adjudged to be due hereunder in the Other Currency such Entitled Person may in accordance with normal banking procedures purchase and transfer the Original Currency to Toronto with the amount of the judgment currency so adjudged to be due. Each Obligor, as a separate obligation and notwithstanding any such judgment, jointly and severally agrees to indemnify such Entitled Person against, and to pay such Entitled Person on demand, in the Original Currency, the amount (if any) by which the sum originally due to such Entitled Person hereunder exceeds the amount of the Original Currency so purchased and transferred.

14.15 **Amendment and Restatement of Existing Credit Agreement**

It is the intent of the Parties, and the Parties hereby agree, that this Agreement does not constitute a novation, extinguishment or discharge of the indebtedness, liabilities and Existing Obligations under the Second Amended and Restated Credit Agreement or evidence or constitute repayment of any such indebtedness, liabilities and Existing Obligations, but that this Agreement shall constitute a modification, rearrangement, amendment and restatement of the Second Amended and Restated Credit Agreement. As a consequence, this Agreement replaces and supercedes in its entirety the Second Amended and Restated Credit Agreement as the written evidence of the indebtedness, liabilities and Obligations of the Parties as so modified, rearranged, amended and restated. It is the further intention of the Parties, and they do hereby agree, that the Existing Security securing the Second Amended and Restated Credit Agreement and the Obligations thereunder shall not be impaired or released hereby but shall continue to exist and remain valid and in full force and effect as security for the payment and performance of the Secured Obligations.

[SIGNATURE PAGES FOLLOW]

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

BORROWERS:

**TRIMAC TRANSPORTATION SERVICES
INC.**

/s/ Scott D. Calver

By: _____
Scott D. Calver
Vice President and Chief Financial Officer

Address for Notices:

3215 - 12th Street N.E.
Calgary, Alberta T2E 7S9
Attention: Vice President, Finance
Telecopier No.: (403) 298-5242

**TRIMAC TRANSPORTATION SERVICES
LIMITED PARTNERSHIP**, by its General
Partner, **TRIMAC TRANSPORTATION
SERVICES INC.**

/s/ Scott D. Calver

By: _____
Scott D. Calver
Vice President and Chief Financial Officer

Address for Notices:

3215 - 12th Street N.E.
Calgary, Alberta T2E 7S9
Attention: Vice President, Finance
Telecopier No.: (403) 298-5242

GUARANTORS:

**BULK PLUS LOGISTICS LIMITED
PARTNERSHIP**, by its general partner
BULK PLUS LOGISTICS LTD.

/s/ Scott D. Calver
By: _____
Scott D. Calver
Vice President

Address for Notices:
3215 - 12th Street N.E.
Calgary, Alberta
T2E 7S9
Attention: Vice President, Finance
Telecopier No.: (403) 298-5242

CANAMERA LIMITED PARTNERSHIP, by
its general partner **TRIMAC
TRANSPORTATION SERVICES LIMITED
PARTNERSHIP** by its General Partner
**TRIMAC TRANSPORTATION SERVICES
INC.**

/s/ Scott D. Calver
By: _____
Scott D. Calver
Vice President and Chief Financial Officer

Address for Notices:
3215 - 12th Street N.E.
Calgary, Alberta T2E 7S9
Attention: Vice President, Finance
Telecopier No.: (403) 298-5242

BULK PLUS LOGISTICS LTD.

/s/ Scott D. Calver
By: _____
Scott D. Calver
Vice President

Address for Notices:
3215 - 12th Street N.E.
Calgary, Alberta
T2E 7S9
Attention: Vice President, Finance
Telecopier No.: (403) 298-5242

TRIMAC TRANSPORTATION LTD.

/s/ Scott D. Calver
By: _____
Scott D. Calver
Vice President and Chief Financial Officer

Address for Notices:
3215 - 12th Street N.E.
Calgary, Alberta T2E 7S9
Attention: Vice President, Finance
Telecopier No.: (403) 298-5242

LENDERS:

THE BANK OF NOVA SCOTIA

/s/ G. Stewart
By: _____
G. Stewart
Senior Client Relationship Manager

/s/ M. Drapeau
By: _____
M. Drapeau
Senior Credit Solutions Manager

Address for Notices:
240 - 8th Avenue S.W.
Calgary, Alberta
T2P 2N7
Attention: Director Credit Solutions
Telecopier No.: (403) 221-6450

**CANADIAN IMPERIAL BANK OF
COMMERCE**

/s/ Ian McGuire
By: _____
Name: Ian McGuire
Title: Director

By: _____
Name: _____
Title: _____

Address for Notices:
9th Floor, Bankers Hall East
855 – 2nd Street SW
Calgary, Alberta
T2P 2P2
Attention: Director Diversified Industries
Telecopier No.: (403) 221-5779

ROYAL BANK OF CANADA

/s/ Emile Marx
By: _____
Name: Emile Marx
Title: VP NCG Finance

By: _____
Name: _____
Title: _____

Address for Notices:
Suite 2400, 355 – 8th Avenue S.W.
Calgary, Alberta
T2P 1C9
Attention: National Client Group Finance
Telecopier No.: (403) 292-3636

ADMINISTRATIVE AGENT:

THE BANK OF NOVA SCOTIA

/s/ Jim Beninger

By: _____
Jim Beninger
Managing Director

/s/ Agnes Podbielski

By: _____
Agnes Podbielski
Associate

Address for Notices:

Global Loan Syndications
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario
M5W 2X6
Attention: Managing Director
Telecopier No.: (416) 866-3329

EXCEPT in respect of notices of borrowing, continuation, conversion and repayment, which shall be:

Address for Notices:

Global Wholesale Services
720 King Street West, Second Floor
Toronto, Ontario
M5V 2T3
Attention: Director
Telecopier No.: (416) 866-5991

SCHEDULE A
LENDERS' COMMITMENTS

<u>Lender</u>	<u>Dollar Amount</u>	<u>Percent of Total Commitment</u>
The Bank of Nova Scotia	Cdn \$60,000,000.00	48%
Canadian Imperial Bank of Commerce	Cdn \$50,000,000.00	40%
Royal Bank of Canada	Cdn \$15,000,000.00	12%
TOTAL:	Cdn \$125,000,000.00	100%

SCHEDULE B

FORMS OF BORROWING, CONTINUATION CONVERSION AND REPAYMENT NOTICES

BORROWING NOTICE

TO: The Bank of Nova Scotia as the Administrative Agent for the Lenders under the Credit Agreement

DATE: _____, 201_

1. This Borrowing Notice is delivered to you pursuant to Section 2.6 of our Third Amended and Restated Credit Agreement with you dated February 14, 2014 (the "Credit Agreement"). Capitalized terms in this Notice shall have the meanings ascribed to them in the Credit Agreement.

2. The undersigned requests a Loan as follows:

- (a) Account Information: ●
- (b) Type of Loan to be Advanced: ●
- (c) Amount and currency of Loan: ●
- (d) Date of Loan advance: ●
- (e) BA Maturity Date/Interest Period/expiry date (for Bankers' Acceptances/BA Loans and Eurodollar Loans/Letters of Credit): ●
- (f) If a Bankers' Acceptance: [Each Lender is to purchase the BA's using the BA Discount Rate] or [We intend to arrange our own sale of the BA's, and we will provide the information required by Section 2.4(j) of the Credit Agreement by 11:00 a.m. Toronto time to enable the Revolving Lenders to remit the net proceeds to us]
- (g) Payment instructions (if any): ●

3. We confirm that this Notice constitutes the certification and deemed representation referred to in Section 2.2(c) of the Credit Agreement, except as follows: [No exceptions.] or [●].

4. We represent and confirm that all of the conditions precedent to the making of the Loan(s) requested hereby, as set out in Section 8.2 of the Credit Agreement, will be satisfied immediately prior to your making the Loans, and that such conditions will continue to be satisfied immediately after making the Loans and giving effect hereto, except in either case as follows: [No exceptions.] or [●].

Yours truly,

**TRIMAC TRANSPORTATION SERVICES INC.
[OR TRIMAC TRANSPORTATION SERVICES
LIMITED PARTNERSHIP, by its managing
general partner, TRIMAC
TRANSPORTATION SERVICES INC.]**

By: _____
()

[By: _____
()]

CONTINUATION NOTICE

TO: The Bank of Nova Scotia as the Administrative Agent for the Lenders under the Credit Agreement

DATE: _____, 201_

1. This Continuation Notice is delivered to you pursuant to Sections 2.6 and 2.10 of our Third Amended and Restated Credit Agreement with you dated February 14, 2014 (the "Credit Agreement"). Capitalized terms in this Notice shall have the meanings ascribed to them in the Credit Agreement.

2. The undersigned being the Borrower primarily liable for the Loan being Continued, requests a Continuation of such Loan as follows:

- (a) Type of Loan being Continued: ●
- (b) Amount and currency to be Continued: ●
- (c) Date of Continuation: ●
- (d) New BA Maturity Date/Interest Period/expiry date: (for Bankers' Acceptances/BA Loans and Eurodollar Loans/Letters of Credit)
- (e) If a Bankers' Acceptance: [Each Lender is to purchase the BA's using the BA Discount Rate.] or [We intend to arrange our own sale of the BA's, and we will provide the information required by Section 2.4(j) of the Credit Agreement by 11:00 a.m. Toronto time to enable the Lender to remit the net proceeds to us]

3. No Event of Default has occurred and is continuing under the Credit Agreement except as follows: [No exceptions.] or [●].

Yours truly,

**TRIMAC TRANSPORTATION SERVICES INC.
[OR TRIMAC TRANSPORTATION SERVICES
LIMITED PARTNERSHIP, by its managing
general partner, TRIMAC
TRANSPORTATION SERVICES INC.]**

By: _____
()

[By: _____
()]

CONVERSION NOTICE

TO: The Bank of Nova Scotia as the Administrative Agent for the Lenders under the Credit Agreement

DATE: _____, 201__

1. This Conversion Notice is delivered to you pursuant to Sections 2.6 and 2.10 of our Third Amended and Restated Credit Agreement with you dated February 14, 2014 (the "Credit Agreement"). Capitalized terms in this Notice shall have the meanings ascribed to them in the Credit Agreement.

2. The undersigned being the Borrower primarily liable for the Loan being Converted, requests a Conversion of such Loan as follows:

- (a) Type of Loan being Converted: ●
- (b) Amount and currency to be Converted: ●
- (c) Date of Conversion: ●
- (d) Convert to this Type of Loan and amount: ●
- (e) New BA Maturity Date/ Interest Period (for Bankers' Acceptances/BA Loans and Eurodollar Loans): ●
- (f) If a Bankers' Acceptance: [Each Lender is to purchase the BA's using the BA Discount Rate.] or [We intend to arrange our own sale of the BA's, and we will provide the information required by Section 2.4(j) of the Credit Agreement by 11:00 a.m. Toronto time to enable the Lenders to remit the net proceeds to us]

3. No Event of Default has occurred and is continuing under the Credit Agreement except as follows: [No exceptions.] or [●].

Yours truly,

**TRIMAC TRANSPORTATION SERVICES INC.
[OR TRIMAC TRANSPORTATION SERVICES
LIMITED PARTNERSHIP, by its managing
general partner, TRIMAC
TRANSPORTATION SERVICES INC.]**

By: _____
()

[By: _____
()]

REPAYMENT NOTICE

TO: The Bank of Nova Scotia as the Administrative Agent for the Lenders under the Credit Agreement

DATE: _____, 201__

1. This Repayment Notice is delivered to you pursuant to Sections 2.6 and Section 2.10 [if applicable: and the special prepayment provisions in Section [2.11], [2.12], [4.3(b)]] of our Third Amended and Restated Credit Agreement with you dated February 14, 2014 (the "Credit Agreement"). Capitalized terms in this Notice shall have the meanings ascribed to them in the Credit Agreement.

2. The undersigned, being the Borrower primarily liable for the Loan being prepaid, will prepay such Loan as follows:

- (a) Account Information: ●
- (b) Type of Loan being prepaid: ●
- (c) Amount and currency being prepaid: ●
- (d) Date of prepayment: ●
- (e) Maturity date of Loan being prepaid (for Bankers' Acceptances/BA Loans and Eurodollar Loans): ● [If not the same as (c) above: We are complying with the prepayment provisions of Section 2.12 of the Credit Agreement as follows: ●]

3. No Event of Default has occurred and is continuing under the Credit Agreement except as follows: [No exceptions.] or [●].

Yours truly,

**TRIMAC TRANSPORTATION SERVICES INC.
[OR TRIMAC TRANSPORTATION SERVICES
LIMITED PARTNERSHIP, by its managing
general partner, TRIMAC
TRANSPORTATION SERVICES INC.]**

By: _____
()

[By: _____
()]

SCHEDULE D

MATERIAL SUBSIDIARIES

Bulk Plus Logistics Limited Partnership

Formed under the laws of the Province of Alberta on November 18, 2004

General Partner: Bulk Plus Logistics Ltd. .001%

Limited Partner: Trimac Transportation Services Limited Partnership 99.999%

Bulk Plus Logistics Ltd.

Formed under the laws of the Province of Alberta on December 31, 2003

100% owned by Trimac Transportation Services Limited Partnership

Canamera Limited Partnership

Formed under the laws of the Province of Alberta on December 3, 2008

General Partner: Trimac Transportation Services Limited Partnership 99.99% interest

Limited Partner: Canamera Carriers Inc. 0.01% interest

SCHEDULE E-1

Form of Legal Opinion of Counsel to Loan Parties

[Letterhead of Trimac]

February 14, 2014

The Lenders that are and hereafter become a party to the Credit Agreement referred to below, and The Bank of Nova Scotia, as Administrative Agent

Gowling Lafleur Henderson LLP
Barristers & Solicitors
1400, 700 - 2nd Street S.W.
Calgary, Alberta T2P 4V5

Dear Sirs:

Re: Trimac Transportation Services Inc. and Trimac Transportation Services Limited Partnership - Credit Agreement

I am Senior Corporate Counsel of Trimac Transportation Services Inc. (“**TTSI**”), Trimac Transportation Services Limited Partnership (“**Trimac Transportation**”), Trimac Transportation Ltd. (“**TTL**”), Bulk Plus Logistics Ltd. (“**BPLL**”), Bulk Plus Logistics Limited Partnership (“**Bulk LP**”) and Canamera Limited Partnership (“**Canamera LP**”) and have acted in that capacity in connection with the third amended and restated credit agreement dated February 14, 2014 (the “**Credit Agreement**”) among TTSI and Trimac Transportation, as borrowers (collectively, the “**Borrowers**”), TTL, BPLL, Bulk LP and Canamera LP, as guarantors, the lenders described in Schedule A hereto, as lenders (collectively, the “**Lenders**”), The Bank of Nova Scotia, as administrative agent, lead arranger and bookrunner, and Canadian Imperial Bank of Commerce, as syndication agent. This opinion is furnished to you pursuant to Section 8.1(c)(vii) of the Credit Agreement. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Credit Agreement.

Documents Reviewed

I have participated in the preparation of and have examined originally executed copies of:

1. the Credit Agreement, which includes the guarantees granted by TTL, BPLL, Bulk LP and Canamera LP each in favour of the Agent;
2. a debenture amending agreement dated February 14, 2014 among, TTL, as debtor, and the Agent, as secured party;
3. a debenture amending agreement dated February 14, 2014 among, the Borrowers, as debtors, and the Agent, as secured party;

4. a debenture amending agreement dated February 14, 2014 among, BPLL and Bulk LP, as debtors, and the Agent, as secured party; and
5. a debenture amending agreement dated February 14, 2014 among, Canamera LP, as debtor, and the Agent, as secured party,

(collectively, the "**Documents**").

TTSI, in its capacity and as general partner of Trimac Transportation, Trimac Transportation, in its capacity and as general partner of Canamera LP, Canamera LP, BPLL, in its capacity and as general partner of Bulk LP, Bulk LP and TTL are collectively referred to as the "**Transaction Parties**", and individually as a "**Transaction Party**".

I have also reviewed and examined original signed copies of a Certificate of Authority and Incumbency relating to each of the Transaction Parties, each dated February 14, 2014, copies of which have been provided to you, and I have relied on the same as to various matters of fact expressed herein.

In giving the opinion expressed in paragraph 1 below as to the valid subsistence of TTSI, TTL and BPLL, I have relied on a Certificate of Status of recent date issued by the Registrar of Corporations (Alberta) for each of TTSI, TTL and BPLL, copies of which are delivered concurrently herewith.

In giving the opinion expressed in paragraph 1 below as to the valid subsistence of Trimac Transportation, Bulk LP and Canamera LP, I have relied on partnership/ trade name searches of recent date issued by the Registrar of Corporations (Alberta) for each of Trimac Transportation, Bulk LP and Canamera LP, copies of which are delivered concurrently herewith.

In addition to the foregoing, I have made such investigations, examined such certificates of public authorities, corporate, partnership and trust records and other documents certified or otherwise identified to my satisfaction, and have considered such questions of law as I have considered necessary and appropriate as a basis for providing the opinions expressed herein; provided, however, I have not conducted any searches in any public registries in respect of the Transaction Parties except as described herein for the opinions expressed in paragraph 1 below.

Assumptions

In such examinations I have assumed:

- (a) the genuineness of all signatures on all documents purporting to be originals and on the originals of all documents submitted to me as copies;
- (b) the authenticity of all documents submitted to me as originals and of the originals of all documents submitted to me as copies;
- (c) the conformity to originals of all documents submitted to me as copies; and
- (d) the due authorization, execution and delivery of all documents by each party thereto other than the Transaction Parties and the legal existence, power and capacity of each such party.

Applicable Law

I am qualified to practice law in Alberta and my opinion has been sought in respect to the laws of Alberta and the federal laws of Canada applicable therein only (the “**Applicable Law**”) and, accordingly, I express no opinion with respect to the laws of any other jurisdiction. In particular, to the extent that the Applicable Law would require the application of the laws of any other jurisdiction, no opinions are expressed as to the laws of such other jurisdiction.

Opinions

Based upon and subject to the foregoing and to the qualifications hereinafter expressed, I am of the opinion that:

1. Each of TTSI, TTL and BPLL has been incorporated and is validly subsisting as a corporation under the *Business Corporations Act* (Alberta). Each of Trimac Transportation, Bulk LP and Canamera LP is a limited partnership duly formed and existing under the laws of Alberta. TTSI is the general partner of Trimac Transportation, BPLL is the general partner of Bulk LP and Trimac Transportation is the general partner of Canamera LP.
2. Each Transaction Party has the corporate and/or partnership (as applicable) power and capacity to:
 - (a) own, hold or lease its property and conduct its business as now conducted;
 - (b) in the case of TTL, BPLL, Bulk LP (acting through BPLL), Canamera LP (acting through TTSI as the general partner of Trimac Transportation in its capacity as general partner of Canamera LP) and Trimac Transportation (acting through TTSI), guarantee the obligations of TTSI and Trimac Transportation under the Credit Agreement; and
 - (c) execute and deliver the Documents to which it is a party and incur and perform its obligations thereunder.
3. The execution and delivery of the Documents to which each Transaction Party is a party and the performance by each such Transaction Party of its obligations thereunder and the transactions contemplated therein, have been duly and properly authorized by all necessary action on the part of each such Transaction Party and such authorization, execution, delivery and performance does not and will not contravene or conflict with (a) in the case of TTSI, TTL and BPLL, any provisions of the articles or by-laws of each entity; or (b) in the case of each of Trimac Transportation, Bulk LP and Canamera LP, its partnership agreement.
4. The Documents have been duly and properly executed and delivered by each Transaction Party which is a party thereto.
5. No authorization, consent, approval or exemption from, or filing, registration, recordation, notarization, declaration or qualification with, or before, or giving notice to, any governmental authority or regulatory body of Alberta, or the federal government of Canada, or any agency, department or division of any thereof (including any securities authorities), is required to be obtained, given or made:
 - (a) for the due execution and delivery by each Transaction Party of the Documents to which it is a party or the performance by it of its obligations thereunder; or

- (b) to ensure the validity and enforceability of the Documents.
6. The authorization, execution and delivery by each Transaction Party of the Documents to which it is a party and the performance by each such Transaction Party of its obligations under such Documents does not and will not contravene or conflict with any applicable law, statute, rule or regulation in force in Alberta.

Reliance

This opinion relates exclusively to the transactions described above. This opinion is rendered solely for the use of the addressees hereof and their respective successors and assigns and participants in accordance with the provisions of the Credit Agreement (in the case of the Lenders) and may not be relied on by any other person or for any other purpose without my prior written consent. This opinion is rendered in my capacity as Senior Corporate Counsel to the Transaction Parties and not in my personal capacity.

Yours truly,

Amanda E. Sutton

Senior Corporate Counsel of:
Trimac Transportation Services Inc.;
Trimac Transportation Services Limited Partnership;
Trimac Transportation Ltd.;
Bulk Plus Logistics Ltd.;
Bulk Plus Logistics Limited Partnership; and
Canamera Limited Partnership.

SCHEDULE “A”

Lenders

The Bank of Nova Scotia

Canadian Imperial Bank of Commerce

Royal Bank of Canada

SCHEDULE E-2

Form of Legal Opinion of Counsel to Administrative Agent

[Letterhead of Gowling Lafleur Henderson LLP]

February 14, 2014

The Lenders that are and hereafter become a party to the Credit Agreement referred to below, and The Bank of Nova Scotia, as Administrative Agent

Dear Sirs/Mesdames:

Trimac Transportation Services Inc. and Trimac Transportation Services Limited Partnership - Credit Agreement

We have acted as counsel to the Administrative Agent and the Lenders in connection with the Third Amended and Restated Credit Agreement dated February 14, 2014 (the "**Credit Agreement**") among Trimac Transportation Services Inc. ("**TTSI**") and Trimac Transportation Services Limited Partnership ("**Trimac Transportation**") as Borrowers (collectively, the "**Borrowers**"), the lenders party thereto (collectively, the "**Lenders**"), The Bank of Nova Scotia in its capacity as the Administrative Agent (the "**Agent**") and Bulk Plus Logistics Limited Partnership ("**Bulk LP**") by its general partner, Bulk Logistics Ltd. ("**BPLL**"), Canamera Limited Partnership ("**Canamera LP**"), by its managing and general partner Trimac Transportation and Trimac Transportation Ltd. ("**TTL**"), as guarantors (collectively the "**Guarantors**"). This opinion is furnished to you pursuant to Section 8.1(c)(viii) of the Credit Agreement.

Capitalized terms used herein and not otherwise defined have the meanings set forth in the Credit Agreement.

Documents Reviewed

We have participated in the preparation of and have examined original executed copies of:

1. the Credit Agreement, which includes the guarantees granted by Bulk LP, BPLL, Canamera LP and TTL in favour of the Agent;
2. a debenture amending agreement dated February 14, 2014 among, the Borrowers, as debtors, and the Agent, as secured party (the "**Borrowers' Debenture Amendment**");

3. a debenture amending agreement dated February 14, 2014 among, BPLL and Bulk LP, as debtors, and the Agent, as secured party (the “**Bulk Plus Debenture Amendment**”);
4. a debenture amending agreement dated February 14, 2014 among, Canamera LP, as debtor, and the Agent, as secured party (the “**Canamera Debenture Amendment**”); and
5. a debenture amending agreement dated February 14, 2014 among, TTL, as debtor, and the Agent, as secured party (the “**TTL Debenture Amendment**”).

(the Bulk Plus Debenture Amendment, the Canamera Debenture Amendment and the TTL Debenture Amendment being collectively referred to as the “**Guarantors’ Debenture Amendments**” and the Credit Agreement, the Borrowers’ Debenture Amendment and the Guarantors’ Debenture Amendments being collectively referred to as the “**Documents**”)

TTSI, in its own capacity and as general partner of the Trimac Transportation, BPLL, Bulk LP, Canamera LP and TTL and Trimac Transportation are collectively referred to as the “**Transaction Parties**”, and individually as a “**Transaction Party**”. The Administrative Agent and the Lenders are collectively referred to herein as the “**Secured Parties**”).

Legal Support Opinions

In giving the opinions expressed herein, we have relied upon the opinion of Amanda F. Sutton, Senior Corporate Counsel for TTL, who has acted as counsel to the Transaction Parties, dated February 14, 2014 (the “**In-House Opinion**”) and furnished to you and us pursuant to Section 8.1(c)(vii) of the Credit Agreement as to all matters other than the legality, validity, binding nature and enforceability of the Documents which has been delivered to you in connection with the aforementioned transactions. Such opinions are in form and scope satisfactory to us and we believe that you and we are justified in relying thereon. However, we have made no independent investigation in respect of such opinions and have assumed their accuracy.

In addition to the foregoing, we have made such investigations, and have considered such questions of law, as we have considered necessary and appropriate as a basis for providing the opinions expressed herein.

Assumptions

For the purposes of the opinions expressed below, we have assumed, without independent investigation or inquiry, that with respect to all documents examined by us, the signatures are genuine, the individuals signing such documents had legal capacity at the time of signing, all documents submitted to us as originals are authentic, and certified, conformed or photocopied copies, or copies transmitted electronically or by facsimile, conform to the authentic original documents.

Relying solely upon the In-house Opinion, and without independent investigation, we have assumed (i) the existence of the Transaction Parties, (ii) the due authorization, execution and delivery of the Documents by the Transaction Parties, and (iii) the power and capacity of the Transaction Parties to enter into the Documents to which each is a party and perform its obligations thereunder.

With respect to the Agent and Lenders, we have assumed (a) the corporate existence of each of the Agent and Lenders, (b) the due authorization, execution and delivery of the Credit

Agreement by the Agent and Lenders and of the Borrowers' Debenture Amendment and the Guarantors' Debenture Amendments (collectively the "**Debenture Amendments**" by the Agent), (c) the corporate power and capacity of the Lenders and the Agent to enter into the Credit Agreement and of the Agent to enter into the Debenture Amendments and to perform their respective obligations thereunder, and (d) that the Credit Agreement and the Debenture Amendments constitute legal, valid and binding obligations of the Agent and the Lenders, as applicable, enforceable against each of them in accordance with their terms.

Applicable Law

We express no opinion as to the laws of any other jurisdiction other than the laws of Alberta and the federal laws of Canada applicable therein.

Opinions

Based upon and subject to the foregoing and to the qualifications set forth below, we are of the opinion that:

1. The Documents constitute legal, valid and binding obligations of each Transaction Party enforceable against them in accordance with their respective terms.
2. No additional registrations or filings are required to be made in any public offices or registries under the laws of the Province of Alberta or federal laws of Canada applicable therein by reason of the amendment of the Borrowers' Debenture by the Borrowers' Debenture Amendment or by reason of the amendment of any of the Guarantors' Debentures by virtue of the Guarantors' Debenture Amendments.

Qualifications

The opinions expressed herein are subject to the following qualifications:

- (a) the enforceability of the Documents and the rights and remedies set out therein or any judgment arising out of or in connection therewith may be limited by any applicable bankruptcy, reorganization, winding-up, insolvency, arrangement, preference, moratorium or other laws and judicial decisions of general application affecting the enforcement of creditors' rights from time to time in effect, and is subject to general principles of equity, whether considered in a proceeding in equity or at law (including the equitable or statutory powers of the courts to stay proceedings before them, to stay the execution of judgments and to grant relief against forfeiture), and in particular no opinion is expressed as to the availability of the remedy of specific performance, injunctive relief or other equitable or discretionary remedies in any particular instance;
- (b) provisions in the Documents providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
- (c) the Currency Act (Canada) precludes a court in Canada from giving a judgment in any currency other than Canadian currency and such judgment may be based on a rate of exchange in existence on a day other than the day of payment of such judgment;

- (d) the Judgment Interest Act (Alberta) may limit the rate of interest which a judgment debt bears, and any provision of the Documents which purports to waive the Judgment Interest Act (Alberta) may not be enforceable;
- (e) the additional or increased rate of interest imposed upon the Borrower pursuant to Sections 3.3(a) and 3.3(b) of the Credit Agreement may not be enforceable if they are construed to be penalties. The fact that such provisions were held to be unenforceable would not of itself prejudice the legality of any other provision of the Credit Agreement;
- (f) determinations or calculations made in the exercise of a discretion purported to be given to a party under or by any of the Documents may be unenforceable if made in an unreasonable or arbitrary fashion and may not be treated as conclusive notwithstanding contrary provisions in the Documents and determinations or references based upon the practice of a certain Person or the publication or reporting of certain rates or yields may not be enforceable if the practice of such Person changes or the rates or yields are not ascertainable or are equivocal;
- (g) provisions in the Documents which purport to exclude unwritten variations, amendments, waivers or consents may not be enforceable;
- (h) failure to exercise a right of action under the Documents within applicable limitation periods may act as a bar to the enforcement of such rights at any time thereafter;
- (i) provisions in the Documents which purport to effect waivers of the benefits or protection of doctrines, principles or statutory provisions viewed by a court as based on public policy may not be enforceable; and
- (j) in accordance with the Agent's prior instructions the Borrowers' Debenture has not been registered as a fixed mortgage and charge against the lands described in Schedule A thereto and, accordingly, no additional or supplemental registrations have been made at the applicable land titles office in relation to the Borrowers' Debenture Amendment.

Reliance

This opinion relates exclusively to the transactions described above. This opinion is rendered solely for the use of the addressees hereof and their assigns and participants in accordance with the provisions of the Credit Agreement and may not be relied on by any other parties or for any other purpose without our prior written consent.

Yours truly,

SCHEDULE F
FORM OF CONFIDENTIALITY AGREEMENT

[Date]

[Name and Address
of Prospective Assignee or Participant]

Ladies and Gentlemen:

Re: Third Amended and Restated Credit Agreement dated as of February 14, 2014 (as modified and supplemented and in effect from time to time, the "**Credit Agreement**"), among Trimac Transportation Services Inc. and Trimac Transportation Services Limited Partnership, as borrowers (collectively, the "Borrowers"), and Trimac Transportation Ltd. and certain Subsidiaries of the Borrowers, as Guarantors, The Bank of Nova Scotia, as Administrative Agent, and certain other financial institutions party thereto.

As a Lender party to the Credit Agreement, we have agreed pursuant to Section 14.13(b) thereto to use reasonable precautions to keep confidential, except as otherwise provided therein, all non-public information supplied by any Obligor pursuant to the Credit Agreement. Terms defined in the Credit Agreement are used herein as defined therein.

As provided in said Section 14.13(b), we are permitted to provide you, as a prospective [holder of a participation in the Loans] [assignee Lender], with certain of such non-public information subject to the execution and delivery by you, prior to receiving such non-public information, of a Confidentiality Agreement in this form. Such information will not be made available to you until your execution and return to us of this Confidentiality Agreement.

Accordingly, in consideration of the foregoing, you agree (on behalf of yourself and each of your affiliates, directors, officers, employees and representatives) that:

- (a) such information will not be used by you except in connection with the proposed [participation] [assignment] mentioned above; and
- (b) you shall use reasonable precautions, in accordance with your customary procedures for handling confidential information of the same nature and in accordance with safe and sound banking practices, to keep such information confidential, provided that nothing herein shall limit the disclosure of any such information:
 - (i) to the extent required by statute, rule, regulation or judicial process,

- (ii) to your counsel or to counsel for any of the Lenders or the Administrative Agent,
 - (iii) to bank examiners, auditors or accountants,
 - (iv) to the Administrative Agent or any other Lender,
 - (v) in connection with any litigation to which you or any one or more of the Lenders or the Administrative Agent is a party,
 - (vi) to a subsidiary or affiliate of yours (provided that you shall not disclose any non-public information delivered pursuant to this Confidentiality Agreement to any subsidiary or affiliate of yours which is generally engaged in the securities and/or investment banking business other than in connection with (i) Hedging Agreements, or (y) the syndication or participation of the Loans and Commitments under the Credit Agreement, without the prior written consent of the Borrowers), or
 - (vii) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) first executes and delivers to you a Confidentiality Agreement substantially in the form hereof;
- (c) provided, further that (A) if lawful and practicable in your sole judgement, acting reasonably, you agree to notify the Borrowers of any request for disclosure of any such non-public information (prior to disclosure thereof) (I) by any governmental agency or representative thereof (other than any such request in connection with an examination of your financial condition by any Governmental Authority), or (II) pursuant to legal process, and (B) in no event shall you be obligated to return any materials furnished to you pursuant to this Confidentiality Agreement.

Please indicate your agreement to the foregoing by signing as provided below the enclosed copy of this Confidentiality Agreement and returning the same to us.

Very truly yours,

[ASSIGNING/PARTICIPATING BANK]

By: _____
Title:

The foregoing is agreed to
as of the date of this letter.

[PROSPECTIVE ASSIGNEE/PARTICIPANT]

By: _____
Title:

SCHEDULE G
POWER OF ATTORNEY TERMS
– BANKERS' ACCEPTANCES

In order to facilitate the acceptance of Bankers' Acceptances pursuant to the terms of the Third Amended and Restated Credit Agreement dated as of February 14, 2014 (as modified and supplemented and in effect from time to time, the "Credit Agreement"), among Trimac Transportation Services Inc. and Trimac Transportation Services Limited Partnership, as borrowers (collectively, the "Borrowers"), and Trimac Transportation Ltd. and certain Subsidiaries of the Borrowers, as Guarantors, The Bank of Nova Scotia, as Administrative Agent, and certain other financial institutions party thereto, **[Trimac Transportation Services Inc./Trimac Transportation Services Limited Partnership]** (the "**Borrower**") hereby appoints each Lender (the "**Lender**"), acting by its authorized signatories (the "**Attorney**") for the time being at the Lender's main branch in Toronto, Ontario (the "**Branch of Account**"), the attorney of such Borrower:

1. to sign for and on behalf and in the name of the Borrower as drawer, drafts in the Lender's standard form ("Drafts") which may be depositary bills under and as defined in the *Depositary Bills and Notes Act* (Canada) (the "DBNA") drawn on the Lender payable to the order of such Borrower, or to the order of the Lender, or to a "clearinghouse" under the DBNA or its nominee for deposit by the Lender with the "clearinghouse" after acceptance thereof by the Lender, and

2. to fill in the amount, date and maturity date of such Drafts;

provided that such acts in each case are to be undertaken by the Lender in accordance with written instructions given to the Lender by the Borrower as provided in this power of attorney.

Instructions to the Lender relating to the execution, completion, endorsement, discount and/or delivery by the Lender on behalf of the Borrower of Drafts which the Borrower wishes to submit to the Lender for acceptance by the Lender shall be communicated by the Administrative Agent and/or the Borrower to the Lender in writing following delivery by the Borrower of a notice in respect of a borrowing, conversion or continuation pursuant to the Credit Agreement and shall specify the following information:

3. a Canadian Dollar amount, which shall be the aggregate face amount of the Drafts to be accepted by the Lender in respect of a particular borrowing, conversation or rollover;

4. a specified period of time, as provided in the Credit Agreement, which shall be the number of days after the date of such Drafts that such Drafts are to be payable, and the dates of issue and maturity of such Drafts; and

5. payment instructions specifying the account number of the Borrower and the financial institution at which the proceeds from the sale of such Drafts are to be credited.

The communication in writing by the Borrower to the Lender of the instructions referred to above shall constitute the authorization and instruction of the Borrower to the Lender

to complete and execute Drafts in accordance with such information as set out above and the request of the Borrower to the Lender to accept such Drafts and deliver the same, or deposit the same with the "clearinghouse" against payment as set out in the instructions. The Borrower acknowledges that the Lender shall not be obligated to accept any such Drafts except in accordance with the provisions of the Credit Agreement. The Lender shall be and it is hereby authorized to act on behalf of the Borrower upon and in compliance with instructions communicated to the Lender as provided herein if the Lender reasonably believes them to be genuine.

The Borrower agrees to indemnify the Lender and its directors, officers, employees, affiliates and agents and to hold it and them harmless from and against any loss, liability, expense or claim of any kind or nature whatsoever incurred by any of them as a result of any action or inaction in any way relating to or arising out of this power of attorney or the acts contemplated hereby, including the deposit of any Draft with the "clearinghouse"; provided that this indemnity shall not apply to any such loss, liability, expense or claim which results from the gross negligence or wilful misconduct of the Lender or any of its directors, officers, employees, affiliates or agents.

This Power of Attorney may be revoked by the Borrower at any time upon not less than five (5) Banking Days' written notice served upon the Lender at the Lender's Branch of Account, provided that (i) it may be replaced with another power of attorney forthwith in accordance with the requirements of the Credit Agreement; and (ii) no such revocation shall reduce, limit or otherwise affect the obligations of the Borrower in respect of any Draft executed, completed, endorsed, discounted and/or delivered in accordance herewith prior to the time at which such revocation becomes effective. This power of attorney may be terminated by the Lender at any time upon not less than five (5) Banking Days' written notice to the Borrower in accordance with Section 14.2 of the Credit Agreement.

Any revocation or termination of this power of attorney shall not affect the rights of the Lender and the obligations of the Borrower with respect to the indemnities of the Borrower above stated with respect to all matters arising prior in time to any such revocation or termination.

This power of attorney is in addition to and not in substitution for any agreement to which the Lender and the Borrower are parties.

In the event of a conflict between the provisions of this power of attorney and the Credit Agreement, the Credit Agreement shall prevail.

SCHEDULE H

FORM OF COMPLIANCE CERTIFICATE

[Note: The terms of the Credit Agreement are not intended to be interpreted or amended by the inclusion of this form in the Agreement. In the case of a conflict, the Credit Agreement provisions govern.]

COMPLIANCE CERTIFICATE

TO: The Bank of Nova Scotia as Administrative Agent under the Credit Agreement

DATE: ●, 201__

We refer to the Third Amended and Restated Credit Agreement dated as of February 14, 2014 among Trimac Transportation Services Inc. ("TTSI") and Trimac Transportation Limited Partnership ("**Trimac Transportation**"), as Borrowers, Bulk Plus Logistics Limited Partnership, Bulk Plus Logistics Ltd., Canamera LP and Trimac Transportation Ltd., as Guarantors, and The Bank of Nova Scotia, as Administrative Agent and Lender, and certain other financial institutions who become parties thereto as Lenders as such agreement has been amended from time to time (the "**Credit Agreement**"). Capitalized terms used herein have the meanings ascribed thereto in the Credit Agreement. Section references are to the Credit Agreement.

This Certificate is provided to you pursuant to Section 10.1, and relates to the ●
[fiscal quarter] [fiscal year] of TTL ending ●, 201__.

The Borrowers hereby certify to the Administrative Agent and to each Lender as follows:

1. Financial Statements. Appended hereto are the [quarterly] [annual] financial statements required to be delivered to you by Section 10.1[(a)] or [(b)] [if annuals: together with our accountants opinion thereon]. In that regard: [Set out the applicable senior financial officer certifications in Section 10.1(a)(i)–(iv) or (b)(i)–(iv), as applicable, with any exceptions].

2. Computations. The following are our computations necessary to determine whether the Obligors are in compliance with the financial covenants in Article 10, as of the end of the [fiscal quarter] [fiscal year] to which this certificate relates:

- (a) Sale of Assets (Section 10.7): Consolidated Total Assets of TTL and its Subsidiaries as at the end of its most recently completed fiscal year were Cdn. \$●; accordingly, in the fiscal year to which this Certificate relates Trimac Transportation and its Subsidiaries may dispose of 10% thereof, being Cdn. \$●. During such fiscal year the actual dispositions to which Section 10.7 applies are as follows:

[Itemize, showing calculations]

- (b) Negative Pledge (Section 10.8): Liens referred to in paragraph (e) of the definition of "Permitted Encumbrances" are the following, which secure less than the amount permitted by such paragraph, being Cdn. \$●:

Liens referred to in paragraph (g) of the definition of "Permitted Encumbrances" are the following, each of which have been subordinated in the manner required by that paragraph:

[Itemize]

Liens referred to in paragraph (i) of the definition of "Permitted Encumbrances" do not exceed Cdn. \$500,000.

[Insert calculations]

- (c) Consolidated Total Debt to Consolidated EBITDA (Section 10.10): Consolidated Total Debt as at **[quarter] [year]** end is Cdn. \$●, and Consolidated EBITDA for the 4 consecutive fiscal quarters ending at the end of such **[quarter] [year]** end is Cdn. \$●, and therefore the ratio of Consolidated Total Debt to Consolidated EBITDA is ●:1.0; which **[is] [is not]** in compliance with Section 10.10 requiring the ratio of Consolidated Total Debt to Consolidated EBITDA not to exceed **[3.25:1.0 / 3.50:1.0]** as at the end of the above referred to fiscal period. Our calculations in that regard are as follows:

[Insert calculations]

- (d) Debt Coverage Ratio (Section 10.11): Consolidated EBITDA for the four consecutive fiscal quarters ending as at **[quarter] [year]** end: (i) less cash taxes; and (ii) less TTL Distributions during such period is Cdn. \$●. The sum of (i) Consolidated Interest Expense for the four consecutive fiscal quarters ending as at **[quarter] [year]** end; (ii) the current portion of Consolidated Total Debt as at the end of such period excluding: (A) the current portion, if any, of the Debt of the Borrowers under the Credit Facilities; and (B) contingent liabilities of the Borrowers under Letters of Credit. The ratio of the former to the latter is ●:1.0 which **[is] [is not]** in compliance with Section 10.11, requiring the Debt Coverage Ratio in such circumstances to equal or exceed 1.5 to 1.0.

[Insert calculations]

- (e) Consolidated Total Assets/EBITDA of Material Subsidiaries (Section 10.13(a)): Total assets of Trimac Transportation and the Material Subsidiaries (determined on a combined basis consistent with the determination of Consolidated Total Assets under the Credit Agreement) as at **[quarter] [year]** end (having regard to the exclusions provided in that Section) is Cdn. \$●, which **[is] [is not]** in compliance with Section 10.13(a) requiring such combined total assets of Trimac Transportation and the Material Subsidiaries to exceed 85% of Consolidated Total Assets, being Cdn. \$●. Our calculations in that regard are as follows:

[Insert calculations]

- (f) Consolidated EBITDA of Material Subsidiaries (Section 10.13(b)): earnings before interest, taxes, depreciation and amortization of Trimac Transportation and its Material Subsidiaries for the 4 consecutive fiscal quarters ending at the end of such **[quarter] [year]** end (determined on a consolidated basis is Cdn. \$●, which **[is] [is not]** in compliance with Section 10.13(b) requiring such combined earnings before interest, taxes, depreciation and amortization of Trimac and its Material Subsidiaries to exceed 85% of Consolidated EBITDA, being Cdn. \$●. Our calculations in that regard are as follows:

[Insert calculations]

3. Default. No Default has occurred and is continuing under the Credit Agreement [other than – provide details and identify action taken or proposed to be taken].

TRIMAC TRANSPORTATION SERVICES INC.

By: _____
Name:
Title:

SCHEDULE I

FORM OF AFFILIATE SUBORDINATION AGREEMENT

THIS AGREEMENT made as of ● by *[Name of Subordinated Creditor]*, a *[corporation/partnership/trust]* under the laws of ● (the "**Subordinated Creditor**") in favour of the Administrative Agent and Lenders.

WHEREAS the ● (the "Obligor") is obligated to the Lenders under the Credit Agreement;

AND WHEREAS the Obligor is or may become obligated to the Subordinated Creditor;

AND WHEREAS it is a condition to the Obligor being entitled to incur obligations to the Subordinated Creditor that the Subordinated Creditor agree to postpone and subordinate all obligations owed by the Obligor to it as herein set forth;

NOW THEREFORE, in consideration of the sum of \$10.00 now paid by the Lenders and Administrative Agent and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Subordinated Creditor), the Subordinated Creditor hereby agrees as follows:

1. **INTERPRETATION**

(a) **Definitions**

In this Agreement, including the recitals, capitalized terms used herein and not otherwise defined shall have the meanings attributed to such terms in the Third Amended and Restated Credit Agreement (as amended, restated, replaced or substituted from time to time, the "**Credit Agreement**") dated as of February 14, 2014 Trimac Transportation Services Inc. and Trimac Transportation Services Limited Partnership, as Borrowers, and Trimac Transportation Ltd. and certain Subsidiaries of the Borrowers, as Guarantors, The Bank of Nova Scotia, as Administrative Agent, and the Lenders party thereto, and their respective successors and assigns (all therein and herein referred to as the "**Lenders**"). In addition, the following terms shall have the following meanings:

- (i) "Senior Indebtedness" means the "Secured Obligations" as that expression is defined in the Credit Agreement; and
- (ii) "Subordinated Indebtedness" means the aggregate obligations, liabilities and indebtedness owing from time to time by the Obligor to the Subordinated Creditor, howsoever arising, whether present or future, direct or indirect, contingent or otherwise, including (for certainty) obligations under guarantees.

(b) **Headings and Agreement References**

- (i) The division of this Agreement into Articles and Sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (ii) The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this document as amended from time to time, and not to any particular Article, Section or other portion hereof and include any amendments or supplements hereto. Unless otherwise stated, references herein to Articles or Sections are to Articles or Sections of this Agreement.

(c) **Number and Gender**

Words importing the singular number shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

(d) **"Including"**

The word "including" shall not be construed to limit or restrict the generality of the matter that precedes it.

2. **POSTPONEMENT AND SUBORDINATION OF PAYMENT**

(a) **General Postponement and Subordination**

- (i) Subject to clause (c), the Subordinated Indebtedness shall be and is hereby postponed and made subordinate in right of payment to the prior payment in full of the Senior Indebtedness.
- (ii) Subject to clause (c), the Subordinated Creditor shall not demand nor request, nor shall it accept, any payment, repayment, prepayment or other satisfaction of all or any portion of the Subordinated Indebtedness (whether in cash, property or securities) prior to the payment in full of the Senior Indebtedness and termination of the Credit Agreement.
- (iii) At any time when no Default has occurred and is continuing under the Credit Agreement, and the Obligor does not reasonably expect a Default to occur thereunder, the Obligor may make any payment, repayment, prepayment or other satisfaction of all or any portion of the Subordinated Indebtedness (whether in cash, property or securities) to the Subordinated Creditor.

(b) **Priority of Senior Indebtedness on Dissolution or Insolvency**

In the event of any dissolution, winding-up, liquidation, readjustment, reorganization, arrangement, bankruptcy, insolvency, receivership or other similar proceedings relating to the Obligor, or any of its property (whether voluntary or involuntary, partial or complete, or any other marshalling of the assets and liabilities of the Obligor, or any sale of all or substantially all of the assets of the Obligor, or otherwise), the Senior Indebtedness shall first

be paid in full before the Subordinated Creditor shall be entitled to receive or retain any payment or distribution in respect of the Subordinated Indebtedness. In order to implement the foregoing:

- (i) all payments and distributions of any kind or character in respect of the Subordinated Indebtedness to which the Subordinated Creditor would be entitled if the Subordinated Indebtedness was not subordinated pursuant to this Agreement shall be made directly to the Administrative Agent on behalf of the Lenders;
- (ii) the Subordinated Creditor shall promptly file a claim or claims, in the form required in such proceedings, for the full outstanding amount of the Subordinated Indebtedness, and shall cause said claim or claims to be approved and all payments and other distributions in respect thereof to be made directly to the Administrative Agent on behalf of the Lenders; and
- (iii) the Subordinated Creditor hereby irrevocably agrees that the Administrative Agent on behalf of the Lenders may, at its sole discretion, in the name of the Subordinated Creditor or otherwise, demand, sue for, collect, receive and receipt for any and all such payments or distributions, and file, prove and vote or consent in any such proceedings with respect to any and all claims of the Subordinated Creditor relating to the Subordinated Indebtedness.

(c) Receipt of Payments, Proceeds and Assets in Trust

If any payment, proceeds or distribution of assets from the Obligor is received by the Subordinated Creditor in respect of the Subordinated Indebtedness prior to the payment in full of the Senior Indebtedness (other than in accordance with Section 2(a)(iii) hereof), such payment, proceeds or assets shall be received and held in trust by the Subordinated Creditor for the exclusive benefit of the Lenders and shall be forthwith paid or delivered to the Administrative Agent on behalf of the Lenders.

(d) Application of Payments

All payments and distributions received by the Lenders and the Administrative Agent in respect of the Subordinated Indebtedness, to the extent received in or converted into cash, may be applied by the Lenders and the Administrative Agent first to the payment of any and all expenses (including reasonable legal fees on a solicitor and his own client basis) paid or incurred by the Lenders and the Administrative Agent in enforcing this Agreement, or in endeavouring to collect or realize upon any of the Subordinated Indebtedness or any collateral security therefor, and any balance thereof shall, solely as between the Subordinated Creditor, the Lenders and the Administrative Agent, be applied by the Lenders and the Administrative Agent in such order of application as the Lenders may from time to time select, toward the payment of the Senior Indebtedness remaining unpaid.

3. **SUBROGATION**

(a) **Restriction on Subrogation**

The Subordinated Creditor shall not exercise any rights which it may acquire by way of subrogation or contribution under this Agreement, as a result of any payment made hereunder or otherwise until this Agreement has ceased to be effective in accordance with Section 7(j). If any amount is paid to the Subordinated Creditor on account of such subrogation or contribution rights at any time before this Agreement has ceased to be effective in accordance with Section 7(j), such amount shall be held in trust by the Subordinated Creditor for the benefit of the Lenders and shall be forthwith paid to the Administrative Agent on behalf of the Lenders.

(b) **Transfer by Subrogation**

If (a) the Administrative Agent on behalf of the Lenders receives payment of any of the Subordinated Indebtedness, (b) the Senior Indebtedness has been paid in full and (c) there are no further obligations, liabilities and indebtedness outstanding under this Agreement, then the Administrative Agent will, at the Subordinated Creditor's request and expense, execute and deliver to the Subordinated Creditor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Subordinated Creditor of the Lenders' interest in the Senior Indebtedness to the extent it arises from such payment of the Subordinated Indebtedness to the Administrative Agent.

4. **DEALINGS WITH OBLIGOR**

(a) **Restricted Dealings by Subordinated Creditor**

Except with the prior written consent of the Administrative Agent, the Subordinated Creditor shall not:

- (i) during the continuance of a Default, assign or subordinate all or any portion of the Subordinated Indebtedness in favour of any person other than the Lenders;
- (ii) take any collateral security for all or any portion of the Subordinated Indebtedness; or
- (iii) commence, or join with any other person in commencing, any dissolution, winding-up, liquidation, reorganization, arrangement, bankruptcy, insolvency, receivership or similar proceedings respecting the Obligor.

(b) **Permitted Dealings by Lenders**

Notwithstanding anything in this Agreement, the Subordinated Creditor acknowledges that each of the Lenders and the Administrative Agent shall be entitled to:

- (i) agree to any change in, amendment to, waiver of, or departure from, any term of the Credit Agreement including any amendment, renewal or

extension thereof or increase in the payment obligations of the Obligor thereunder;

- (ii) grant time, renewals, extensions, releases, discharges or other indulgences or forbearances to the Obligor in respect of the Senior Indebtedness;
- (iii) waive timely and strict compliance with or refrain from exercising any rights under or relating to the Senior Indebtedness;
- (iv) accept or make any compositions, arrangements, plans of reorganization or compromises with the Obligor as the Lenders and the Administrative Agent may deem appropriate in connection with the Senior Indebtedness;
- (v) change, whether by addition, substitution, removal, succession, assignment, grant of participation, transfer or otherwise, any of the Lenders or the Administrative Agent;
- (vi) acquire, give up, vary, exchange, release, discharge or otherwise deal with or fail to deal with any Liens relating to any Senior Indebtedness, or allow the Obligor or any other person to deal with the property which is subject to such Liens, all as the Lenders and the Administrative Agent may deem appropriate; and/or
- (vii) abstain from taking, protecting, securing, registering, filing, recording, renewing, perfecting, insuring or realizing upon any Liens for any Senior Indebtedness; and no loss in respect of any of the Liens received or held for and on behalf of the Lenders, whether occasioned by fault, omission or negligence of any kind, whether of the Lenders, the Administrative Agent or otherwise, shall in any way limit or impair the liability of the Subordinated Creditor or the rights of the Lenders under this Agreement;

all of which may be done without notice to or consent of the Subordinated Creditor and without impairing, releasing or otherwise affecting any obligations of the Subordinated Creditor hereunder or any rights of the Lenders hereunder.

5. REPRESENTATIONS AND WARRANTIES

(a) Representations and Warranties

The Subordinated Creditor hereby represents and warrants to the Lenders that:

- (i) incorporation and registration: it is a valid and subsisting corporation in good standing under the laws of its governing jurisdiction;
- (ii) corporate power and capacity: it has the corporate power and capacity to perform all of its obligations hereunder;
- (iii) authorizations: it is duly authorized to execute, deliver and perform this Agreement, and all corporate steps and proceedings necessary for the

due execution and delivery of this Agreement by it and the performance of its obligations hereunder have been taken;

- (iv) validity and enforceability: this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of it enforceable by the Administrative Agent and the Lenders in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights, and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and
- (v) non-violation of instruments: the execution, delivery and performance by it of this Agreement does not and will not:
 - (A) contravene its articles or by-laws [or other constating documents],
 - (B) contravene any applicable laws (including any financial assistance prohibitions),
 - (C) contravene any instrument, indenture, contract or other agreement or commitment to which it or its assets are bound, or any shareholders agreement relating to it, and
 - (D) contravene any resolution of its directors or officers [or partners or trustee] or any committee of either.

6. **CONTINUING SUBORDINATION**

(a) **Continuing Subordination**

This Agreement shall create a continuing subordination and shall:

- (i) remain in full force and effect until the Lenders have received payment in cash of the full amount of the Senior Indebtedness and any costs and expenses payable pursuant to Section 7(i) and there are no further Commitments or Obligations outstanding under the Credit Agreement;
- (ii) be binding upon the Subordinated Creditor and its successors and assigns; and
- (iii) enure, together with the rights and remedies of the Lenders and the Administrative Agent hereunder, to the benefit of and be enforceable by the Lenders and their successors and assigns for their benefit and for the benefit of any other person entitled to the benefit of the Credit Agreement from time to time, including any permitted assignee of the Credit Agreement.

(b) **Other Obligations not Affected**

The postponement and subordination provided for herein is in addition to and not in substitution for any other agreement or any other security by whomsoever given or at any time held by the Lenders or the Administrative Agent in respect of the Senior Indebtedness, and the Lenders and the Administrative Agent shall at all times have the right to proceed against or realize upon all or any portion of any other agreement or any security or any other monies or assets to which the Lenders and the Administrative Agent may become entitled or have a claim in such order and in such manner as the Lenders and the Administrative Agent in their sole discretion may deem appropriate.

(c) **Acknowledgment of Documentation**

The Subordinated Creditor hereby acknowledges that it has received a true and complete copy of, is familiar with and understands the terms of the Credit Agreement, the Other Loan Documents and all other related documents. The Subordinated Creditor hereby waives any entitlement it may have to receive copies of all amendments, modifications or supplements to any of the aforementioned documents and of any other documents, instruments or agreements which are executed in the future pursuant to which the Senior Indebtedness may arise. None of the Lenders or the Administrative Agent shall in any manner have any obligation to ensure such receipt nor shall lack of receipt in any way affect the absolute and unconditional nature of the Subordinated Creditor's obligations hereunder in respect of the Senior Indebtedness thereby created or arising.

7. **GENERAL PROVISIONS**

(a) **Notice**

Any notice, communication or demand to be made or given hereunder shall be in writing and may be made or given by personal delivery or by telecopy or other electronic means of communication addressed as follows:

To the Subordinated Creditor:

Attention: _____

Telecopy No.: _____

To the Agent: As provided in Section 14.2 of the Credit Agreement

or to such other address or telecopy number as any party may from time to time notify the other in accordance with this Section. Any notice, communication or demand made or given by personal delivery during usual business hours at the place of receipt on a Business Day shall conclusively be deemed to have been given on the day of actual delivery thereof. Any notice, communication or demand made or given by personal delivery or by telecopier after normal business hours at the place of receipt or otherwise than on a Business Day shall be conclusively

deemed to have been made or given at 9:00 a.m. on the Business Day following actual delivery or transmittal, as the case may be.

(b) Governing Law and Jurisdiction

- (i) This Agreement and any other documents delivered hereunder shall be governed by and interpreted in accordance with the laws of Alberta and the laws of Canada applicable therein and shall be treated as Alberta contracts.
- (ii) The Subordinated Creditor agrees that the courts of Alberta shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with the aforesaid documents, and it irrevocably submits to the non-exclusive jurisdiction of such courts, without prejudice to the rights of the Lenders to take proceedings in any other jurisdictions, whether concurrently or not.

(c) Assignment by Lenders

- (i) The Subordinated Creditor acknowledges and agrees that each of the Lenders have the right to assign, sell, participate or otherwise transfer all or any portion of its rights and benefits under this Agreement under Section 14.6(b) of the Credit Agreement without the consent of the Subordinated Creditor.
- (ii) The Subordinated Creditor shall not assign all or any portion of its obligations under this Agreement without the prior written consent of all Lenders.

(d) Amendments, Waivers and Consents

This Agreement may only be amended by agreement in writing between the Subordinated Creditor, the Administrative Agent and the Lenders, and provisions hereof may be waived or matters consented to by the Administrative Agent and the Lenders only if the Administrative Agent and the Lenders so agree in writing. Any waiver or consent by the Administrative Agent and the Lenders under any provision of this Agreement may be given subject to any conditions thought fit by the Administrative Agent and the Lenders. Any waiver or consent shall be effective only in the specific instance and for the purpose for which it is given.

(e) Administrative Agent for Lenders

For greater certainty, any action that may be taken, communication or demand given or remedy exercised by the Lenders hereunder may be taken, given or exercised by the Administrative Agent on their behalf, and any payment required to be made by the Subordinated Creditor to the Lenders hereunder may be made to the Administrative Agent on behalf of the Lenders.

(f) Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or

unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(g) **Further Assurances**

- (i) Each party shall promptly cure any defect by it in the execution and delivery of this Agreement.
- (ii) The Subordinated Creditor, at its expense, shall promptly execute and deliver to the Lenders and Administrative Agent, upon request by the Lenders or Administrative Agent in writing, all such other and further documents, agreements, certificates and instruments in order to give effect to the covenants and agreements of the Subordinated Creditor in this Agreement, and shall make any recording, file any notice or obtain any consent in connection therewith, all as may be reasonably necessary or appropriate.

(h) **Time of the Essence**

Time shall be of the essence of this Agreement.

(i) **Expenses**

The Subordinated Creditor shall pay to the Administrative Agent and the Lenders all reasonable out-of-pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and other expenses incurred by the Administrative Agent and the Lenders from time to time in the enforcement, realization and collection of or in respect of this Agreement. All such amounts shall be payable by the Subordinated Creditor on demand, shall bear interest at a rate per annum equal to the Prime Rate plus 2% per annum calculated from the date incurred by the Administrative Agent and the Lenders to the date paid by the Subordinated Creditor, both before and after default, maturity and judgement.

(j) **Termination**

This Agreement shall terminate when the Lenders have received payment in cash of the full amount of the Senior Indebtedness and any costs and expenses payable pursuant to Section 7(i) and there are no further Obligations outstanding under the Credit Agreement.

IN WITNESS WHEREOF the Subordinated Creditor has caused this Agreement to be executed by its duly authorized representative(s).

[Name of Subordinated Creditor]

By: _____
()

By: _____
()

ACKNOWLEDGEMENT

The undersigned hereby acknowledges the terms of the above Subordination Agreement and covenants not to participate in any violation thereof.

[OBLIGOR]

By: _____
()

By: _____
()

SCHEDULE K

OTHER DEBT

nil

SCHEDULE L

DEBENTURE FORM

This DEBENTURE dated as of ● (as amended, supplemented or otherwise modified from time to time, the "**Debenture**") is granted jointly by ● (the "**Grantor**") to and in favour of **The Bank of Nova Scotia**, having an office at 240 - 8th Avenue SW, Calgary, Alberta, T2P 2N7, in its capacity as the Administrative Agent for the benefit of the Lenders, the Administrative Agent and the Hedge Lenders under the Credit Agreement (as defined below).

PREAMBLE:

A. The Lenders have agreed to provide to the Trimac Transportation Services Inc. and Trimac Transportation Services Limited Partnership (collectively the "**Borrowers**") a revolving credit facility pursuant to a Third Amended and Restated Credit Agreement made as of February 14, 2014 between the Borrowers, Bulk Plus Logistics Limited Partnership, Bulk Plus Logistics Ltd., Canamera Limited Partnership and Trimac Transportation Ltd. as Guarantors, The Bank of Nova Scotia ("**BNS**") as Administrative Agent, and BNS and certain other financial institutions as Lenders (such agreement as may be amended, restated, supplemented or replaced from time to time, the "**Credit Agreement**").

B. Pursuant to the terms of the Credit Agreement, in consideration of the Lenders making advances thereunder, the Grantor has agreed to guarantee the Guaranteed Obligations.

C. In consideration of the Lenders making advances to the Borrowers under the Credit Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor has agreed to grant this Debenture as security for the Guaranteed Obligations.

NOW THEREFORE this Debenture witnesses that:

ARTICLE 1 **INTERPRETATION**

1.1 **Definitions.** All capitalized words and phrases not otherwise defined in this Debenture (including the Preamble hereto) that are defined in the Credit Agreement shall have the meanings ascribed thereto by the Credit Agreement; and the following capitalized words and phrases shall have the meanings set out below (unless otherwise indicated, such meanings apply equally to the singular and plural forms of the terms defined):

- (a) "**Applicable Law**" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law;

- (b) **"Branch"** means the Administrative Agent's branch located at 240 - 8th Avenue SW, Calgary, Alberta, T2P 2N7 or such other branch of the Administrative Agent in Calgary, Alberta as the Administrative Agent may, from time to time, designate;
- (c) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta, or other day on which banks are closed in such jurisdiction;
- (d) **"Collateral"** means all present and after acquired personal property and real property of the Grantor including, without limitation, the following:
 - (i) all Equipment, including furniture, fixtures, equipment, machinery, plant, tools, motor vehicles and other tangible personal property;
 - (ii) all Inventory, including all raw materials, work in progress and finished goods;
 - (iii) all Accounts including deposit accounts in banks, credit unions, trust companies and other similar institutions, debts, demands and chooses in action which are now due, owing or accruing or which may hereafter become due, owing and accruing due to the Grantor and all claims of any kind which the Grantor now has or may have including claims against the Crown and claims under insurance policies;
 - (iv) all Chattel Paper, Documents of Title, Money, Instruments and Securities (including all Equity Securities held by the Grantor), all Intangibles, including Contracts, Permits, orders, judgments, certificates, rulings, insurance policies, franchises, immunities, privileges, and benefits and all good will;
 - (v) all Intellectual Property Rights;
 - (vi) all goodwill and uncalled capital;
 - (vii) all Books and Records and other rights in benefits in respect of the foregoing; and
 - (viii) all renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions, Accessions and Proceeds in respect of the foregoing;
- (e) **"Contracts"** means all contracts, agreements, authorizations, orders, permits, approvals, grants, licenses, consents, rights, franchises, privileges, certificates, judgments, writs, injunctions, awards, determinations and directions, to which the Grantor is at any time a party or pursuant to which the Grantor has at any time acquired rights, and includes (i) all rights of the Grantor to receive money due and to become due to it in connection with the foregoing, (ii) all rights of the Grantor to damages arising out of, or for breach or default in respect of the foregoing, and (iii) all rights of the Grantor to perform and exercise all remedies in connection with the foregoing;

- (f) **"Intellectual Property Rights"** means all industrial and intellectual property rights world-wide, whether registerable or unregistrable, issued or as applications, including copyrights, patents, trade-marks, domain names, industrial designs, know-how, and trade secrets, topographies, licenses or Contracts related thereto, damages, profits or other payments for past or future infringement of any such industrial or intellectual property and the right to sue for past, present and future infringements of any such industrial and intellectual property and including, without limitation, all "Intellectual Property Rights" as such term is defined in the Syndicated Credit Agreement;
- (g) **"Real Property"** means all real property owned by the Grantor as contemplated by Section 2.4 of this debenture;
- (h) **"Permits"** means all permits, licences, authorizations, consents, approvals, franchises and entitlements that the Grantor has, requires or is required to have, to own, possess or operate any of its properties or to operate and carry on any part of its business;
- (i) **"PPSA"** means the *Personal Property Security Act* (Alberta), as amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation);
- (j) **"Secured Obligations"** have the meaning set out in Section 2.2; and
- (k) **"Secured Parties"** has the meaning set out in Section 2.3.

1.2 **Statutory Definitions.** "Accessions", "Account", "Chattel Paper", "chief executive office", "Consumer Goods", "Document of Title", "Equipment", "Goods", "Instrument", "Inventory", "Intangible", "Money", "Proceeds", "Purchase-Money Security Interests", "Securities", "Serial Number Goods" and "Value" have the meanings given to them in the PPSA.

1.3 **Headings, Gender and Interpretation.** The division of this Debenture into articles, sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Debenture. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.4 **References.** References to an Article, Section, Subsection, Paragraph or Schedule shall be construed as references to an Article, Section, Subsection, Paragraph or Schedule to this Debenture unless the context otherwise requires.

1.5 **Payments and Currency.** Any amounts to be paid or tendered pursuant to this Debenture shall be payable in the currency in which the obligation was denominated.

ARTICLE 2

PROMISE TO PAY, GRANT OF SECURITY INTEREST

2.1 **Promise to Pay.** For value received, the Grantor promises to pay to the Administrative Agent at the Branch, on such date as the monies hereby secured become payable, all amounts now or hereafter owing as Secured Obligations by the Grantor to the Administrative Agent for and on behalf of the Secured Parties up to the maximum principal

amount of Two Hundred Twenty-Five Million (**\$225,000,000.00**) Dollars in the lawful money of Canada together with interest at the Post-Default Rate, provided that if such rate is uncertain or unascertainable then at a rate per annum of five (5) percentage points above the Prime Rate (subject to Section 5.10), calculated daily and payable and compounded monthly on the last Business Day of each month, not in advance.

2.2 **Secured Obligations.** The Security Interests created by this Debenture secure the payment and performance by the Grantor of:

- (a) the Guaranteed Obligations; and
- (b) the costs and expenses of the Administrative Agent under Section 3.7

(collectively, the "**Secured Obligations**"). Notwithstanding any other provision of this Debenture, the indebtedness, liabilities and obligations of the Grantor under this Debenture shall not exceed the amount of the Secured Obligations.

2.3 **Grant of Security Interest.** As security for the payment and performance of the Secured Obligations, the Grantor hereby grants a first floating mortgage, lien, charge and security interest in and to all of its Collateral (such floating mortgage, lien charge and security interest being defined as the "**Security Interests**" and the Collateral subject to the Security Interests being defined as the "**Secured Property**"); PROVIDED that: (i) the Security Interests shall not extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Grantor, but should the Security Interests become enforceable the Grantor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term or the part thereof charged in the course of any enforcement of the Security Interest or any realization of the subject matter thereof, and (ii) if the grant of the Security Interests in respect of any Contract, Intellectual Property Right, Lease or other Secured Property (collectively, the "**Contract Rights**") would constitute a violation or breach of a valid and enforceable restriction on such grant (including any statutory prohibition), then such Contract Rights will not be subject to the Security Interests but will be held in trust by the Grantor for the benefit of the Administrative Agent and on the occurrence of an Event of Default shall be assigned by the Grantor as directed by the Administrative Agent; provided that if a consent is required from any person with respect to any Contract Rights, such Contract Rights shall be included in the Secured Property upon the required consents having been obtained by the Grantor, and at the request of the Administrative Agent, the Grantor agrees to use commercially reasonable efforts to obtain any required consents.

2.4 **Real Property** Schedule "A" to this Debenture describes the real property owned by the Grantor and the Grantor covenants with the Administrative Agent to provide it with written notice from time to time of any deletions or additions thereto (a "RE Notice") it being the intention that Schedule "A" shall contain a complete and current list of the real property owned by the Grantor. For purposes of this Debenture and in particular Section 2.4, "owned by the Grantor" shall mean that the legal title to such real property thereto is in the name of Grantor, or if not in the name of the Grantor that such person named in the title thereto holds the beneficial interest therein for the benefit of the Grantor. The Grantor hereby authorizes the Administrative Agent as its agent to amend Schedule "A" in accordance with any RE Notice.

2.5 **Value and Attachment.** The Grantor, by executing this Debenture, hereby acknowledges that value has been given, the Grantor has rights in the Secured Property (other

than after acquired Secured Property), there is no agreement to postpone the attachment of the Security Interests and the Grantor has received a copy of this Debenture.

2.6 **Continuing Security.** This Debenture shall not be considered as satisfied or discharged by any intermediate payment of the whole or part of the Secured Obligations but shall constitute and be a continuing security and shall be in addition to and not in substitution for any other security now or hereafter held by the Administrative Agent or any other Secured Party securing the Secured Obligations. The remedies of the Administrative Agent (acting in its own right and for and on behalf of the other Secured Parties) under this Debenture may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Administrative Agent or any other Secured Party however created, whether now existing or hereafter existing by Applicable Law.

2.7 **Operation of Secured Property.** Subject to compliance with the Grantor's covenants contained in the Loan Documents, the Grantor in the ordinary course of its business may, until the occurrence and during the continuance of an Event of Default, possess, operate, collect, use sell and enjoy and deal with the Secured Property in the ordinary course of the Grantor's business in any manner not inconsistent with the provisions hereof, provided always that the Administrative Agent shall have the right at any time and from time to time to verify the existence and state of the Secured Property in any manner that the Administrative Agent may consider appropriate, acting reasonably. At the request of the Grantor acting reasonably, the Administrative shall provide written confirmation to the Grantor in respect of its dealings with third parties in respect of any Secured Property as may be permitted hereunder.

ARTICLE 3 DEFAULT AND REMEDIES

3.1 **Event of Default.** Following the occurrence of an Event of Default and subject to the provisions of the Credit Agreement, the Administrative Agent may notify any parties obligated on any of the accounts receivable to make any payment to the Administrative Agent of any amounts due or to become due thereunder and enforce collection of any of the accounts receivable by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Following the occurrence of an Event of Default, upon request of the Administrative Agent, the Grantor will, at its own expense, notify any parties obligated on any of the accounts receivable to make any payment to the Administrative Agent of any amounts due or to become due thereunder.

3.2 **Remedies of Administrative Agent.** Upon the occurrence and continuation of an Event of Default, the Security Interests hereby constituted shall, subject to the provisions of the Credit Agreement, become enforceable and the Administrative Agent shall be entitled and empowered at its discretion to:

- (a) institute any action or proceedings at law or in equity for the collection of the Secured Obligations and to enforce any other rights or remedies to which the Administrative Agent is entitled as holder of this Debenture and on behalf of the Secured Parties, including the sale of any Secured Property or any part thereof or for foreclosure, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Grantor and collect in the manner provided by law out of the Secured Property wherever situated the moneys adjudged or decreed to be payable; and

- (b) appoint a receiver, manager or Receiver and manager (each a "**Receiver**") of the Secured Property or any part or parts thereof and of the rents, issues, profits, revenues and income thereof and upon any such appointment by the Administrative Agent the following provisions shall apply:
- (i) the appointment of any Receiver hereunder shall be made in writing signed by the Administrative Agent and such writing shall be conclusive evidence for all purposes of such appointment. The Administrative Agent may from time to time in the same manner remove any Receiver so appointed and appoint another in his stead;
 - (ii) any Receiver shall have power:
 - (A) to take possession of, collect and to get in all or any part of the Secured Property and for that purpose to take proceedings in the name of the Grantor or otherwise and to make any arrangement or compromise;
 - (B) to carry on or concur in carrying on all or any part of the business of the Grantor; and
 - (C) to sell or lease or to concur in selling or leasing all or any part of the Secured Property in such manner as may seem advisable to the Receiver, and to effect such sale or lease by conveying the same in the name and on behalf of the Grantor or otherwise in respect thereof;
 - (iii) every such Receiver may, in the discretion of the Administrative Agent, be vested with all or any of the powers and discretions conferred on the Administrative Agent under this Debenture;
 - (iv) every such Receiver may, with the consent in writing of the Administrative Agent, borrow money for the purpose of maintaining, protecting or preserving the Secured Property or any part thereof, or for the purpose of carrying on the business of the Grantor and any Receiver may issue certificates ("**Receiver's certificates**") for such sums as will, in the opinion of the Administrative Agent, be sufficient for obtaining security upon the Secured Property or any part thereof for the amounts from time to time so required by the Receiver, any such Receiver's certificates may be payable either to order or to bearer and may be payable at such time or times and shall bear such interest as the Administrative Agent may approve, and the Receiver may sell, pledge or otherwise dispose of the Receiver's certificates in such manner and may pay such commission on the sale thereof as the Administrative Agent may consider reasonable, and the amounts from time to time payable by virtue of such Receiver's certificates shall form a charge upon the Secured Property in priority to the amounts then due to the Administrative Agent under this Debenture;
 - (v) every such Receiver shall, so far as concerns responsibility for his acts or omissions, be deemed to be the agent for the Grantor, and in no event the agent of the Administrative Agent. The Administrative Agent shall not,

in making or consenting to such appointment, incur any liability to any Receiver for its remuneration or otherwise howsoever be liable or responsible for the acts or omissions, including the negligence, misconduct or misfeasance, on the part of any such Receiver;

- (vi) except as may be otherwise directed in writing by the Administrative Agent, all monies from time to time received by such Receiver shall be paid over to the Administrative Agent to be held by it as part of the Secured Property; and
 - (vii) the Administrative Agent may pay over to any Receiver any monies constituting part of the Secured Property to the extent that the same may be applied for the purposes hereof by such Receiver, and the Administrative Agent may from time to time determine what funds the Receiver shall be at liberty to keep on hand with a view to the performance of his duties hereunder as such Receiver; and
- (c) in lieu of appointing a Receiver as provided for in this Section 3.2, apply to any court or courts of competent jurisdiction for the appointment of one or more Receivers of the Secured Property or any part thereof and of the rents, issues, profits, revenues and income thereof, with such powers as the court or courts making such appointments shall confer including, without limiting the generality thereof, all or any of the powers set forth in this Section 3.2.

Nothing done by the Administrative Agent or by any Receiver or Receivers in possession of the Secured Property, shall render the Administrative Agent a mortgagee in possession or responsible as such, or in any way limit or curtail the remedies of the Administrative Agent as a mortgagee or creditor under any Applicable Law.

3.3 **Deficiency.** The Grantor will remain liable for any Secured Obligations that are outstanding following realization of all or any part of the Secured Property and the application of the

3.4 **License of Intellectual Property Rights.** For the purposes of enabling the Administrative Agent or any Receiver appointed pursuant to Section 3.2 to exercise its rights and remedies under Section 3.2, and limited to such time when the Administrative Agent or any such Receiver is actually exercising such rights and remedies, and for no other purpose, the Grantor grants to the Administrative Agent and such Receiver, to the extent legally permitted to do so, an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Grantor) to use, assign and sublicense any Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same. Such licence shall terminate upon completion by the Administrative Agent or any Receiver of exercising its rights and remedies under Section 3.2 and the satisfaction and discharge of this Debenture pursuant to the provisions of the Credit Agreement.

3.5 **Protection of Third Parties.** No person dealing with any Receiver shall be concerned to enquire whether demand, an Event of Default or any Default shall have occurred and be continuing, or whether the rights, powers or remedies which the Receiver is purporting to exercise have become exercisable, or whether any monies remain owing hereunder, or as to the necessity or expediency of the stipulations and conditions subject to which any sale, lease

or other disposition of Secured Property may be made, or otherwise as to the propriety or regularity of any sale, lease or other disposition or of any other dealing by the Receiver with the Secured Property or any part thereof or to see to the application of any monies paid to the Receiver, and, in the absence of fraud on the part of any such person, such dealing shall be deemed, so far as regards the safety and protection of such person, to be within the scope of the rights, powers and remedies hereby conferred, and to be valid and effectual accordingly.

3.6 **Restriction in Liability of Administrative Agent.** The Administrative Agent shall not, subject to Applicable Law, be liable to the Grantor for any loss or damage suffered or incurred by the Grantor in connection with the exercise by or on behalf of the Administrative Agent of any of the rights, powers or remedies available to the Administrative Agent under or in respect of this Debenture, except to the extent that such loss or damage is caused by the gross negligence or wilful misconduct of the Administrative Agent or its servants or agents.

3.7 **Costs of Enforcement.** The Grantor shall pay to the Administrative Agent on demand the amount of all costs, charges and expenses incurred in recovering any Secured Obligations, in enforcing the Security Interests or in exercising its rights, remedies and recourses under this Debenture, including but not limited to the expenses incurred in connection with the repossession, holding, repairing, processing, preparing for disposition, and disposing of any of the Secured Property, exercising its rights to appoint a Receiver, carrying on the business of the Grantor, enforcing the personal remedies hereunder or exercising any other right, remedy or recourse hereunder (including reasonable legal costs on a solicitor and its own client basis, and other expenses), with interest thereon from the date of the incurring of such expenses at the rate applicable to Prime Rate Loans from time to time in effect pursuant to the Credit Agreement.

3.8 **Trust Relationship.** The Grantor hereby declares that during the occurrence and continuance of an Event of Default as and when the Security Interests become and continue to be enforceable, it will hold all its interest in the Secured Property (subject to its right of redemption) in trust to convey, assign or otherwise deal with the same in such manner and to such person as the Administrative Agent or any Receiver shall direct.

3.9 **Set-Off by Administrative Agent.** Subject to the provisions of the Credit Agreement, the Administrative Agent or any other Secured Party may from time to time after the occurrence and during the continuance of an Event of Default, without notice to the Grantor or any other Person, set-off, appropriate and apply any and all indebtedness of the Administrative Agent or any other Secured Party to the Grantor or any Guarantor, whether liquidated, unliquidated, contingent, matured or unmatured, against and on account of any Secured Obligations of any kind whatsoever, including for greater certainty liquidated, unliquidated, contingent, matured or unmatured, in such order of application as the Administrative Agent or such other Secured Party may from time to time determine.

3.10 **Crystallization.** The floating charge hereby created over the Grantor's real and immovable property, both freehold and leasehold, shall become a fixed charge thereon upon the earlier of:

- (a) the occurrence of an Event of Default; or
- (b) the Administrative Agent taking any action pursuant to this Article 3 to enforce and realize on the security hereby constituted including, without limitation, the appointment of a Receiver.

ARTICLE 4 ADMINISTRATIVE AGENT

4.1 **Powers of Administrative Agent.** The Administrative Agent shall have the following powers, in addition to any other powers given to it, namely:

- (a) the power to release any of the Secured Property from the charge created by this Debenture; and
- (b) the power to agree to accept any other properties or securities as security for the Secured Obligations secured hereby instead of the Secured Property.

4.2 **Waiver by Grantor.** Except as prohibited by Applicable Law, the Grantor unconditionally and irrevocably waives (i) all claims, damages and demands it may acquire against the Administrative Agent and the Secured Parties arising out of the exercise by the Administrative Agent or any Receiver of any rights or remedies under this Debenture or at law, except to the extent that any loss or damage suffered or incurred by the Grantor in connection with any of the foregoing is caused by the gross negligence or wilful misconduct of the Administrative Agent or Receiver and any of their servant or agents; and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.

ARTICLE 5 MISCELLANEOUS

5.1 **Governing Law and Attornment.** This Debenture will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and will be treated, in all respects, as an Alberta contract. The Grantor hereby irrevocably submits to the non-exclusive jurisdiction of any Alberta court in any action or proceeding arising out of or relating to this Debenture, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such Alberta court. The Grantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Grantor hereby irrevocably appoints any officer or director at any of its locations as its agent to receive on behalf of the Grantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Grantor in care of such agent and the Grantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Grantor also irrevocably consents to the service of any process in any action or proceeding by the mailing of copies of such process to the Grantor as set out in this Section 5.1, or to service of process in any other manner permitted under Applicable Law. The Grantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 5.1 shall affect the right of the Administrative Agent or a Lender to serve legal process in any other manner permitted by law or affect the right of the Administrative Agent or the holders or a Lender to bring any action or proceeding against the Grantor or its property in the courts of other jurisdictions.

5.2 **Waiver by Administrative Agent.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Administrative Agent and the Grantor.

5.3 **Entire Agreement.** This Debenture, together with the Credit Agreement, the other Loan Documents and any other agreements and other documents to be delivered pursuant to this Debenture, constitute the entire agreement between the parties hereto pertaining to the matters described herein and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written of the parties hereto and there are no warranties, representations and other agreements between the parties hereto in connection with the subject matter hereof except as specifically set forth in this Debenture and the Loan Documents.

5.4 **Further Assurances.** The Grantor, at its cost and expense, will duly execute and deliver all such supplementary and corrective instruments and other documents and assurances as the Administrative Agent may reasonably require in order to render all of the Secured Property now owned and hereafter acquired by the Grantor subject to the Security Interests, as contemplated herein, as the Administrative Agent, acting reasonably, may deem necessary or advisable for the perfection and protection of the Security Interests created or intended to be created hereby and the rights conferred or intended to be conferred upon the Administrative Agent and any Receiver under this Debenture.

5.5 **Assignment.** Any assignment or transfer of this Debenture shall be in accordance with the terms of the Credit Agreement.

5.6 **Time.** Time shall be the essence of this Debenture.

5.7 **Severability.** Any provision of this Debenture which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

5.8 **Benefit and Burden.** This Debenture and all its provisions shall enure to the benefit of the Administrative Agent and the other Secured Parties, as applicable, and their successors and assigns and shall be binding upon the Grantor and its successors and assigns.

5.9 **Communications.** Any communication required or permitted to be given under this Debenture shall be given in accordance with the notice provisions set out in the Credit Agreement.

5.10 **Conflict.** To the extent that any term, condition, representation, covenant or other provision contained in this Debenture is at any time inconsistent or conflicts with, any term, condition, representation, covenant or other provision contained in the Credit Agreement and covering substantially the same subject matter, then the relevant term, condition, representation, covenant or other provision of the Credit Agreement shall govern. Without limiting the generality of the foregoing, if the Grantor is in compliance with the applicable terms, conditions, representations, covenants or other provisions contained in the Credit Agreement it shall be deemed to be in compliance with the corresponding provisions in this Debenture and no Event of Default shall result from any non-compliance with such corresponding provisions in this Debenture.

5.11 **Saskatchewan Waivers.** The *Land Contracts (Actions) Act* of the Province of Saskatchewan shall have no application to any action, as defined in the said *The Land Contracts (Actions) Act* with respect to this Debenture or any indenture, instrument or agreement ancillary or supplemental hereto and *The Limitation of Civil Rights Act* of the Province of Saskatchewan shall have no application to this Debenture or any indenture, instrument or agreement ancillary or supplemental hereto. The Grantor agrees that the provisions of *The Land Contracts (Actions) Act* and *The Limitation of Civil Rights Act* are hereby waived.

5.12 **PPSA Acknowledgment.** The Grantor acknowledges receipt of an executed copy of this Debenture and the Credit Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Debenture (collectively, the "Filings"). Notwithstanding the within waiver, the Administrative Agent will use its best efforts to provide the Grantor with copies or notices of any Filings in a timely manner.

IN WITNESS OF THIS DEBENTURE the Grantor has executed and delivered this Debenture by its duly authorized officers as of ●.

●

Per: _____
Name: ●
Title: ●

SCHEDULE "A"

**To a Debenture granted by ● to
The Bank of Nova Scotia, as Administrative Agent**

Lands

Freehold Lands

Subject to such encumbrances, liens and interests as are notified by memorandum endorsed on the title thereto, the Grantor is the registered owner of an estate in fee simple of the following lands described by (i) by municipal address, and (ii) the applicable legal description thereof: