BDCID: 10022689649

Letter of Offer dated December 31, 2020

ClearStream Real Estate LP and ClearStream Energy Equipment Ltd.
415 - 311 6 Ave SW
Calgary, AB
T2P 3H2

Attention of: Mr. David Watt

Re: Loan(s) No. 205219-01

In accordance with this letter of offer of credit as amended from time to time (the "**Letter of Offer**"), Business Development Bank of Canada ("**BDC**") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "**Loan**"). The Letter of Offer is open for acceptance until January 3, 2021 (the "**Acceptance Date**"). Unless the Letter of Offer executed by the Loan Parties (as defined hereafter) is received by BDC no later than the Acceptance Date, the Letter of Offer shall automatically become null and void**.**

LOAN PURPOSE AND FUNDING

Loan Purpose

Rollover BDC Loan #162825 -01	13,365,000.00
	13,365,000.00

Funding

BDC 205219-01	13,365,000.00
	13,365,000.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

DEFINITIONS

In the Letter of Offer, capitalized terms have the meanings described in Schedule "A" – Section I or are defined elsewhere in the text of the Letter of Offer.

LENDER

BDC

BORROWER

ClearStream Real Estate LP and ClearStream Energy Equipment Ltd. (the "**Borrower**")

GUARANTOR

ClearStream Energy Services Inc. ("CESI")

ClearStream Wear Technologies GP Inc.

ClearStream Wear Technologies LP

ClearStream Equipment LP

Clearwater Energy Services GP Inc.

Clearwater Energy Services LP

ClearStream Energy Services LP

Flint GP Inc.

ClearStream Energy Equipment Ltd.

(Hereinafter individually or collectively referred to as the "**Guarantor**"). The terms of each guarantee are set forth in the Security section below.

LOAN AMOUNT

Loan 205219-01: $13,365,000.00

INTEREST RATE

The Loan and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the following rate:

Loan 205219-01

Floating Rate

BDC's Floating Base Rate minus a variance of 1.00% per year (the "**Variance 01**"). On the date hereof, BDC's Floating Base Rate is 4.55% per year.

INTEREST CALCULATION

Interest shall be calculated monthly on the outstanding principal, commencing on the date of the first disbursement, both before and after maturity, Default and judgement.

Arrears of interest or principal and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the rate applicable to the Loan and shall be calculated and compounded monthly.

REPAYMENT

Principal of the Loan is repayable according to the following. The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable on the Maturity Date (the "**Maturity Date**").

Loan 205219-01

Regular

Payments			Start Date	End Date
Number	Frequency	Amount ($)		
297	Monthly	45,000.00	02/02/2021	02/10/2045

In addition, interest is payable monthly on the 2nd day of the month (the "**Payment Date 01**") commencing on the next occurring Payment Date 01 following the first advance on the Loan.

Maturity Date: October 2, 2045 (the "**Maturity Date 01**").

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after December 23, 2020. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.
In addition to the annual privilege, the Borrower may prepay at any time all or part of the principal provided that the Borrower pays the interest owing up to the time of the prepayment together with an indemnity equal to:

If the interest rate on the Loan is a floating rate:
- three months further interest on the principal prepaid at the floating interest rate then applicable to the Loan.

If the interest rate on the Loan is a fixed rate:
- the sum of (a) three months further interest on the principal prepaid at the fixed interest rate then applicable to the Loan; and (b) the Interest Differential Charge.

Partial prepayments shall be applied regressively on the then last maturing instalments of principal.

SECURITY

The Loan, interest on the Loan and all other amounts owing pursuant to the Loan Documents shall be secured by the following (the **"Security"**):

Loan 205219-01

This Loan is the joint and several obligation of Clearstream Real Estate LP and its General Partner, Clearstream Energy Equipment Ltd., secured by:

1. A first registered general assignment of rentals for each Mortgage securing this loan. Rent may be paid to lessor until default beyond any applicable cure or grace period. No prepayment, except as set forth in this Letter of Offer, without BDC's approval.
2. BDC will become a party to a Third amended and restated intercreditor agreement to be dated after the existing agreement dated at or about December 31, 2020 between, among others, the administrative agent under the ARCA and the debenture trustee under the Senior Secured Indenture, which shall be in a form and substance agreeable to all parties thereto, acting reasonably (the "Intercreditor Agreement").
3. General Security Agreement from ClearStream Energy Equipment Ltd. providing:
   a) A first security interest on specific equipment (list to be provided by BDC and confirmed by the debtor); and,
   b) A security interest in all other present and after-acquired personal property, except consumer goods, subject to:
   i) the priority of the security interest granted to the existing lenders in connection with that certain Second Amended and Restated Credit Agreement, which is to be further amended and restated pursuant to a Fourth Amended and Restated Credit Agreement dated on or about of December 31, 2020 (the "ARCA") in inventory, accounts receivable and other ABL Collateral (as defined in the ARCA) of each Borrower;
   (ii) the priority of the security interest granted in connection with that certain senior secured trust indenture dated as of March 23, 2016 (the same has been amended and supplemented prior to the date herefor and as the same will be further amended and supplemented pursuant to a Sixth Supplemental Senior Secured Indenture to be dated on or about December 31, 2020 (the "Sixth Supplemental Indenture"), the "Senior Secured Indenture" and, together with the ARCA, the "Existing Debt Documents") in all personal property of each Borrower, other than the AECOM Equipment; and
   (iii) all existing and future registered charges except charges in favour of a shareholder, director, officer or family member of any those persons or any entity in which any of these persons have an interest; and
   (iv) all other existing and future charges, security interests, liens or other encumbrances that are permitted by the Existing Debt Documents.
   General Security Agreements shall be registered in British Columbia, Saskatchewan and Alberta.

4. A duly executed joint and several guarantee from all active subsidiary companies and partnerships, for the full amount of the loan outstanding on the date BDC demands payment under this guarantee from the Corporate Guarantors:
   - ClearStream Wear Technologies GP Inc.
   - ClearStream Wear Technologies LP
   - Clearwater Energy Services GP Inc.
   - Clearwater Energy Services LP
   - Flint GP Inc.
   - ClearStream Energy Services LP

   The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.

5. Guarantee of ClearStream Energy Services Inc. (CESI) for the full amount of the Loan supported by a General Security Agreement (the “CESI General Security Agreement”) providing a security interest in all present and after-acquired personal property except consumer goods, subject only to:
   a) the priority of the security interests granted to the existing lenders in connection with the ARCA inventory, accounts receivable and other ABL Collateral (as defined in the ARCA) of CESI;
   b) the priority of the security interests granted in connection with the Senior Secured Indenture in all personal property of CESI; and
   c) all other existing and future charges, security interests, liens or other encumbrances that are permitted by the Existing Debt Documents.
   The CESI General Security Agreement to be registered in Alberta and Ontario.

6. A Consent, Direction and Charge Agreement from ClearStream Real Estate LP and ClearStream Energy Equipment Ltd., charging all of ClearStream Real Estate LP’s beneficial interest in land and buildings legally described as:
   i) Land and buildings of approximately 17.03 Acres and 38,750 sq. ft. legally described as Lot 9 & 10, Block 2, Plan 1221837, Lot 1, Block 2, Plan 0425277 and buildings located at 10414 – 84 Avenue and 10307 – 88 Avenue, Clairmont, Alberta. Property to be owned by ClearStream Energy Equipment Ltd., in its capacity as general partner of ClearStream Real Estate LP.
   ii) Land and buildings of approximately 5.82 Acres and 9,850 sq. ft. legally described as Lots 12-16, Block 11, Plan 8110794, Lot 19, Block 11, Plan 8510092 and buildings located at 5, 7 and 11 Imperial Close, Olds, Alberta. Property to be owned by ClearStream Energy Equipment Ltd., in its capacity as general partner of ClearStream Real Estate LP..
   iii) Land and buildings of approximately 10.03 Acres and 39,488 sq. ft. legally described as Lot 9, Block 16, Plan 0124779 and buildings located at 3315 – 41 Avenue, Whitecourt, Alberta. Property to be owned by ClearStream Energy Equipment Ltd., in its capacity as general partner of ClearStream Real Estate LP.
   The agreement is to be supported by an opinion from BDC's external legal advisors confirming that the Beneficial Charge Agreement is valid and enforceable against the Beneficial Owner's interest in the charged property.

7. Guarantee from each of ClearStream Real Estate LP and ClearStream Energy Equipment Ltd. for the full amount of the Loan supported by a General Security Agreement providing:

   a) A first security interest on specific equipment (list to be provided by BDC and confirmed by the Guarantor); and,
   b) A security interest in all other present and after-acquired personal property, except consumer goods, subject to:
   i) the priority of the security interest granted to the existing lenders in connection with that certain Second Amended and Restated Credit Agreement, which is to be further amended and restated pursuant to a Fourth Amended and Restated Credit Agreement dated on or about of December 31, 2020 (the “ARCA”) in inventory, accounts receivable and other ABL Collateral (as defined in the ARCA) of each Borrower;
   (ii) the priority of the security interest granted in connection with that certain senior secured trust indenture dated as of March 23, 2016 (the same has been amended and supplemented prior to the date herefor and as the same will be further amended and supplemented pursuant to a Sixth Supplemental Senior Secured Indenture to be dated on or about December 31, 2020 (the “Sixth Supplemental Indenture”), the “Senior Secured Indenture“ and, together with the ARCA, the “Existing Debt Documents”) in all personal property of each Borrower, other than the AECOM Equipment; and
   (iii) all existing and future registered charges except charges in favour of a shareholder, director, officer or family member of any those persons or any entity in which any of these persons have an interest; and
   (iv) all other existing and future charges, security interests, liens or other encumbrances that are permitted by the Existing Debt Documents.
   General Security Agreements shall be registered in British Columbia, Saskatchewan and Alberta.
   The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.

8. Mortgage Assumption Agreement from ClearStream Real Estate LP and ClearStream Energy Equipment Ltd. respecting the following:
   a) A first readvanceable mortgage in the principal amount of $9,500,000.00 on land and buildings of approximately 17.03 Acres and 38,750 sq. ft. legally described as Lot 9 & 10, Block 2, Plan 1221837, Lot 1, Block 2, Plan 0425277 and buildings located at 10414 – 84 Avenue and 10307 – 88 Avenue, Clairmont, Alberta. Property to be owned by Clearstream Energy Equipment Ltd., in its capacity as general partner of Clearstream Real Estate LP. Building location survery or title insurance is required.
   b) A first readvanceable mortgage in the principal amount of $2,375,000.00 on land and buildings of approximately 5.82 Acres and 9,850 sq. ft. legally described as Lots 12-16, Block 11, Plan 8110794, Lot 19, Block 11, Plan 8510092 and buildings located at 5, 7 and 11 Imperial Close, Olds, Alberta. Property to be owned by Clearstream Energy Equipment Ltd., in its capacity as general partner of Clearstream Real Estate LP. Building location survery or title insurance is required.
   c) A first readvanceable mortgage in the principal amount of $6,400,000.00 on land and buildings of approximately 10.03 Acres and 39,488 sq. ft. legally described as Lot 9, Block 16, Plan 0124779 and buildings located at 3315 – 41 Avenue, Whitecourt, Alberta. Property to be owned by Clearstream Energy Equipment Ltd., in its capacity as general partner of Clearstream Real Estate LP. Building location survey or title insurance required. Endorsement to existing title insurance policy required.

9. General Security Agreement from Clearstream Real Estate LP providing a security interest in all present and after-acquired personal property except consumer goods, subject only to:
   a) the priority of the security interests granted to the existing lenders in connection with the ARCA inventory, accounts receivable and other ABL Collateral (as defined in the ARCA) of CESI;
   b) the priority of the security interests granted in connection with the Senior Secured Indenture in all personal property of CESI; and
   c) all other existing and future charges, security interests, liens or other encumbrances that are permitted by the Existing Debt Documents.

DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 205219-01

1. Once all required Security is completed and Condition Precedent have been met, BDC will transfer BDC Loan #162825 - 01 to BDC Loan #205219-01 via internal journal entry when requested by the Borrowers.

Unless otherwise authorized, funds for each Loan account number shall be disbursed to the solicitor or notary who shall confirm to BDC the execution, delivery and registration of the Security relating to the Loan.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to each Loan Party and its business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.
7. Satisfactory review of all limited partnership agreements of the Borrowers and Guarantors by BDC and its external solicitor confirming among other things:
   1) Clearstream Equipment LP is the beneficial owner of the equipment assets securing BDC's loans;
   2) Clearstream Real Estate LP is the beneficial owner of the realty assets securing BDC's loans; and,
   3) There are no restrictions on acting as Borrower or Guarantor for loans.
8. Satisfactory confirmation by BDC and its external solicitor that the assets securing this Loan are owned as follows:

a) realty assets - Clearstream Energy Equipment Ltd. with ClearStream Real Estate LP as the beneficial owner; and,
b) equipment assets - ClearStream Equipment LP as the legal and beneficial owner.

UNDERLYING CONDITIONS

The following conditions shall apply throughout the term of the Loan:

1. With respect to each Loan Document, to the extent applicable:

i. "Obligations" means, with respect to any Loan Party, all of its present and future indebtedness liabilities and obligations of any kind, nature or description whatsoever (whether direct or indirect, joint or several, absolute or contingent matured or unmatured, in any currency and whether as principal debtor, guarantor, surety or otherwise) to BDC pursuant to or in connection with any of the
Loan Documents to which such Loan Party is a party.

ii. The obligations of any Loan Party secured by the Security granted by such Loan Party are limited to the Obligations of such Loan Party.

iii. References to "Default" shall be construed to mean an Event of Default or any condition that, with the giving of notice, the passage of time or otherwise, would constitute an Event of Default.

iv. References to "Material Adverse Change" shall be construed to mean:
a. a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of CESI or any Borrower,
b. a material impairment of the ability of CESI or any Borrower to perform any of their respective obligations under any Loan Document,
c. a material adverse effect upon any substantial portion of the assets subject to Security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document to which CESI or a Borrower is a party, or
d. a Material Adverse Change as such term is defined in the ARCA.

v. BDC consents to the encumbrances permitted by the Existing Loan Documents.

vi. Any covenant relating to compliance with all applicable laws and regulations will be subject to an exception to the extent that non-compliance could not give rise to a Material Adverse Change.

vii. Notification for loss or damage to property will apply only where the property is subject to the Security and an insurance claim has been filed in respect of such loss or damage.

viii. If a Loan Party fails to comply with or to perform any provision contained in any agreement with a third party for the granting of loans or other financial assistance, such failure shall not constitute an Event of Default unless (i) such failure is in respect of a loan or financial assistance that is in an individual principal amount of $1,000,000 or more, or such failure is in respect of loans or financial assistance that are in an aggregate principal amount of $2,000,000 or more, and (ii) such default remains unremedied after thirty (30) days from the date of default.

ix. If a bankruptcy, reorganization, debt arrangement, or other case or proceeding under

any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced by any third party in respect of any Loan Party, an Event of Default shall not occur if such case or proceeding, as applicable, is being contested in good faith by bona fide action on the part of the relevant Loan Party
and is dismissed, stayed or withdrawn within 30 days after the commencement thereof.

x. No Event of Default shall occur as a result of CANSO Investment Counsel Ltd. for and on behalf of certain managed accounts owning more than 50% of the outstanding Equity Interests of CESI at any time on a fully diluted basis.

xi. BDC consents to the disposition of the assets of any Loan Party, other than the BDC Priority Collateral (as defined in the Intercreditor Agreement), in accordance with the terms of the Existing Debt Documents and BDC consents to the reorganization described in the Reorganization Instruction Letter of MNP LLP dated on or about December 17, 2020 prepared by MNP LLP, a copy of which has been provided to BDC.

xii. Pursuant to Section 9(c) of the CESI General Security Agreement, BDC consents to the following transactions (each a “CESI Transaction”):
(a) the issuance, purchase or redemption of shares of CESI;
(b) the sale, transfer or disposition of shares of CESI; and
(c) the declaration of payment of dividends on shares of CESI to the extent permitted by the Existing Debt Documents;
in each case, provided that no Event of Default shall occur as result of the completion of such CESI Transaction.

xiii. Notwithstanding Section 12 of the CESI General Security Agreement and Section 12 of the Borrowers’ General Security Agreements, BDC acknowledges and agrees that it shall not collect, realize, sell or otherwise deal with all or a
portion of the Accounts (as defined in the CESI General Security Agreement and the Borrowers’ General Security Agreements, as applicable), except in accordance with the Intercreditor Agreement.

xiv. Notwithstanding Section 14.1(h) of the CESI General Security Agreement, the commencement of an action or giving of a notice of dissent by a shareholder of CESI will not be considered an Event of Default.

2. If all or part of the principal is prepaid on Loan #205219-01, the Borrowers shall then pay a further indemnity, in addition to the indemnity stated in the Prepayment section of the Letter of Offer, such that the total indemnity shall be equal to:
- 12 months of interest will be required, including the standard 3 months further interest on the principal prepaid at the interest rate then applicable to the Loans if the prepayment occurs within the first year following the Loan Authorization Date; or
- 6 months of interest will be required, including the standard 3 months further interest on the principal prepaid at the interest rate then applicable to the Loans if the prepayment occurs within the second or third or fourth or fifth year following the Loan Authorization Date;
plus the Interest Differential Charge, if the Loans are on a fixed rate.

3. Given the market value fluctuations inherent within the industry, updated equipment appraisals may be required during the life of the Loans. Such appraisals will be performed by a reputable third party appraisal firm satisfactory to the Bank. The Borrowers are responsible for the appraisal report fees.

4. Annually, you agree to provide BDC with written proof of your payment of the property, school or similar taxes which are assessed against the mortgaged land and improvements (the “taxes”), within thirty (30) days following the due date of each required instalment.
   Should you default in paying any such instalment of the taxes when due, you will pay BDC monthly payments as calculated by BDC to establish a tax reserve account. These payments will be collected by the pre-authorized debit plan the funds in the account will earn interest in accordance with BDC’s policy then in effect. You authorize BDC to pay the relevant taxing authorities. Should there be insufficient funds to satisfy the taxes owing, you will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. You will instruct the taxing authority to forward a copy of the tax notice to BDC, or you will deliver a copy to BDC upon receipt. Funds in this reserve account will be held by BDC as Security for the Loan. After Default, BDC will not have any ongoing responsibility to pay the taxing authorities and any funds in the reserve account may be applied towards any amounts owing to BDC.
5. On an annual basis the Borrowers shall provide BDC with a Compliance Certificate, in BDC’s prescribed form, together with each financial statement required in the Reporting Obligations section of this Letter of Offer. In addition, the Borrowers will provide a copy the ABL's Compliance Certificate as well as supporting calculations and borrowing base calculations on a annual basis.
6. You will not operate the equipment pledged as security to the Bank in a single jurisdiction outside of the designated registered areas of the Provinces of Alberta, British Columbia and Saskatchewan for more than 14 consecutive days, or more than 14 days in any 30 day period, without prior written consent of the Bank. This will ensure there is sufficient time for the Bank to perform the due diligence on the new operating territory and to register its security interest in the new jurisdiction where the equipment will be operating. The cost of the registration is to be paid by the Borrowers.
7. Events of Default 1 through 6, as set forth in Section IV of Schedule A to this Letter of Offer are hereby deleted and replaced with the following:

   1. Failure by (i) the Borrowers to pay when due hereunder any amount of principal of any Loan, or (ii) any Loan Party to pay any interest, fees or other obligations under any Loan Document to which it is a party when due and payable and such failure is not remedied in full within three (3) Business Days.

   2. Except as limited by paragraph 1 above, failure by any Loan Party to comply with or to perform any provision contained in this Letter of Offer, any Loan Document, or any other agreement with BDC or any third party for the granting of a loan or other financial assistance, and such default remains unremedied after thirty (30) days from the date of default.

   3. Any representation or warranty made by any Loan Party herein or in any other Loan Document is breached, false or misleading in any material respect as of the date on which such representation or warranty was made.

   4. Any schedule, certificate, financial statement, report, notice or other writing furnished by any Loan Party to BDC in connection with the Loan is false or misleading in any material respect, or becomes at any time false.

   5. Any Loan Party becomes insolvent or generally fails to pay, or admits in writing its

inability or refusal to pay its debts as they become due; or any Loan Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Loan Party or any property thereof or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Loan Party or for a substantial part of the property of such Loan party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Loan Party; or any Loan Party takes any action to authorize, or in furtherance of any of the foregoing.

6. Intentionally Blank.

8. Based on the annual audited financial statements for ClearStream Energy Services Inc. (CESI) and starting as of December 31, 2020:
   (i) Maintain a Fixed Charge Coverage Ratio equal to or greater than 1.00:1.00.

Where the following terms have the respective meanings set out below or in Schedule “A” of your Letter of Offer and other capitalized terms used but not defined have the meanings given to them in the ARCA.

“AECOM Equipment” means equipment and machinery purchased from AECOM Canada by ClearStream Energy Holdings LP as listed in the equipment list attached to this Letter of Offer as “Schedule B” to be provided by Borrower.

“Person” means any natural person, sole proprietorship, partnership, limited partnership, body corporate, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated entity or association of any nature.

“Capital Expenditures” means, for any particular period, with respect to any particular Person, any expenditure made by such Person during such period in connection with the acquisition, development, improvement, construction, repair, replacement or maintenance of any capital or fixed asset of such Person that is required in accordance with GAAP to be capitalized on the balance sheet of such Person.

“Debt Service” means, for any period in respect of CESI (on a consolidated basis), determined in accordance with GAAP, the sum of (a) Interest Expense paid or payable and Interest Expense accrued (but only to the extent not paid or payable), in each case, during such period less any Interest Expense accrued (but not paid or payable) during such period in an amount not greater than the aggregate amount of Interest Expense accrued (but not paid or payable) during such period; (b) all principal repayments of indebtedness (other than capital leases), whether or not scheduled, during such period; (c) all repayments (whether or not scheduled) of capital leases during such period; and (d) all amounts paid or payable (only upon determination that such amount is required to be, or otherwise will be, paid in cash) in cash in connection with (i) the preferred shares of CESI and (ii) any other shares which, by their terms, or upon the happening of any event, mature or are mandatorily redeemable or are redeemable at the option of the holder.

“Distribution” means, with respect to any Person, any payment, directly or indirectly, by such Person (a) of any dividends on any of its Equity Interests (including, for greater certainty, the Preferred Shares, the 2019 Interest Preferred Shares, the UWO Preferred Shares and the AECOM Preferred Shares), other than dividends payable in shares; (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any of its

Equity Interests; (c) of any other distribution or payment (other than distributions or payments payable in the form of additional Equity Interests) in respect of any of its Equity Interests (including, for greater certainty, the Preferred Shares, the 2019 Interest Preferred Shares, the UWO Preferred Shares and the AECOM Preferred Shares); (d) of any principal of or interest or premium or fees (including by way of redemption) on or related to any (i) Debt (including any amount in respect of a sinking or analogous fund or defeasance fund), but for greater certainty not including the Term Loans, ranking, at law or by contract, in right of payment subordinate to any liability of such Person under the Credit Documents, (ii) the Senior Secured Debt, and (ii) the AECOM Facility Debt; or (e) of any management, consulting or similar fee or compensation or any bonus payment or comparable payment, or by way of gift or other gratuity, to any Affiliate, of such Person or to any employee, director, officer or management of such Person or Affiliate of such Person, or to any Person not dealing at arm's length with such first Person or Affiliate, director or officer.

"Permitted Distributions" means, with respect to any Person, each of the following, provided that (i) with the exception of clauses (a)(i), (a)(ii), (b), (j) and (k) below, no Default or Event of Default exists at the time of the proposed Distribution or would exist immediately after such proposed Distribution, and (ii) with the exception of clauses (a)(i), (a)(ii), (b), (e), (h), (j) and (k) below, the Fixed Charge Coverage Ratio for the most recent Twelve Month Period ending on the last day of the previous calendar month was greater than 1:00:1:00:

(a) all cash amounts and dividends paid by any Credit Party to (i) any other Credit Party or (ii) any Minority Holder of a Credit Party on a pro rata basis based on the percentage of Equity Interests held by such Minority Holder in the applicable Credit Party, in each case in the ordinary course of business;

(b) salaries, benefits and bonuses and other compensation paid to employees and officers and consultants in the ordinary course of business (which for greater certain shall not include any non-recurring, extraordinary fees to employees or officers);

(c) routine and reasonable fees paid to directors or Persons performing similar functions in the ordinary course of business;

(d) payments of principal and interest on Debt owed by one Credit Party to another Credit Party provided that such Debt is permitted pursuant to item (d) of Permitted Debt;

(e) severance payments paid to any employee or officer in an amount not to exceed $3,000,000 in the aggregate between January 1, 2020 and the Revolving Facility Maturity Date;

(f) any payment by CESI of:

(i) interest required to be paid on or prior to December 31, 2020 pursuant to the Senior Secured Indenture in an aggregate amount not to exceed $8,100,000 provided that the obligation to pay such interest is satisfied by the issuance of senior secured debentures by CESI under the Senior Secured Indenture;

(ii) principal and interest required in connection with redemptions of Senior Secured Debentures required pursuant to Section 2.4(4)(b)(i) and Section 2.4(4)(c)(i) of the Senior Secured Indenture (and distributions, directly or indirectly, to CESI for the purpose of enabling CESI to make such payment) provided that (A) the Fixed Charge Coverage Ratio for the Fiscal Quarter ended prior to the date on which CESI intends to make such payment in accordance with the Senior Secured Indenture (an "Excess Cash Flow Payment Date"), as calculated in the Compliance Certificate delivered to, and agreed to by, the Agent pursuant to Section 13.1(5) in respect of such Fiscal Quarter, is greater than 1.25:1.00, and (B) Excess Availability on such Excess Cash Flow Payment Date, after such payment is made, will be greater than twelve percent (12%) of the Revolving Commitment on such date;

(iii) principal, interest and premium (if any) payable in connection with voluntary redemptions of Senior Secured Debentures pursuant to Section 2.4(3) of the Senior Secured Indenture (and Distributions, directly or indirectly, to CESI for the sole purpose of enabling CESI to make such payment), provided that (A) the Fixed Charge Coverage Ratio for the Fiscal Quarter ended prior to the date on which such payment is required to be made in accordance with the Senior Secured Indenture, as calculated in the Compliance Certificate delivered to, and agreed to by, the Agent pursuant to Section 13.1(5) in respect of such Fiscal Quarter, was greater than 1.25:1.00, and (B) Excess Availability on such Voluntary Senior Redemption Payment Date, after such payment is made, will be greater than twelve percent (12%) of the Revolving Commitment on such date;
(iv) principal and interest required pursuant to Section 2.4(4)(a), Section 2.4(4)(b)(ii)(A) and Section 2.4(4)(c)(ii)(A) of the Senior Secured Indenture; and
(v) [Intentionally deleted.]
(vi) [Intentionally deleted.]
(vii) cash in respect of dividends declared on the Preferred Shares, the 2019 Interest Preferred Shares, the UWO Preferred Shares, the AECOM Preferred Shares and/or cash in respect of redemptions of Preferred Shares, 2019 Interest Preferred Shares, UWO Preferred Shares or AECOM Preferred Shares (and distributions, directly or indirectly, to CESI for the purpose of enabling CESI to make such payment) provided that (A) the Fixed Charge Coverage Ratio for the Fiscal Quarter ended prior to the date on which CESI intends to make such payment (a “Preferred Share Payment Date”), as calculated in the Compliance Certificate delivered to, and agreed to by, the Agent pursuant to Section 13.1(5) in respect of such Fiscal Quarter, is greater than 1.25:1.00, (B) Excess Availability on such Preferred Share Payment Date, after such payment is made, will be greater than twelve percent (12%) of the Revolving Commitment on such date, and (C) the Borrower has provided 30 days advance written notice to the Agent;
provided that no payment permitted pursuant to this clause (f) may be made with ABL Collateral or proceeds of ABL Collateral, and provided further that (x) no payment permitted pursuant to clause (f)(ii), (f)(iii) or (f)(vii) shall be made until CESI has maintained a Fixed Charge Coverage Ratio greater than 1.25:1.00 for the Twelve Month Period preceding such payment, and (y) no Preferred Shares, 2019 Interest Preferred Shares, UWO Preferred Shares or AECOM Preferred Shares may be exchanged, redeemed or retracted for cash until all Debt outstanding under or in connection with the Senior Secured Indenture has been paid in full;
(g) payments of principal and interest on Subordinated Debt but only to the extent expressly permitted pursuant to the applicable subordination agreement between the lender thereunder and the Agent;
(h) regularly scheduled payments of principal and interest owed by The Credit Parties to BDC; and
(i) any payment by The Credit Parties of principal, interest and premium payable in connection with voluntary prepayments pursuant to the the Letter of Offer or any other letter of offer with BDC.

“EBITDA” means, with reference to any particular Person for any particular period, Net Income of such Person for such period plus, without duplication, all amounts deducted in arriving at such Net Income amount in respect of (a) Interest Expense of such Person for such period, plus (b) income taxes paid by such Person for such period, plus (c) all amounts properly charged for depreciation of fixed assets and amortization of intangible assets during such period on the books of such Person, plus or minus (d) to the extent agreed upon by (x) at any time prior to the termination and cancellation of the Revolving Facility and the indefeasible repayment in full of all Obligations owing in connection

therewith, the Revolving Lenders in their sole discretion, and (y) at any time on or following the termination and cancellation of the Revolving Facility and the indefeasible repayment in full of all Obligations owing in connection therewith, the Term Lenders in their sole discretion, any adjustments for non cash gains or losses, extraordinary gains or losses and non-recurring items, in each case, of such Person for such period.
For the purposes of calculating EBITDA for any period during Fiscal Year 2020, (X) the following amounts shall be included as add-backs in the calculation of EBITDA: (a) amounts on account of costs accrued with respect to any long term employee incentive programs (which, for greater certainty, shall exclude any employee bonus programs) that will not be paid in cash prior to March 31, 2021, (b) any onerous lease costs accrued during such period with respect to the Sturgeon County Lease or in connection with the Clearwater Restructuring and Liquidation up to a maximum aggregate amount of $2,747,000 during such Fiscal Year, (c) the costs related to the discontinued operations of Quantum Murray LP, the QM Subsidiaries and any QM Assets up to a maximum aggregate amount of $100,000 during such Fiscal Year, and (d) any costs and expenses with respect to any legal, accounting or advisory services incurred with respect to the refinancing of the Revolving Facility up to a maximum aggregate amount of $425,000 during such Fiscal Year, and (Y) all non-cash IFRS 16 adjustments made during such Fiscal Year shall be deducted from the calculation of EBITDA.

“Fixed Charge Coverage Ratio” means: (a) for purposes of clauses (f)(ii), (f)(iii), (f)(vii) or (i) of the definition of “Permitted Distributions” and clause (h) of the definition of “Permitted Investments”, in respect of the Fiscal Annual ended prior to any Excess Cash Flow Payment Date, any Voluntary Senior Debenture Payment Date or any Preferred Share Payment Date, as the case may be, (i) EBITDA of CESI (on a consolidated basis) for such Fiscal Annual, less cash Taxes paid, Distributions of the type described in paragraph (a), (b) or (c) of the defined term “Distribution” (other than payments made in connection with the Preferred Shares, the 2019 Interest Preferred Share, the UWO Preferred Shares and the AECOM Preferred Shares) and Unfunded Capital Expenditures incurred by CESI (on a consolidated basis) during such Fiscal Annual, divided by (ii) Debt Service of CESI (on a consolidated basis) for such Fiscal Annual calculated on a pro forma basis as if the amount required to be paid on such Excess Cash Flow Payment Date, such Voluntary Senior Debenture Payment Date or such Preferred Share Payment Date, as applicable, in accordance with the Senior Secured Indenture, was paid during such Fiscal Annual; and (b) for any other purpose, in respect of any particular period being tested (i) EBITDA of CESI (on a consolidated basis) for such period, less cash Taxes paid, Distributions of the type described in paragraph (a), (b) or (c) of the defined term “Distribution” (other than payments made in connection with the Preferred Shares, the 2019 Interest Preferred Shares, the UWO Preferred Shares and the AECOM Preferred Shares) and Unfunded Capital Expenditures incurred by CESI (on a consolidated basis) during such period, divided by (ii) Debt Service of CESI (on a consolidated basis) for such period.

“Interest Expense” means, with reference to any period for any Person, the sum of all interest charges including imputed interest charges with respect to capital leases, (payment in kind interest payable on any outstanding debentures under the Senior Secured Indenture), interest and all amortization of debt discount and expense, discount and financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees, charges payable with respect to letters of credit and bankers’ acceptance financing, standby commitment fees and net payments (if any) pursuant to hedging arrangements involving interest) of such Person for such period determined in accordance with GAAP.

REPRESENTATIONS AND WARRANTIES

The Loan Parties make the representations and warranties in Schedule "A" – Section II. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.

COVENANTS

So long as any amount owing pursuant to the Loan Documents remains unpaid, each Loan Party shall perform the covenants in Schedule "A" – Section III.

REPORTING OBLIGATIONS

The Borrower (and if applicable the corporate Guarantor) shall provide to BDC within 90 days of its (their) fiscal year end the following financial statements:

Company	Type	Frequency	Period Ending
ClearStream Energy Services Inc. ("CESI")	Consolidated Audited	Annual	December

and such other financial and operating statements and reports as and when BDC may reasonably require.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "**Event of Default**"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security.

FEES

Cancellation Fee

If the Borrower does not draw on the Loan by the Lapsing Date indicated below (the "**Lapsing Date"**), the Loan shall lapse and be cancelled and the Loan Parties shall pay BDC the applicable cancellation fee indicated below. If the Loan is partially disbursed on the Lapsing Date, the Loan Parties shall pay BDC a percentage of the cancellation fee in proportion to the percentage of the Loan that is cancelled. No cancellation fee will be payable if 50% or more of the Loan has been disbursed.

The cancellation fee is payable on demand and is liquidated damages, not a penalty, and represents a reasonable estimate of BDC's damages should the Loan be cancelled or allowed to lapse in whole or in part.

Loan 205219-01

Lapsing Date: December 23, 2021 (the "**Lapsing Date 01**").
Cancellation Fee: $100,000.00 (the "**Cancellation Fee 01**").

Standby Fee

The Loan Parties shall pay BDC a non-refundable standby fee calculated at a rate as indicated below on the portion of the Loan which has not been advanced or cancelled excluding the Consulting portion and/or Future Interest Reserve. This fee shall be calculated daily and be payable in arrears commencing on the date indicated below and on each Payment Date thereafter.

Loan 205219-01

Rate: 1.50% per annum
Date: June 23, 2021

Legal Fees and Expenses

The Loan Parties shall pay, on demand, all legal and other out-of-pocket costs of BDC incurred in connection with the Loan and the Loan Documents including the enforcement of the Loan and the Loan Documents, whether or not any documentation is entered into or any advance is made to the Borrower. All legal and other out-of-pocket expenses of BDC in connection with any amendment or waiver related to the Loan and the Loan documents shall also be for the account of the Loan Parties.

Loan Management Fee

The Borrower shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change.

Loan 205219-01

$2,500.00 per year (the "**Management Fee 01**")

Transaction Fees

The Borrower shall pay BDC loan amendment and Security processing fees charged for the administrative handling of the Loan.

CONFLICTS

The Loan Documents constitute the entire agreement between BDC and the Loan Parties. To the extent that any provision of the Letter of Offer is inconsistent with or in conflict with the provisions of the other Loan Documents, such provision of the Letter of Offer shall govern.

INDEMNITY

The Borrower shall indemnify and hold BDC harmless against any and all claims, damages, losses, liabilities and expenses incurred, suffered or sustained by BDC by reason of or relating directly or indirectly to the Loan Documents save and except any such claim, damage, loss, liability and expense resulting from the gross negligence or wilful misconduct of BDC.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall extend to and be binding on each Loan Party and BDC and their respective successors and assigns. BDC, in its sole discretion, may assign, sell or grant participation in (a "**transfer**") all or any part of its rights and obligations under this Letter of Offer or the Loan to any third party, and the Borrower agrees to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under this Letter of Offer as if it were a party to it, with respect to all rights and obligations included in the transfer and BDC will be released to the extent of any interest under this Letter of Offer or the Loan it assigns. BDC may disclose information it has in connection with the Borrower or any Loan Party to any actual or prospective transferee. No Loan Party shall have the right to assign any of its rights or obligations under or pursuant to the Loan Documents without BDC's prior written consent.

ACCEPTANCE

The Letter of Offer and any modification of it may be executed and delivered by original signature, fax, or any other electronic means of communication acceptable to BDC and in any number of counterparts, each of which is deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

SCHEDULE

The Letter of Offer includes Schedule "A" which contains Definitions, Representations and Warranties, Covenants, Events of Default and General Terms and Conditions. Schedule "A" has been inserted after the signature page and forms an integral part of the Letter of Offer.

LANGUAGE CLAUSE

The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.

(signed) "*Starry Lyon*"

Starry Lyon
Director, Corporate Financing
Phone: (403) 407-9174
Nathan.MCADAM@bdc.ca

(signed) "*Cole Godin*"

Cole Godin
Senior Analyst, Corporate Financing
Phone: (403) 407-9319
Cole.GODIN@bdc.ca

ACCEPTANCE

Each Loan Party hereby accepts the terms and conditions set forth above and in the attached Schedule "A".

This 31 day of December 2020.

ClearStream Real Estate LP, by its general partner,
ClearStream Energy Equipment Ltd.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt________________________________

[Please print name of signing party]

ClearStream Energy Equipment Ltd.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt________________________________

[Please print name of signing party]

GUARANTOR(S)

ClearStream Energy Services Inc. ("CESI")

___(signed) "*Murray Desrosiers*"___________________, Authorized Signing Officer

Name: __Murray Desrosiers______________________________

[Please print name of signing party]

ClearStream Wear Technologies GP Inc.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt________________________________

[Please print name of signing party]

ClearStream Wear Technologies LP, by its general partner,
ClearStream Wear Technologies GP Inc.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt________________________________

[Please print name of signing party]

ClearStream Equipment LP, by its general partner,
ClearStream Energy Equipment Ltd.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt________________________________

[Please print name of signing party]

Clearwater Energy Services GP Inc.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt________________________________

[Please print name of signing party]

Clearwater Energy Services LP, by its general partner,
Clearwater Energy Services GP Inc.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt_________________________________
[Please print name of signing party]

ClearStream Energy Services Limited Partnership, by its general partner, Flint GP Inc.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt_________________________________
[Please print name of signing party]

Flint GP Inc.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt_________________________________
[Please print name of signing party]

ClearStream Energy Equipment Ltd.

___(signed) "*Randy Watt*"___________________, Authorized Signing Officer

Name: __Randy Watt_________________________________
[Please print name of signing party]

December 24, 2020

SECTION I - DEFINITIONS

"Available Funds" – means in respect of any Loan Party for any period of 12 months, the sum of the net profits before non-recurring or non operating items that are not related to normal operations (as designated by the external accredited accountant) plus depreciation and amortization; plus deferred income taxes; and minus dividends.

"Available Funds Coverage Ratio" – means the ratio of Available Funds over the current portion of Term Debt.

"BDC's Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its base rate and, as the case may be, subject to a discount for the duration, applicable to each of BDC's fixed interest rate plans then in effect for determining the fixed interest rates on Canadian dollar loans.

"BDC's Floating Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's Floating Base Rate.

"BDC's US Dollar Floating Base Rate" – means the 1-month US Dollar floating base rate set the last business day of each month for the following month for determining the floating interest rates on US Dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's US Dollar Floating Base Rate. BDC's US Dollar Floating Base Rate for the period from the date of the first advance on the Loan to the first business day of the following month will be the 1-month US Dollar floating base rate as established by BDC on the first business day of the month in which the funds are disbursed. Thereafter, the 1-month US Dollar Floating Base Rate may vary on the first business day of each month.

"Corresponding Fixed Interest Rate Plan" – means, at any time in respect of a prepayment, the fixed interest rate plan then being offered by BDC to its clients equal to the number of years, rounded to the nearest year (minimum of one year), from the date such prepayment is received to the next scheduled Interest Adjustment Date (or the Maturity Date if earlier).

"Default" – means an Event of Default or any condition that, with the giving of notice, the passage of time or otherwise, is susceptible of being an Event of Default.

"GAAP" – means generally accepted accounting principles in Canada applied consistently.

"GAAP for Private Enterprises" – means generally accepted accounting principles approved by the Accounting Standards Board for financial reporting for private companies in Canada who have elected not to adopt IFRS.

"IFRS" – means International Financial Reporting Standards approved by the Accounting Standards Board for accounting for publicly accountable enterprises and private enterprises who have voluntarily decided to adopt this set of standards.

"Interest Adjustment Date" – means, in respect of any fixed interest rate plan, the day after the Interest Expiration Date of such fixed interest rate plan.

"Interest Differential Charge" – means, in respect of the prepayment of the Loan or any portion of the Loan on a fixed interest rate plan, if, on the date of the prepayment, the BDC's Base Rate for the Corresponding Fixed Interest Rate Plan is lower than the BDC's Base Rate in effect when the Borrower entered or renewed the fixed interest rate plan, whichever is most recent, the amount calculated as follows:

(i) the difference between the two rates;

(ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);

(iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment, the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the Interest Act.

"Interest Expiration Date" – means the date on which a fixed interest rate plan expires.

"Loan" – shall have the meaning indicated in the Letter of Offer, or, as the context may require, at any time the unpaid principal balance of the Loan.

"Loan Documents" – means, collectively, the application for financing, the Letter of Offer, the security contemplated by the Letter of Offer and all other documents, instruments and agreements delivered in connection with the foregoing.

"Loan Party" – means either the Borrower or the Guarantor and "Loan Parties" means collectively each of the Borrower and the Guarantor.

"Material Adverse Change" – means:

(i) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of any Loan Party,

(ii) a material impairment of the ability of any Loan Party to perform any of their obligations under any Loan Document, or

(iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, Limited Liability Company, trust, joint venture, association, incorporated organization, partnership, governmental authority or other entity.

"Tangible Equity" – means the sum of the share capital [owners' capital for non-incorporated businesses]; plus retained earnings [accumulated net income]; plus subordinated loans or advances from the shareholders [owners] and related businesses; minus loans or advances to the shareholders [owners], directors, related or non-related businesses.

"Term Debt" – means the sum of the long-term debt plus the capital leases including the current portion to be paid over the next 12 months; plus the book value of preferred shares subject to a formal redemption agreement, if any.

"Term Debt to Tangible Equity Ratio" – means the ratio of the Term Debt over the Tangible Equity.

"Working Capital Ratio" – means the ratio of the total current assets over the total current liabilities. Current assets include the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities include the following: bank advances, cheques in transit, accounts payable (trade and other) and the current portion due within the next 12 months of all long term debts.

SECTION II – REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to BDC that:

1. It is a partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
2. The execution, delivery and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
5. No Default or Event of Default exists.
6. All information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
7. There is no pending or threatened claim, action, prosecution or proceeding of any kind including but not limited to non-compliance with environmental law or arising from the presence or release of any

contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.

8. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

The foregoing representations and warranties shall remain in force and true until the Loan is repaid in full.

SECTION III – COVENANTS

Each Loan Party shall:

1. Perform their obligations and covenants under the Loan Documents.
2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
4. Comply with all applicable laws and regulations.
5. Keep all secured assets insured for physical damages and losses on an “All-Risks” basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security; and

   as further Security, assign or hypothecate all insurance proceeds to BDC; and

   if requested by BDC, maintain adequate general liability insurance and environmental insurance to protect it against any losses or claims arising from pollution or contamination incidents, or any other type of insurance it may reasonably require, and to provide copies of such policies; and maintain all policies of insurance in effect for the duration of the Loan.
6. Notify BDC immediately of any loss or damage to their property.
7. Without limiting the generality of paragraph 4 above, in relation to their business operations and the assets and projects of their business, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
8. Promptly pay all government remittances, assessments and taxes including real estate taxes and provide BDC with proof of payments as BDC may request from time to time.
9. Promptly furnish to BDC such information, reports, certificates and other documents concerning any Loan Party as BDC may reasonably request from time to time.
10. Not, without the prior written consent of BDC,
    a. Change the nature of their business.
    b. Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any operating license.
    c. Permit any Person holding Equity Interests in any Loan Party or in any Person that controls directly or indirectly any Loan Party, to sell or transfer their Equity Interests in such Loan Party, or permit any Loan Party or any Person that directly or indirectly controls any Loan Party to issue any Equity Interests to any Person which is not a Loan Party.

    “Equity Interests” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person’s capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

This provision shall not apply to any Loan Party who is a Public Issuer.

"Public Issuer" means any Loan Party whose Equity Interests are listed or posted for trading on the Toronto Stock Exchange or the TSX Venture Exchange or any other stock exchange or over-the-counter market acceptable to BDC.

11. Not engage in, or permit their premises to be used by a tenant or other Person, for any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:
    a. businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; businesses that are engaged in or associated with illegal activities; businesses trading in countries that are proscribed by the Federal Government;
    b. businesses that operate as stand-alone nightclubs, bars, lounges, cabarets, casinos, discotheques, video arcades, pool and billiard halls, and similar operations; or
    c. businesses that promote nudism and naturism.

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this paragraph 11 shall also apply to any entity that controls, is controlled by, or that is under the common control with, any Loan Party.

SECTION IV – EVENTS OF DEFAULT

1. Any Loan Party fails to pay any amount owing under or pursuant to the Loan Documents.
2. Any Loan Party fails to comply with or to perform any provision of the Letter of Offer or the other Loan Documents.
3. Any Loan Party is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied after any cure period provided in such other agreement.
4. Any representation or warranty made by any Loan Party herein or in any other Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
5. Any schedule, certificate, financial statement, report, notice or other writing furnished by any Loan Party to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
6. Any Loan Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay its debts as they become due; or any Loan Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Loan Party or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Loan Party or for a substantial part of the property of such Loan party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Loan Party; or any Loan Party takes any action to authorize, or in furtherance of, any of the foregoing.
7. The Borrower ceases or threatens to cease to carry on all or a substantial part of its business.
8. Without the prior written consent of BDC, the occurrence of a change of control (as determined by BDC) of any Loan Party who is not a Public Issuer.
9. Any Loan Party is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
10. In the event that either a) any Person or group of Persons, acting jointly or in concert, that already owns 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning more than 50% of the outstanding Equity Interests of such Public Issuer or b) any Person or group of Persons, acting jointly or in concert, that does not already own 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning at least 20% of the outstanding Equity Interests of such Public Issuer, BDC may review the Loan and may require that the Loan, together with interest and any other amounts then outstanding, be repaid within sixty (60) days. Should the Borrower

fail to repay the Loan, accrued interest, and all other amounts outstanding within sixty (60) days of the demand by BDC under this provision, the Borrower shall be in Default and same shall constitute an Event of Default.

SECTION V – GENERAL TERMS AND CONDITIONS

Each Loan Party agree to the following additional provisions:

Other Available Interest Rate Plans

Upon acceptance of the Letter of Offer, the Borrower can select one of BDC’s other available fixed or floating interest rate plans. If the selection is made before the Acceptance Date, there is no fee and the selected plan shall be based on BDC's Base Rate in effect on the Loan Authorization Date. If the selection is made after the initial Acceptance Date, there is a fee and an Interest Differential Charge may apply. The new rate shall become effective on the fourth day following receipt of the request by BDC. However, in the event of a period of increased interest rate volatility, which will be determined by a fluctuation of greater than 0.5% during the same transaction day of the yield to maturity of the five-year Canada bond benchmark, the Bank reserves the right to suspend the borrower’s right to switch from a floating interest rate plan to a fixed interest rate plan.

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans

If the Borrower changes to a fixed interest rate plan within 2 months after the Loan Authorization Date, the standby fee shall be effective two months after the Loan Authorization Date. If the change to a fixed interest rate plan occurs later than two months after the Loan Authorization Date, the standby fee shall be effective on the date the new fixed interest plan takes effect.

Interest Adjustment Date

Provided no Default has occurred and is continuing, prior to each Interest Adjustment Date, BDC shall advise the Borrower of BDC’s Base Rates then in effect for the fixed interest rate plans available. Not later than on the current Interest Expiration Date, the Borrower shall select a new interest rate plan. If the Borrower selects a new fixed interest rate plan, effective on the Interest Adjustment Date, the interest rate for the Loan shall be BDC's Base Rate applicable to the fixed interest rate plan selected by the Borrower adjusted by the Variance which new rate shall be applicable until the next Interest Expiration Date. If the Loan is on a fixed interest rate plan with blended payments of principal and interest, the repayment schedule shall be adjusted on each Interest Adjustment Date. If the Borrower has not advised BDC in writing of its choice before an Interest Adjustment Date, the Loan shall automatically switch to BDC’s floating interest rate plan on the Interest Adjustment Date with an interest rate being BDC's Floating Base Rate as adjusted by the Variance. Outstanding principal for blended payment loans shall then be divided in equal monthly instalments to be paid until Maturity Date.

In the event BDC should demand repayment of the Loan by reason of an Event of Default, any fixed interest rate applicable at the time of demand shall continue to apply to the Loan until full repayment and shall not be adjusted at the next Interest Adjustment Date.

Pre-Authorized Payment System

All payments provided for in the Letter of Offer must be made by pre-authorized debits from the Borrower’s bank account. The Borrower shall sign all documentation required to that effect and provide a sample cheque marked void.

Application of Payments

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
2. protective disbursements;
3. standby fees (arrears and current);
4. arrears, in the following order: transaction fees, administration fees, management fees**,** interest and principal;
5. current balances, in the following order: transaction fees, management fees, interest and principal;
6. cancellation fees;

7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
8. other amounts due and payable.

Other than regular payments of principal and interest, BDC may apply any other monies received by it, before or after Default, to any debt the Borrower may owe BDC under or pursuant to the Letter of Offer or any other agreement and BDC may change those applications from time to time.

Consent to Obtaining Information

Each Loan Party authorizes BDC, from time to time, to obtain financial, compliance, account status and any other information about a Loan Party and its respective business from its accountants, its auditors, any financial institution, creditor, credit reporting or rating agency, credit bureau, governmental department, body or utility.

Notices

Notices must be in writing and may be given in person, or by letter sent by fax, mail, courier or electronically; if to the Borrower, at the Borrower's address above or such other addresses as the Borrower may advise BDC in writing, or if to BDC, at BDC's address above.

Joint and Several Liability

Where in the Loan Documents, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more Persons or a party comprised of more than one Person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several (solidary in Quebec) covenant, agreement, warranty, representation or obligation of each such Person or party, as the case may be. Without limiting the generality of the foregoing, each Loan Party shall be jointly and severally (solidarily) liable with each other to BDC for the full performance of all obligations under the Loan Documents.

Anti- Money Laundering/Know Your Client

Each Loan Party acknowledge that, pursuant to prudent banking practices in respect of “knowing your client”, BDC, in compliance with its internal policies, is required to verify and record information regarding the Loan Parties, their directors, authorized signing officers, shareholders and other Persons in control of each Loan Party. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC or any prospective assignee or other financial institution participating in the Loan with BDC, in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

Confidentiality

The Loan Parties shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Loan Party adopts any changes in accounting standards, including but not limited to GAAP for Private Enterprises and International Financial Reporting Standards (IFRS), which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.