[REDACTED VERSION]

CREDIT AGREEMENT

AMONG:

CERF INCORPORATED
(as Borrower)

- and -

EACH OF THE FINANCIAL INSTITUTIONS NAMED AS LENDERS HEREIN
(as Lenders)

- and -

CANADIAN IMPERIAL BANK OF COMMERCE
(as Administrative Agent)

with

CANADIAN IMPERIAL BANK OF COMMERCE
(as Lead Arranger, Syndication Agent and Sole Bookrunner)

Dated effective as of August 27, 2014

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THIS CREDIT AGREEMENT is dated as of August 27, 2014

AMONG:

CERF INCORPORATED, a corporation under the laws of Alberta, as Borrower

AND:

EACH OF THE FINANCIAL INSTITUTIONS SIGNATORIES HERETO AS LENDERS, OR AS FROM TIME TO TIME BECOME LENDERS HEREUNDER, in their capacity as Lenders

AND:

CANADIAN IMPERIAL BANK OF COMMERCE, in its capacity as Agent

WHEREAS the Borrower has requested and the Lenders have agreed to establish senior secured revolving credit facilities on the terms and conditions set forth herein and CIBC has agreed to act as Agent for the Lenders under such credit facilities;

AND WHEREAS effective on the Effective Date, CERF Incorporated will acquire all Equity Interests in Winalta Inc.;

NOW THEREFORE, in consideration of the premises and the covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals and the Schedules hereto and in all notices pursuant to this Agreement, unless something in the subject matter or context is inconsistent therewith, the following words and phrases shall have the following meanings:

"**Acceleration Notice**" has the meaning given to it in Section 10.2(b);

"**Accommodations**" means the advance of Loans, the acceptance and purchase of Bankers' Acceptances or, if applicable, the advance of BA Equivalent Advances or issuance of Letters of Credit by the Lenders or, where so indicated, by an individual Lender, under a Facility;

"**Accounts**" means, in respect of each Loan Party, all of such Loan Party's now existing and future:

(a) accounts (as defined in the PPSA) and any and all other receivables;

(b) documents, bills of exchange, notes or any other writing that evidences a monetary obligation and chattel paper (including electronic chattel paper) (as defined in the PPSA); and

(c) monies and claims for monies now or hereafter due and payable in connection with any and all of the foregoing or otherwise;

"**Adjusted Cash Flow**" means, without duplication, in respect of the twelve month period ending on the last day of a Fiscal Quarter and as determined on a Consolidated Basis in respect of the Borrower, EBITDA minus:

(a) all amounts added back to Net Income in the calculation of EBITDA in respect of the provision for income taxes (in accordance with GAAP), to the extent paid in cash during such period; and

(b) all Distributions made by the Borrower on a Consolidated Basis to the extent paid in cash during such period;

"**Adjustment Time**" means the time of occurrence of the last event necessary (being either the delivery of a Demand for Repayment or the occurrence of a Termination Event) to ensure that all Lender Outstandings are thereafter due and payable and such time shall conclusively be:

(a) in the case where such last event is the delivery of a Demand for Repayment, the time of delivery for such Demand for Repayment or, where not delivered as required within a time period specified in Section 10.3, then the last day of such time period; and

(b) in the case where such last event is the occurrence of a Termination Event, the time of occurrence of such Termination Event determined pursuant to the provisions of the Credit Agreement giving rise to such Termination Event;

"**Administrative Questionnaire**" means an administrative questionnaire in a form supplied by the Agent to an assignee of a Lender pursuant to Section 13.1(b)(iv);

"**Affiliate**" means any Person which, directly or indirectly Controls, is Controlled by, or is under common Control with another Person;

"**Agent**" means CIBC and includes any successor agent appointed pursuant to Section 12.6 and any successor entity to CIBC;

"**Agent Parties**" has the meaning given to it in Section 14.9;

"**Agent's Account for Payments**" means the account advised by the Agent from time to time to which payments and transfers to the Agent are to be effected;

"**Agent's Branch of Account**" means the office of the Agent located at the address set forth opposite the Agent's name on the signature pages to this Agreement or such other office or branch of the Agent in Canada as the Agent may from time to time advise the Borrower and the Lenders in writing;

"**Agreement**" means this credit agreement, all Schedules attached hereto and any future amendments and restatements, replacements or supplements hereto or thereto;

"**Aggregate Eligible Accounts Receivable Lending Value**" means, at any relevant time, 75% of Eligible Accounts Receivable;

"**Aggregate Eligible Inventory Lending Value**" means, at any relevant time, 50% of the net book value (as determined in accordance with GAAP) of all Eligible Inventory;

"**Aggregate Eligible Equipment Lending Value**" means, at any relevant time, 60% of the net book value (as determined in accordance with GAAP) of all Eligible Equipment;

"**AML Legislation**" has the meaning given to it in Section 14.14;

"**Ancillary Facilities**" means, collectively, the Permitted Swaps, the Credit Card Facilities and the Cash Management Arrangements;

"**Ancillary Facility Obligations**" means, collectively, the Permitted Swap Indebtedness, the Credit Card Obligations and the Cash Management Obligations;

"**Applicable Law**" means, in relation to any Person, property, transaction or event, all applicable provisions of federal, provincial, state, municipal or local laws, statutes, rules, regulations, by-laws, official directives and orders of all Governmental Authorities and all Governmental Actions in which the Person in question is a party or by which it is bound or having application to the Person, property, transaction or event, and includes Environmental Laws;

"**Applicable Margin**" means a margin, expressed as a rate per annum, payable to, in the case of the Revolving Facility and the Term Facility, the Agent on behalf of all of the Lenders, and in the case of Swingline Loans, to the Swingline Lender, with respect to Borrowings, as set forth in the table below for the applicable Debt to EBITDA Ratio:

<table>
<tr><th>Level</th><th>Debt to EBITDA Ratio</th><th>Loans (bps)</th><th>Bankers' Acceptances and Letters of Credit (bps)</th><th>Standby Fees (bps)</th></tr>
<tr><td>I</td><td colspan="4" rowspan="3">[Redacted amounts]</td></tr>
<tr><td>II</td></tr>
<tr><td>III</td></tr>
</table>

<u>provided</u> that changes in the Applicable Margin shall be effective and adjusted in accordance with Section 5.10; and provided further that, as at the Effective Date, the Applicable Margin shall be set at Level II. For the purposes of calculating the Applicable Margins for Loans and Bankers' Acceptances, the per annum rate is expressed on the basis of a 365-day year. Upon the occurrence and during the continuance of any Default or Event of Default, each of the above Applicable Margins will increase by 200 bps;

"**Approved Fund**" means any Fund that is administered or managed by:

(a) a Lender;

(b) an Affiliate of a Lender; or

(c) an entity or an Affiliate of an entity that administers or manages a Lender;

"**Arrangement**" means the Plan of Arrangement, as such term is defined in the Arrangement Agreement;

"**Arrangement Agreement**" means the arrangement agreement dated as of June 26, 2014 between CERF Incorporated and Winalta Inc.;

"**Arrangement Information Circular**" means the "Information Circular", as such term is defined in the Arrangement Agreement;

"**Assets**" means, with respect to any Loan Party, all real and personal property, assets and undertaking of such Loan Party of every kind and wheresoever situate, whether now owned or hereafter acquired, including the Real Estate;

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and a Permitted Assignee (with the consent of any party whose consent is required by Section 13.1), and accepted by the Agent, in substantially the form of Schedule "E" or any other form approved by the Agent;

"**Authorizations**" means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licences, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings, rights, and certifications, whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Authority pursuant to Applicable Law;

"**BA Acceptance Fee**" means, with respect to Bankers' Acceptances, the fee, expressed as a rate per annum, payable to each Lender or retained by each Lender, in each case, with respect to Bankers' Acceptances to be accepted and purchased by such Lender as set forth in the table in the definition of Applicable Margin for Bankers' Acceptances;

"**BA Equivalent Advance**" means an advance made in Canadian Dollars by a Non-Acceptance Lender as part of an Accommodation by way of Bankers' Acceptances;

"**BA Purchasing Lender**" means each Lender that purchases a Bankers' Acceptance accepted by such Lender and to the extent applicable, includes Non-Acceptance Lenders providing BA Equivalent Advances;

"**Bankers' Acceptances**" means bankers' acceptances denominated in Cdn. Dollars which are issued by the Borrower pursuant to Sections 3.4, 3.11 or 3.12 and accepted and purchased by the Lender pursuant to Section 3.8; all references herein to "Bankers' Acceptances" shall, unless otherwise expressly provided herein or unless the context otherwise requires, be deemed to include BA Equivalent Advances made by a Non-Acceptance Lender as part of a Borrowing by way of Bankers' Acceptances;

"**Borrower**" means CERF Incorporated, a corporation under the laws of the Province of Alberta;

"**Borrowing Base**" means the amount set forth in each Borrowing Base Certificate as may be determined or re-determined, as applicable, by the Agent for and on behalf of the Lenders from time to time, in each case pursuant to Section 9.4(c) (in the case of any determination or re-determination by the Agent, in the exercise of its sole discretion), and without duplication of any economic value, the sum of:

(a) the Aggregate Eligible Accounts Receivable Lending Value at such time;

(b) the Aggregate Eligible Inventory Lending Value at such time; and

(c) the Aggregate Eligible Equipment Lending Value at such time,

<u>Less</u>: Priority Payables;

"**Borrowing Base Certificate**" means a certificate of a Responsible Officer of the Borrower required from time to time pursuant to Section 9.4(c) and substantially in the form of Schedule "K" with all applicable blanks completed;

"**Borrowing Notice**" means a notice to effect an Accommodation delivered under Section 3.4 and substantially in the form of Schedule "B" with all applicable blanks completed;

"**Borrowings**" means, at any time, the principal amount outstanding by way of Loans made by the Lenders, the face amount of Bankers' Acceptances outstanding (and, if applicable, any related BA Equivalent Advances) issued and purchased by the Lenders and the undrawn amount of all outstanding Letters of Credit issued by the Swingline Lender;

"**bps**" means 1/100 of 1%;

"**Branch of Account**" means, with respect to each Lender, the branch or office of such Lender (being, in the case of the Swingline Lender, the Swingline Lender's Branch of Account) located at the address set forth under such Lender's name on Schedule "A" or in its Assignment and Assumption Agreement or such other branch or office in Canada as such Lender may from time to time advise the Borrower and the Agent in writing; provided that, for purposes of delivering any notice required to be delivered by the Agent to a Lender pursuant to Section 12.13 and for purposes of effecting any payments to a Lender in connection with this Agreement, a Lender may specify in writing to the Agent any other branch or office of such Lender in Canada and such branch or office shall thereafter be the Branch of Account of such Lender for such purpose;

"**Business**" means the provision of industrial and construction equipment rental(s), oilfield including modular buildings, rentals as well as sales, service and repairs and waste management services;

"**Business Day**" means a day, excluding Saturday and Sunday, on which banking institutions are open for the transaction of commercial business in Calgary, Alberta and Toronto, Ontario;

"**Canadian Dollars**", "**Cdn. Dollars**" and the symbols "**Cdn. $**" and "**$**" each means lawful money of Canada;

"**Capital Expenditure**" means for any Person for any period, the aggregate of all expenditures, whether or not made through the incurrence of Debt, by such Person and its Subsidiaries during such period for the acquisition, leasing (pursuant to a capital lease), construction, replacement, repair, substitution or improvement of fixed or capital assets or additions to equipment, in each case required to be capitalized under GAAP on a consolidated balance sheet of such Person;

"**Cash Collateral Account**" means an account with the Agent, or such other financial institution as designated by the Agent, from which the Borrower does not have any withdrawal rights or privileges until repayment of the Borrowings in full, termination of the Total Commitment and termination of this Agreement, except to apply the amount represented thereby to the Borrowings or a portion thereof, which account and all funds credited thereto and interest earned thereon (which interest shall be at the prevailing rate of the Agent or such other financial institution, as the case may be, for demand deposits of comparable amounts) shall be the subject of a Security Interest in favour of the Agent on behalf of the Lenders;

"**Cash Management Arrangements**" means any arrangement entered into or to be entered into by any Loan Party with a Lender for the purpose of providing services under a Cash Management Facility for a Loan Party;

"**Cash Management Facility**" means a facility for the provision of cash or treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts, wire payments and account netting and pooling services) provided to the Borrower by a Lender or its Affiliates;

"**Cash Management Obligations**" means, at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Loan Parties to the Lenders under, pursuant or relating to the Cash Management Arrangements and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and including all principal, interest, fees, legal and other costs, charges and expenses, and other amounts payable by the Borrower under the Cash Management Arrangements;

"**CDOR Rate**" means, on any date which Bankers' Acceptances are to be issued pursuant hereto, the per annum rate of interest which is the rate determined as being the arithmetic average of the annual yield rates applicable to Cdn. 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 as at approximately 10:00 a.m. (Toronto time) on such day, or if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Agent in good faith after 10:00 a.m. (Toronto time) to reflect any error in a posted rate or in the posted average annual rate); provided, however, if such a rate does not appear on such CDOR Page, then the CDOR Rate, on any day, shall be the Discount Rate quoted by the Agent (determined as of 10:00 a.m. (Toronto time) on such day) which would be applicable in respect of an issue of bankers' acceptances in a comparable amount and with comparable maturity dates to the Bankers' Acceptances proposed to be issued by a Borrower on such day, or if such day is not a Business Day, then on the immediately preceding Business Day;

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority; or (c) the making of issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; 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 Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), the Office of the Superintendent of Financial Institutions or Canada or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued;

"**Change of Control**" means any circumstances arising after the Effective Date in which a Person or combination of Persons acting jointly or in concert (within the meaning of the *Securities Act* (Alberta), as amended) acquires ownership or control, directly or indirectly, of more than 50% of the Voting Securities of the Borrower, or otherwise acquires the power (by contract or otherwise) to elect a majority of the board of directors of the Borrower;

"**CIBC**" means Canadian Imperial Bank of Commerce and its successors and permitted assigns;

"**Circumstance**" has the meaning given to it in Section 11.1;

"**Collateral**" means the Assets described in and subject to the Security Interests, privileges and priorities created or purported to be created by any Security;

"**Commitment**" means, with respect to a particular Lender under a particular Facility or under all of the Facilities, the aggregate of the commitments of such Lender in respect of such Facility or all the Facilities, as the case may be, specified in Schedule "A" (or in any Assignment and Assumption executed hereafter) as such Lender's commitment under such Facility or all the Facilities, as the case may be, as the same may be revised, adjusted or reduced from time to time pursuant to the terms of this Agreement;

"**Commodity Swap**" means an agreement entered into between a Person and a counterparty on a case by case basis, the purpose and effect of which is to mitigate or eliminate such Person's exposure to fluctuations in commodity prices, whether physically or financially settled;

"**Communications**" has the meaning given to it in Section 14.9.

"**Compliance Certificate**" means a compliance certificate substantially in the form attached hereto as Schedule "D" executed by any senior officer of the Borrower;

"**Consolidated Basis**" means, with respect to any Person, the accounts of such Person and its Subsidiaries consolidated in accordance with GAAP;

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, the right to elect a majority of the directors of the Borrower, by contract or otherwise, "**Controlling**" and "**Controlled**" have the meanings correlative thereto;

"**Conversion**" means a conversion of a Borrowing (other than a Letter of Credit) or part thereof from one basis of Borrowing to another (other than a Letter of Credit) and, where applicable, such term shall include the issuance of new Bankers' Acceptances in respect of converted or unconverted portions of a Borrowing;

"**Conversion Date**" means each Business Day that the Borrower has notified the Agent as the date on which the conversion of a Borrowing or a portion thereof is to be made pursuant to a request from the Borrower under Section 3.11;

"**Conversion Notice**" means a notice to effect a Conversion delivered under Section 3.11 and substantially in the form of Schedule "C" with all applicable blanks completed;

"**Credit Agreements**" mean, collectively, this Agreement, all Swaps with a Swap Lender documented under the applicable ISDA Master Agreements and all Transactions documented thereunder, all agreements between a Lender and a Loan Party with respect to Credit Card Facilities, and all agreements between a Lender and a Loan Party with respect to Cash Management Facilities, and "**Credit Agreement**" means any of them;

"**Credit Card Facilities**" means any corporate credit card facilities for commercial purposes (including "commercial credit cards" and "purchasing cards");

"**Credit Card Obligations**" means indebtedness, liabilities and obligations of any Loan Party to a Lender arising under any Credit Card Facilities;

"**Currency Swap**" means a contract entered into between a Person and a counterparty on a case by case basis in connection with forward rate, currency swap or currency exchange and other similar currency related transactions, the purpose and effect of which is to mitigate or eliminate such Person's exposure to fluctuations in exchange rates;

"**DBNA**" has the meaning given to it in Section 3.8(d);

"**Debt**" means, with respect to a Person at any time but without duplication, all obligations, indebtedness and liabilities:

(a) for borrowed money;

(b) arising pursuant to bankers' acceptance facilities, note purchase facilities and commercial paper programs, or the stated amount of letters of credit, letters of guarantee and surety bonds supporting obligations which would otherwise constitute Debt within the meaning of this definition or indemnities issued in connection therewith;

(c) that are evidenced by bonds, debentures, notes or other similar instruments (whether or not with respect to the borrowing of money, and whether or not payable by, or convertible into, equity);

(d) arising under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the indebtedness or other obligations of any other Person which would otherwise constitute Debt within the meaning of this definition and all other obligations incurred for the purpose of or having the effect of providing Financial Assistance;

(e) arising in respect of the deferred purchase or acquisition price of property in excess of one hundred twenty (120) days (but excluding, for certainty, accounts payable arising in the ordinary course of business);

(f) arising under a Purchase Money Security Interest, a Sale-Leaseback or a Financial Lease;

(g) arising in respect of the purchase from another Person of any of such other Person's property, assets or undertaking, the purchase price in respect of which has been prepaid by the purchaser; and

(h) arising in respect of redemption obligations of the Loan Parties with respect to any shares issued by the Borrower (excluding shares of the Borrower that may be redeemed in whole or in part in specie) or such other Loan Party which are not held by a Loan Party and which are by their terms or pursuant to any contract, agreement or arrangement:

    (i) redeemable, retractable, payable or required to be purchased or otherwise retired or extinguished, or convertible into Debt of a Loan Party in any case, prior to the Maturity Date (A) at a fixed or determinable date, (B) at the option of any holder thereof, or (C) upon the occurrence of a condition not solely within the control and discretion of the Loan Parties, or

    (ii) convertible into any other shares described in (i) above;

but excluding, for greater certainty, trade payables and deferred income taxes;

"**Debt to EBITDA Ratio**" means, as at the end of each Fiscal Quarter of the Borrower, the ratio of Debt of the Borrower on a Consolidated Basis as of the last day of such Fiscal Quarter to EBITDA for the last four (4) Fiscal Quarters;

"**Debtor Relief Laws**" means the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of Canada or other applicable jurisdictions from time to time in effect;

"**Default**" shall mean the occurrence of any of the events specified in Section 10.1, whether or not any requirement for notice or lapse of time or other condition precedent has been satisfied;

"**Defaulting Lender**" means any Lender:

(a) that has failed to fund any payment or its portion of any Accommodations required to be made by it hereunder or to purchase any participation required to be purchased by it hereunder and under the other Loan Documents;

(b) that has notified the Borrower, the Agent or any Lender (verbally or in writing) that it does not intend to or is unable to comply with any of its funding obligations under this Agreement or has made a public statement to that effect or to the effect that it does not intend to or is unable to fund advances generally under credit arrangements to which it is a party;

(c) that has failed, within three (3) Business Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with the terms of this Agreement relating to its obligations to fund prospective Accommodations;

(d) that has otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute;

(e) in respect of which a Lender Insolvency Event or a Lender Distress Event has occurred in respect of such Lender or its Lender Parent; or

(f) with respect to which the Agent has concluded, acting reasonably, and has advised the Lenders in writing, that it is of the view that it is more likely than not that such Lender shall become a Defaulting Lender pursuant to paragraphs (a) to (e), inclusive, of this definition;

"**Demand for Repayment**" means delivery of an Acceleration Notice or a Swap Demand for Repayment;

"**Discount Proceeds**" means, in respect of any Bankers' Acceptance required to be purchased by a Lender hereunder, an amount (rounded to the nearest whole cent with one-half of one cent being rounded up) determined as of the applicable Drawdown Date, Conversion Date or Rollover Date which is equal to:

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

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

$$\frac{1}{1 + (\text{Rate x } \frac{\text{Term}}{365})}$$

where the "**Rate**" is the applicable Discount Rate expressed as a decimal on the day of purchase; the "**Term**" is the term of such Bankers' Acceptance expressed as a number of days; and the Price as so determined is rounded up or down to the fifth decimal place with .000005 being rounded-up;

"**Discount Rate**" means:

(a) with respect to an issue of Bankers' Acceptances having the same maturity date accepted by a Lender that is a bank under Schedule I of the *Bank Act* (Canada), the CDOR Rate; and

(b) with respect to an issue of Bankers' Acceptances having the same maturity date accepted by a Lender that is not a bank under Schedule I to the *Bank Act* (Canada), the CDOR Rate plus 10 bps;

"**Dissenting Lender**" has the meaning given to it in Section 13.5;

"**Distribution**" by a Person means:

(a) any declaration, payment or setting aside for payment of any dividend, return of capital or other distribution on or in respect of any of the share, partnership or trust capital of such Person;

(b) any redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any of the share, partnership or trust capital of such Person or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for share, partnership or trust capital of such Person, including options, warrants, conversion or exchange privileges and similar rights;

(c) the payment of any principal, interest, fees, redemption amounts or other amounts on or in respect of any loans, advances or other indebtedness owing at any time by such Person to a holder of shares, partnership interests or trust units of such Person or an Affiliate of such holder;

(d) any loan, advance, payment of management or consulting fees, management bonuses, reimbursement of costs, commission or other compensation which is made by the Person to or in favour of a holder of shares, partnership interests or trust units of such Person or an Affiliate of such holder except where any compensation, commission, fees or bonuses are paid to any such holder in such holder's capacity as an officer, director or employee of such Person in the ordinary course of business; or

(e) the transfer by the Person of any property or assets for consideration of less than its or their fair market value or on non-arms' length terms and conditions to a holder of shares, partnership interests or trust units of such Person or an Affiliate of such holder;

whether any of the foregoing is made, paid or satisfied in or for cash, property or both;

"**Drawdown**" means the advance of a Borrowing other than as a result of a Conversion, Rollover or a drawing under a Letter of Credit;

"**Drawdown Date**" means each Business Day on which Borrowings are to be made pursuant to a request from the Borrower under Section 3.4;

"**EBITDA**" means, without duplication, in respect of the twelve month period ending on the last day of a Fiscal Quarter in respect of the Borrower, Net Income of the Borrower on a Consolidated Basis for such period, plus, without duplication:

(a) Interest Expense, to the extent deducted in the calculation of Net Income;

(b) all amounts deducted in the calculation of Net Income in respect of the provision for income taxes (in accordance with GAAP);

(c) all amounts deducted in the calculation of Net Income in respect of non-cash items, including depletion, accretion (to the extent not included in clause (a) above), depreciation, amortization, and future income tax liabilities;

(d) all amounts deducted in the calculation of Net Income in respect of minority equity losses, extraordinary, non-recurring losses, any non-cash impairment charges, and any other noncash charges;

(e) all cash distributions received in such period by the Borrower and the Material Subsidiaries from persons which are not Material Subsidiaries;

(f) to the extent deducted from Net Income, non-cash losses resulting from marking-to-market the outstanding Swaps of the Borrower and the Material Subsidiaries for such period in accordance with GAAP; and

(g) all amounts deducted in the calculation of Net Income in respect of share based compensation;

less:

(h) earnings attributable to minority interests and extraordinary and non-recurring earnings and gains of the Borrower on a Consolidated Basis, in each case, to the extent included in the calculation of Net Income;

(i) to the extent included in Net Income, non-cash gains resulting from marking-to-market the outstanding Swaps of the Borrower and the Material Subsidiaries for such period in accordance with GAAP; and

(j) all cash payments during such period relating to non-cash charges which were added back in determining EBITDA in any prior period;

it being acknowledged that: (y) such EBITDA shall include the EBITDA from any assets or business which are acquired by the Borrower or a Material Subsidiary in such twelve month period (including the Winalta Assets) as if such assets or business had been owned by the Borrower or Material Subsidiary as at the commencement of such twelve month period; and (z) that such EBITDA shall exclude the EBITDA arising in respect of any assets or business which are sold or disposed of in such twelve month period as if such assets or business had been sold or disposed of immediately prior to the commencement of such twelve month period, provided that prior to making any adjustment to EBITDA as provided for in (y) and (z) above, the Borrower shall have delivered to the Agent a detailed management analysis (including supporting financial statements) of the adjustment to EBITDA certified by a senior officer of the Borrower, and the Agent shall have approved same, providing such approval shall not be unreasonably withheld or delayed;

"**Effective Date**" means the date on which the conditions precedent under Section 8.1 have been satisfied;

"**Eligible Account Receivable**" means, at any time, in respect of each Loan Party, the invoice amount owing on each of the Accounts of such Loan Party at such time; provided that, in any event, no Account shall be deemed an Eligible Account Receivable unless the following criteria are satisfied:

(a) the Account is a binding and valid obligation of the account debtor thereon and is in full force and effect;

(b) the Account is evidenced in writing and is payable in Canadian Dollars or United States Dollars;

(c) the Account is genuine as appearing on its face or as represented in the books and records of the applicable Loan Party;

(d) the Account is free from claims known to a Loan Party regarding rescission, set-off, counterclaim, defence, cancellation or avoidance, whether by operation of Applicable Law or otherwise;

(e) in respect of Non-Investment Grade Debtors, the Account is not outstanding for more than 90 days after the original invoice date for such Account, provided however the portion of an Account which is outstanding for less than 90 days may be eligible where the over 90-day portion of such Account is less than 10% of the entire Account;

(f) in respect of Investment Grade Debtors, the Account is not outstanding for more than 120 days after the original invoice date for such Account, provided however the portion of an Account which is outstanding for less than 120 days may be eligible where the over 120-day portion of such Account is less than 10% of the entire Account;

(g) the Account is net of Sales Taxes, concessions, offset, deduction, contras, returns, holdbacks, chargebacks, late charges or finance charges, or understandings with the account debtor thereon that in any way could reasonably be expected to adversely affect the payment of, or the amount of, the Account;

(h) the Agent on behalf of the Lenders has a registered first ranking Security Interest covering the Account and the Account is, and at all times will be, free and clear of all other Security Interests other than Permitted Encumbrances;

(i) the account debtor of the Account is not:

    (i) a Loan Party or an Affiliate of a Loan Party; or

(ii) an officer or employee of any Loan Party or Affiliate thereof;

(j) the Account arose in the ordinary course of business of the Loan Party out of the sale of goods or services by the Loan Party;

(k) all consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given in connection with the execution, delivery and performance of the Account by each party obligated thereunder, or in connection with the enforcement and collection thereof by the Agent, have been duly obtained, effected or given and are in full force and effect;

(l) the account debtor of the Account is not the subject of any bankruptcy or insolvency proceeding, does not have a trustee or receiver appointed for all or a substantial part of its property, has not made an assignment for the benefit of creditors, admitted its inability to pay its debts as they mature, suspended its business or initiated negotiations regarding a compromise of its debt with its creditors;

(m) the account debtor of such Account is (i) an individual resident in Canada or the United States or is organized and existing under the laws of, and conducts business in, (A) Canada or a province or territory thereof; or (B) the United States or a state thereof, or (ii) is otherwise agreed to by the Agent;

(n) in respect of an Account arising from the sale of goods, the subject goods have been processed, sold and shipped, on a true sale basis on open account, or subject to contract, and not on consignment, on approval, on a "sale or return" basis, or on a "bill and hold" or "pre-sale" basis or subject to any other repurchase or return agreement or other terms pursuant to which payment by the account debtor may be conditional; no material part of the subject goods has been returned, rejected, lost or damaged; and the Account is not evidenced by chattel paper or a promissory note or an instrument of any kind, unless such chattel paper, promissory note or other instrument is subject to a Security Interest under the Security Documents;

(o) in respect of an Account which constitutes a progress billing under a construction contract, such Account is payable to the applicable Loan Party in accordance with the applicable construction contract, does not constitute an amount in excess of what has been earned under the applicable construction contract and is not being disputed by the applicable account debtor;

(p) each of the representations and warranties set forth herein and in the Loan Documents with respect to the Account is true and correct on such date;

(q) a cheque, promissory note, draft, trade acceptance or other instrument has not been received with respect to the Account (or with respect to any other account due from the same account debtor), presented for payment and returned uncollected for any reason; and

(r) the Account is not an Account which the Agent and the Lenders, in the exercise of their reasonable business judgment, has determined to be ineligible for any other reason, including, without limitation, the Agent's determination, acting reasonably, that the prospect of collection of the Account is impaired or that the Account may not be paid because of the account debtor's inability to pay or any other reason as may be customary either in the commercial lending industry or in the lending practices of the Agent;

"**Eligible Equipment**" means, at any time, all Equipment held as inventory for rental or lease to third parties in the ordinary course of business and which meets the following criteria:

(a) the Equipment is in possession of such Loan Party or is being rented or leased by it in the ordinary course of business;

(b) each of the representations and warranties set forth in the Loan Documents with respect to such Equipment is true and correct;

(c) the Agent on behalf of the Lenders, has a registered first ranking Security Interest covering such Equipment, and such Equipment is, and at all times will be, free and clear of all Security Interests other than Permitted Encumbrances; and

(d) the Equipment does not include goods:

(i) that are not owned by such Loan Party;

(ii) that are held by such Loan Party pursuant to a consignment agreement; or

(iii) that are subject to Purchase Money Security or Finance Lease except in favour of the Agent;

"**Eligible Inventory**" means, at any time, all Inventory (excluding Equipment) for resale to third parties in the ordinary course of business and which meets the following criteria:

(a) the Inventory is in good condition, merchantable, meets all standards imposed by any Governmental Authority having regulatory authority over it or its use and/or sale and is not obsolete and is either currently usable or currently saleable in the normal course of business of such Loan Party;

(b) the Inventory is located on real/immovable Assets in Canada owned by a Loan Party or is located on real/immovable Assets in Canada leased by a Loan Party;

(c) each of the representations and warranties set forth in the Loan Documents with respect to such Inventory is true and correct;

(d) the Agent, on behalf of the Lenders, has a registered first ranking Security Interest covering such Inventory, and such Inventory is, and at all times will be, free and clear of all Security Interests other than Permitted Encumbrances;

(e) the Inventory does not include goods:

(i) that are not owned by such Loan Party;

(ii) that are held by such Loan Party pursuant to a consignment agreement; or

(iii) that are subject to Purchase Money Security except in favour of the Agent;

(f) the Inventory is not subject to repossession under Insolvency Laws except to the extent the applicable vendor has entered into an agreement with the Agent, in form and substance reasonably satisfactory to the Agent, waiving its right to repossession;

(g) the Inventory is in the possession of a Loan Party or, if not, is evidenced by negotiable documents of title which are in the possession of a Loan Party;

(h) if the Inventory constitutes Hazardous Materials, such Hazardous Materials have been purchased by the applicable Loan Party in the ordinary course of its business and is at all times transported, stored and handled materially in accordance with all applicable Environmental Laws;

(i) the Inventory is not Inventory which the Agent has determined, in the exercise of its reasonable discretion, that the Agent may not sell or otherwise dispose of in accordance with the terms of the applicable Security Documents without infringing upon the rights of another Person or violating any contract with any other Person; and

(j) the Inventory is not Inventory which the Agent, in the exercise of its reasonable business judgment, has determined to be not acceptable for any other reasons, including, without limitation, those which are customary either in the commercial lending industry or in the lending practices of the Agent or the Lenders;

"**Environmental Laws**" means all Applicable Laws regarding the environment or occupational health and safety, or pursuant to which Environmental Liabilities would arise or have arisen, including relating to the Release or threatened Release of any Hazardous Substances or the generation, use, storage or transportation of any Hazardous Substances;

"**Environmental Liabilities**" means any and all indebtedness, obligations and liabilities for any Release, any environmental damage, any contamination or any other environmental problem caused or alleged to have been caused to any Person, property or the environment as a result of any Release or the condition of any Assets, whether or not caused by a breach of Applicable Laws, including all indebtedness, obligations and liabilities arising from or related to: any surface, underground, air, groundwater, or surface water contamination; the abandonment or plugging of any well; restorations and reclamations; the removal of or failure to remove any foundations, structures or equipment; the cleaning up, remediation or reclamation of storage sites; any Release; violation of pollution standards; and personal injury (including sickness, disease or death) and property damage arising from the foregoing;

"**Equipment**" means all vehicles, plant, machinery, goods and other tangible personal property now owned or hereafter acquired by the Borrower or any other Loan Party, and all substitutions, replacements, additions and accessories thereto, but specifically excluding Assets constituting goodwill and other intangible assets;

"**Equity Interests**" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person's capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing;

"**Equivalent Amount**" in one currency (the "**First Currency**") of an amount in another currency (the "**Other Currency**") means, as of the date of determination, the amount of the First Currency which would be required to purchase such amount of the Other Currency at the Bank of Canada noon (Toronto time) mid-point spot rate for such currencies on such date of determination (as quoted or published from time to time by the Bank of Canada) or, if such date of determination is not a Business Day, on the Business Day immediately preceding such date of determination, or at such other rate as may have been agreed to by the Borrower and the Agent;

"**Escrow Funds**" has the meaning given to it in Section 10.4;

"**ETA**" means Part IX of the *Excise Tax Act* (Canada), as amended from time to time;

"**Event of Default**" means any of the events or circumstances specified in Section 10.1;

"**Excluded Taxes**" means, with respect of the Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of a Loan Party hereunder, (i) Taxes imposed on or measured by its net income or capital, and franchise Taxes imposed on it (in lieu of net income Taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, and (ii) any branch profits Taxes or any similar tax imposed by any jurisdiction in which the Agent or Lender is located;

"**Existing Credit Agreement**" means the commitment letter dated September 18, 2013, as amended to the date hereof, between the Borrower, as borrower and the Existing Lender;

"**Existing Lender**" means CIBC as lender under the Existing Credit Agreement;

"**Existing Security**" means, collectively, all guarantees, hypothecs, pledges, assignments, security agreements, mortgages, charges, debentures and other documents and agreements from time to time delivered by any Loan Party to the Existing Lender including the documents and agreements listed in Schedule "L";

"**Facilities**" means, collectively, the Revolving Facility and the Term Facility and "**Facility**" means either of them;

"**Financial Assistance**" means, with respect to any Person and without duplication, any loan, guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise) and includes any guarantee of or indemnity in respect of the Debt of the other Person and any absolute or contingent obligation to (directly or indirectly):

(a) advance or supply funds for the payment or purchase of any Debt of any other Person;

(b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Debt or to assure the holder thereof against loss;

(c) guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other Person from or against any losses, liabilities or damages in respect of Debt;

(d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof to the Borrower or any Subsidiary; or

(e) make an advance, loan or other extension of credit to or to make any subscription for equity, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another Person.

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all Debt of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is the determinable amount;

"**Financial Covenants**" means the covenants set out in Section 9.1;

"**Financial Lease**" means any lease of property, real or personal, or any similar arrangement which would, in accordance with GAAP, be required to be classified and accounted for as a financing lease on a statement of financial position of a lessee, where the lessee is the Borrower or a Subsidiary of the Borrower, but shall not include obligations under a premises lease;

"**Fiscal Quarter**" means the three (3) month period commencing on the first day of each Fiscal Year and each successive three (3) month period thereafter during such Fiscal Year;

"**Fiscal Year**" means the Borrower's fiscal year commencing on January 1 of each year and ending on December 31 of such year;

"**Foreign Lender**" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, Canada and each Province thereof shall be deemed to constitute a single jurisdiction;

"**Fund**" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business;

"**GAAP**" means generally accepted accounting principles which are in effect from time to time in Canada;

"**General Security Agreement**" means a general security agreement granted by the Borrower and each Material Subsidiary pursuant to Section 6.1 substantially in the form of Schedule "F", as supplemented, amended and replaced from time to time;

"**Governmental Action**" means any authorization, consent, approval, waiver, order, decree, license, exemption, permit, registration, filing, qualification or declaration of or with any Governmental Authority (other than routine reporting requirements) or the giving of notice to any Governmental Authority or any other action in respect of a Governmental Authority;

"**Governmental Authority**" means any federal, state, provincial, county, local or municipal government; any governmental body, agency, authority, board, bureau, department or commission (including any taxing authority); any instrumentality or office of any of the foregoing (including any court or tribunal) exercising executive, legislative, judicial, regulatory or administrative functions; or any entity directly or indirectly controlled by any of the foregoing;

"**GST**" means the goods and services tax imposed under the ETA;

"**Guarantee**" means any undertaking to assume, guarantee, indemnify, endorse (other than the routine endorsement of cheques in the ordinary course of business), contingently agree to purchase or to provide funds for the payment of, or otherwise become liable in respect of, any indebtedness, obligations or liabilities of any Person; provided that the amount of each Guarantee shall be deemed to be the amount of the indebtedness, obligations or liabilities guaranteed thereby, unless the Guarantee is limited to a specified amount or to realization exclusively on specified assets in which case the amount of such Guarantee shall be deemed to be the lesser of such specified amount or the fair market value of such specified assets, as the case may be, or the amount of such indebtedness, obligations or liabilities;

"**Hazardous Substances**" means, collectively, any materials, compounds, pollutants, contaminants, chemicals, substances (including dangerous substances, noxious substances, toxic substances, and deleterious substances), wastes and recyclables (including industrial wastes, toxic wastes, hazardous wastes, special wastes, dangerous or non-dangerous oilfield wastes, recyclable wastes and subject wastes), flammable or explosive materials, radioactive materials, petroleum or petroleum products, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, or any other substances, materials or wastes now or in the future declared or defined to be regulated or controlled in or pursuant to Environmental Laws;

"**HST**" means the harmonized sales tax imposed under the ETA;

"**including**" means including, without limitation, and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it, and "includes" shall be construed in a like manner;

"**Indemnitee**" has the meaning given to it in Section 14.3(c);

"**Information**" has the meaning given to it in Section 13.4;

"**Insolvency Event**" means an Event of Default specified in Sections 10.1(h) or 10.1(i);

"**Interest Coverage Ratio**" means, as at the end of each Fiscal Quarter of the Borrower on a Consolidated Basis, the ratio of Adjusted Cash Flow to Interest Expense;

"**Interest Date**" means the first Business Day of each month;

"**Interest Expense**" means, in respect of the twelve month period ending on the last day of a Fiscal Quarter, without duplication, interest expense of the Borrower determined on a Consolidated Basis in accordance with GAAP and, in any event and without limitation, shall include:

(a) all interest accrued or payable in respect of such period, including capitalized interest and the interest component of Financial Leases;

(b) all fees (including standby and commitment fees, acceptance fees in respect of bankers' acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments) accrued or payable in respect of such period, prorated (as required) over such period;

(c) accretion expenses;

(d) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations issued at a discount, prorated (as required) over such period; and

(e) all net amounts charged or credited to interest expense under any Interest Swap in respect of such period;

"**Interest Swap**" means a contract entered into between a Person and a counterparty, on a case by case basis, in connection with interest rate swap transactions, interest rate options, cap transactions, floor transactions, collar transactions and other similar interest rate related transactions, the purpose and effect of which is to mitigate or eliminate such Person's exposure to fluctuations in interest rates;

"**Inventory**" means, in respect of each Loan Party, all of such Loan Party's present and hereafter acquired inventory (as defined in the PPSA) and including all merchandise and other inventory and goods in the form of raw materials or finished goods, and all additions, substitutions and replacements thereof, wherever located, in the form of raw materials or finished goods;

"**Investment**" means, with respect to any Person, directly or indirectly:

(a) to own, purchase, or otherwise acquire, in each case whether beneficially or otherwise, any investment in, including any interest in, any Equity Interests of any other Person (other than any evidence of any Obligation); or

(b) to purchase or otherwise acquire, whether in one transaction or in a series of transactions, all or a significant part of the property of any other Person or a business conducted by any other Person or all or substantially all of the assets constituting the business of a division, branch, brand, or other unit operation of any other Person;

"**Investment Grade Debtor**" means, in respect of an Account, an account debtor whose long term debt obligations are rated no worse than BBB by Dominion Bond Rating Service Limited or which have an equivalent long term debt obligation rating by Standard & Poor's, Fitch Ratings or Moody's Investors Services Inc.;

"**ISDA Master Agreement**" means either the 1992 form of Master Agreement (Multi Currency-Cross Border) or the form of 2002 Master Agreement or any successor form thereof, in each case published and as from time to time amended, restated or replaced by the International Swaps and Derivatives Association, Inc. and as used in this Agreement in relation to Lender Swaps means the form of such agreement as entered into between the applicable Loan Party and the applicable Swap Lender;

"**Issue Date**" means, as to any Letter of Credit, the date on which such Letter of Credit is issued;

"**Judgment Currency**" has the meaning given to it in Section 13.2;

"**LC Application**" means an application on the Swingline Lender's standard form of letter of credit application submitted to the Swingline Lender by the Borrower requesting the Swingline Lender to issue a Letter of Credit hereunder subject to such changes thereto as are requested by the Borrower and agreed to by the Swingline Lender acting reasonably, and in any event consistent with the terms of this Agreement;

"**Lender Distress Event**" means, in respect of a given Lender, such Lender or its Lender Parent: (a) is subject to a forced liquidation, merger, sale or other change of control supported in whole or in part by guarantees or other support (including the nationalization or assumption of ownership or operating control by the Government of the United States, Canada or any other Governmental Authority); or (b) is otherwise adjudicated as, or determined to be, insolvent or bankrupt, in each case, by any Governmental Authority having regulatory authority over such Lender or Lender Parent or their respective assets; provided that, for certainty, a Lender Distress Event shall not have occurred solely by virtue of the ownership or acquisition of any equity interest in such Lender or its Lender Parent by any Governmental Authority;

"**Lender Insolvency Event**" means, in respect of a given Lender, such Lender or its Lender Parent:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent, is deemed insolvent by Applicable Law or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) (i) institutes, or has instituted against it by a regulator, supervisor or any similar Governmental Authority with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, (A) a proceeding pursuant to which such Governmental Authority takes control of such Lender's or Lender Parent's assets, (B) a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors' rights, or (C) a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar Governmental Authority; or (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (i) above and either (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;

(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial portion of all of its assets;

(g) has a secured party take possession of all or a substantial portion of all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case, within fifteen (15) days thereafter;

(h) causes or is subject to any event with respect to which, under the Applicable Law of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (g) above, inclusive; or

(i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing;

"**Lender Outstandings**" means, collectively, all Borrowings, Credit Card Obligations, Cash Management Obligations and Permitted Swap Indebtedness;

"**Lender Parent**" means any Person that directly or indirectly Controls a Lender;

"**Lender Swap**" means any Swap entered into by a Loan Party where the other party (other than such Loan Party), at the time the Swap was entered into, is a Lender or an Affiliate of a Lender, whether or not such Lender remains a Lender thereafter;

"**Lender's Proportion**" means:

(a) in respect of each Lender from time to time prior to the Adjustment Time, with respect to a Facility or all Facilities, the percentage of each Facility or of all Facilities, as the case may be, which a Lender has agreed to make available to the Borrower, determined by dividing the Lender’s Commitment in respect of each Facility or of all Facilities, as the case may be, by the aggregate of all of the Lenders’ Commitments with respect to such Facility or all Facilities, as the case may be, and, with respect to an Accommodation, means the Rateable Share of the Facility under which such Accommodation is made and in respect of a Facility containing a Swingline sub-limit, net of the Swingline Facility Commitment; and

(b) in respect of each Lender from time to time after the Adjustment Time, means after the Adjustment Time the Lender's Proportion of each Lender shall be calculated based on its Commitment as a proportion of the Total Commitment and without any distinction as to which Facility may be relevant to such Lender, and when used in Section 12.18(b) in relation to both Lenders and Swap Lenders, the "**Lender Outstandings**" of Swap Lenders for the purposes of such calculation shall be their Permitted Swap Indebtedness as calculated after the Adjustment Time;

"**Lender's Proportion of the Total Commitment**" means in respect of each Lender, the proportion that such Lender's Commitment bears to the Total Commitment;

"**Lenders**" means each of the financial institutions named on the signature pages hereto as Lenders (including CIBC, except in its capacity as the Agent), and any other financial institution which is a Permitted Assignee that has executed an Assignment and Assumption pursuant to Section 13.1 which Assignment and Assumption has been executed by the assignee and the Agent, and "**Lender**" means any one of them;

"**Letter of Credit**" means a standby or documentary letter of credit or letter of guarantee issued by the Swingline Lender on behalf of the Lenders under the Revolving Facility;

"**Letter of Credit Fee**" means a fee based on the applicable Debt to EBITDA Ratio as set out in the definition of "**Applicable Margin**" and expressed as a rate per three hundred and sixty-five day period with respect to Letters of Credit;

"**Loan Documents**" means this Agreement, the Security, each Bankers' Acceptance, each LC Application, each agreement between a Lender and a Loan Party with respect to Credit Card Facilities, each agreement between a Lender and a Loan Party with respect to Cash Management Facilities, arrangement/syndication fee agreements, agency agreements, and all other agreements, certificates, instruments and documents delivered by or on behalf of any Loan Party in connection herewith or therewith from time to time and all future renewals, extensions, or restatements of, or amendments, modifications or supplements to, all or any part of the foregoing;

"**Loan Parties**" means, collectively, the Borrower and each Material Subsidiary, and "**Loan Party**" means anyone of them;

"**Loans**" means a Borrowing in Canadian Dollars that bears interest at the Prime Rate;

"**Majority Lenders**" means:

(a) during the continuance of a Default or an Event of Default when there are any Borrowings, and subject to Section 10.5(a), those Lenders to whom there is owing 66 2/3% or more of the aggregate Borrowings under the Facilities; and

(b) at any other time, those Lenders whose Commitments are, in the aggregate, at least 66 2/3% of the Total Commitment;

provided that at all times when there are two (2) or more Lenders, Majority Lenders shall require at least two Lenders;

"**Mark-to-Market**" means, in respect of any Swap and for any day on which the Mark-to-Market is calculated, the amount, if any, that would be payable by any Loan Party to a counterparty (expressed as a positive number, a "**Positive Mark-to-Market**") or by such counterparty to such Loan Party (expressed as a negative number, a "**Negative Mark-to-Market**"), estimated by making at mid-market the calculations required by the ISDA Master Agreement between such counterparty, on the one hand, and such Loan Party, on the other hand, as if such ISDA Master Agreement were being terminated as a result of a Termination Event (as defined in the ISDA Master Agreement) with two Affected Parties (as defined in the ISDA Master Agreement) on that day of calculation;

"**Material Adverse Effect**" means any event, circumstance, occurrence or change which could reasonably be expected to:

(a) impair in any material manner the ability of any Loan Party to perform any material obligation under any Loan Document or any Lender Swap;

(b) have any material and adverse effect upon the validity or enforceability of any of the Security or upon the ranking of any of the Security Interests granted thereby or the material rights or remedies intended or purported to be granted to the Agent under or pursuant to the Security; or

(c) be material and adverse to the business, operations, assets, condition (financial or otherwise) or results of operations of the Loan Parties, on a Consolidated Basis;

"**Material Contracts**" means any contract to which a Loan Party is a party that could result in a Material Adverse Effect if a default or early termination was to occur thereunder;

"**Material Subsidiary**" means:

(a) as of the Effective Date but subject to Section 9.5, 4-Way Equipment Rentals Corp., MCL Waste Systems & Environmental Inc., TRAC Energy Services Ltd. and Winalta Inc.;

(b) any other Subsidiary of the Borrower which, directly or indirectly (i) owns 5% or more of Total Assets as shown on the statement of financial position in the financial statements of the Borrower on a Consolidated Basis most recently provided to the Agent or (ii) accounts for 5% or more of EBITDA for the period covered by the financial statements of the Borrower on a Consolidated Basis most recently provided to the Agent;

(c) any Subsidiary of the Borrower which has a direct or indirect ownership interest in a Material Subsidiary, or which holds Debt of any such Material Subsidiary; and

(d) any other Subsidiary of the Borrower designated (and not de-designated) as a Material Subsidiary by the Borrower from time to time pursuant to, and in compliance with, Section 9.5;

"**Material Subsidiary Guarantee**" means a Guarantee given by a Material Subsidiary pursuant to Section 6.1 substantially in the form of Schedule "G", as supplemented, amended and replaced from time to time;

"**Maturity Date**" means, August 27, 2017;

"**Negative Mark-to-Market**" has the meaning attributed to it in the definition of Mark-to-Market;

"**Net Income**" means, for any fiscal period, the comprehensive income, net of income tax, of the Borrower determined on a Consolidated Basis;

"**Non-Acceptance Discount Rate**" means, for any day, the Discount Rate in paragraph (b) of the definition thereof;

"**Non-Acceptance Lender**" means a Lender which does not accept bankers' acceptances in the ordinary course of its business;

"**Non-Consenting Lender**" means any Lender that does not approve any consent, waiver or amendments that: (i) requires the approval of all affected Lenders in accordance with the terms of Section 12.19; and (ii) has been approved by the Majority Lenders;

"**Non-Defaulting Lender**" means, at any time, each Lender that is not a Defaulting Lender at such time.

"**Non-Investment Grade Debtor**" means, in respect of an Account, an account debtor which is not an Investment Grade Debtor;

"**Non-Material Subsidiary**" means any Subsidiary of the Borrower which is not a Material Subsidiary;

"**Non-Takeover Lender**" has the meaning given to it in Section 3.14(c);

"**Obligations**" at any time means, in relation to the Facilities, all indebtedness, obligations and liabilities of the Borrower to the Lenders, the Swap Lenders and the Agent, direct or indirect, present or future, absolute or contingent and matured or not, including the aggregate at any such time of:

(a) the Borrowings;

(b) all obligations of the Borrower under Lender Swaps;

(c) all Credit Card Obligations;

(d) all obligations of the Borrower in respect of Cash Management Facilities;

(e) all obligations of the Borrower under any guarantees of the obligations of any other Loan Parties to the Lenders, the Swap Lenders and/or the Agent;

(f) all accrued and unpaid interest outstanding from the Borrower in respect of Loans and all other interest and fees payable pursuant to Article 5; and

(g) all fees, expenses, reimbursement obligations, indemnities (including environmental indemnities included in the Security) and other amounts of any nature or kind that are payable by the Borrower under this Agreement or any other Loan Documents but not included in any of the foregoing, whether matured or unmatured;

"**One Month BA Rate**" means, on any day, the CDOR Rate (determined as of 8:00 a.m. Calgary time on such day) which would be applicable in respect of an issuance of Bankers' Acceptances with a term to maturity of one month issued on such day, or if such day is not a Business Day, then on the immediately preceding Business Day;

"**Overdraft**" means an amount owing by the Borrower to the Swingline Lender from time to time as a result of clearance of cheques or drafts drawn on, or transfers of funds from, accounts that the Borrower maintains with the Swingline Lender at the Swingline Lender's Branch of Account in Canadian Dollars for such purpose;

"**Participant**" has the meaning assigned to such term in Section 13.1(d);

"**Permitted Assignee**" has the meaning given to it in Section 13.1;

"**Permitted Capital Expenditures**" means, for a given Fiscal Year, 125% of the maintenance and growth Capital Expenditures as stated in the Borrower's budget as approved by its Board of Directors for such Fiscal Year;

"**Permitted Debt**" means:

(a) the Lender Outstandings;

(b) Debt secured by Security Interests permitted by paragraphs (1) and (m) of the definition of Permitted Encumbrances; and

(c) Debt of a Loan Party to another Loan Party;

"**Permitted Dispositions**" means, in respect of the Loan Parties:

(a) any sale, lease, transfer or other disposition of any tools, implements, equipment or machinery which may have become worn out, unserviceable, obsolete, unsuitable or unnecessary in operations or activities relating to the Business provided that such sale, lease, sublease, trade or other disposition is in keeping with prudent industry practice;

(b) any sale, lease, transfer or other disposition of Assets in any Fiscal Year (excluding any sale or disposition included in clause (a) above), the fair market value of which, when taken in the aggregate in respect of all such sales and dispositions by all Loan Parties in such Fiscal Year, is not in excess of $3,500,000; and

(c) any sale, lease, sublease, trade or other disposition of Assets by a Loan Party to another Loan Party;

and, in each case made in the ordinary course of business, and provided in each case that no Default or Event of Default has occurred and is continuing at the time such sale, lease, sublease, trade or other disposition is agreed to or effected;

"**Permitted Encumbrances**" means:

(a) Security Interests for taxes, assessments or governmental charges which are not due or delinquent, or the validity of which any Loan Party is diligently contesting in good faith and by appropriate proceedings if such contest involves no material risk of loss of any Assets of such Loan Party the loss of which would have a Material Adverse Effect;

(b) the Security Interests of any judgment rendered, or claim filed, against any Loan Party which such Loan Party is diligently contesting in good faith and by appropriate proceedings if such contest involves no material risk of loss of any Assets of such Loan Party the loss of which would have a Material Adverse Effect;

(c) Security Interests imposed or permitted by law such as carriers' liens, builders' liens, materialmens' liens and other liens, privileges or other charges of a similar nature which relate to obligations not due or delinquent or, if due or delinquent, any lien, privilege or charge which any Loan Party is diligently contesting in good faith and by appropriate proceedings if such contest involves no material risk of loss of any Assets of such Loan Party the loss of which would have a Material Adverse Effect;

(d) Security Interests arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against any Loan Party or in respect of which no steps or proceedings to enforce such Security Interests have been initiated or which relate to obligations which are not due or delinquent or, if due or delinquent or if a filing or enforcement proceeding in respect thereof has been made or initiated, any Security Interest which any such Loan Party is contesting in good faith and by appropriate proceedings if such contest involves no material risk of loss of any Assets of such Loan Party the loss of which would have a Material Adverse Effect;

(e) Security Interests arising in connection with workers' compensation, employment insurance, pension and employment or similar laws or regulations in respect of amounts which are not due or delinquent;

(f) Security Interests in favour of any public utility or Governmental Authority when required by such public utility or Governmental Authority in the ordinary course of the business of any Loan Party in connection with operations of such Loan Party if such Security Interest does not, either alone or in the aggregate, materially impair the conduct of the business of such Loan Party;

(g) easements, rights-of-way, servitudes, and similar rights in 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;

(h) 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;

(i) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under any lease, sublease, license or sublicense permitted by this Agreement;

(j) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower or a Material Subsidiary is a party;

(k) Security Interests resulting from the deposit of cash or cash equivalents as security when the Borrower or a Material Subsidiary is required to do so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same;

(l) Purchase Money Security Interests, Financial Leases, Sale/Leasebacks and other Security Interests (excluding general Security Interests such as floating charges and general security agreements with respect to all or substantially all of the personal property of a Loan Party, or all or substantially all of the receivables of a Loan Party) which are not otherwise Permitted Encumbrances if (i) the principal amount of indebtedness, obligations or liabilities secured thereby does not exceed Cdn. $5,000,000, in aggregate, for all Loan Parties at the time such Security Interests are created, incurred or assumed, and (ii) no Default or Event of Default exists at the time such Security Interests are created, incurred or assumed;

(m) Security Interests in favour of the Agent (for the benefit of the Agent, the Lenders and the Swap Lenders) pursuant to the Loan Documents; and

(n) any Security Interest from time to time disclosed by the Borrower to the Agent and which is consented to by the Majority Lenders;

"**Permitted Financial Assistance**" means:

(a) Financial Assistance by a Loan Party to another Loan Party; and

(b) other Financial Assistance which a Loan Party has provided, if (i) the maximum amount of all such Financial Assistance does not exceed $1,000,000, in aggregate, for all Loan Parties at any time outstanding, and (ii) no Default or Event of Default exists at the time such Financial Assistance is provided;

"**Permitted Investment**" means:

(a) extensions of trade credit by any Loan Party arising or acquired in the ordinary course of business and Investments received in settlements in the ordinary course of business of such extensions of trade credit; and

(b) Investments by any Loan Party in any other Loan Party;

"**Permitted Swap Indebtedness**" means Swap Indebtedness of any Loan Party to a Swap Lender under a Permitted Swap and for which the only security is the Security;

"**Permitted Swaps**" means any Swap permitted by the provisions of Section 9.3(j);

"**Permitted Title Defects**" means, in respect of any particular Asset of a Loan Party, the following defects in its title thereto:

(a) Permitted Encumbrances;

(b) title defects or irregularities which are of a minor nature and which in the aggregate will not materially impair the use of the Asset for the purposes for which it is held, or impair its saleability, or cause a material disruption or reduction in the operation thereof or the cash flow associated therewith; or

(c) title defects which are disclosed to and expressly consented to in writing by the Majority Lenders as constituting Permitted Title Defects hereunder;

"**Person**" means any individual, firm, partnership, corporation or other body corporate, Governmental Authority, trust, unincorporated body of persons or association and the heirs, executors, administrators or other legal representatives of an individual;

"**Platform**" has the meaning given to it in Section 14.9;

"**PPSA**" means the *Personal Property Security Act* (Alberta);

"**Positive Mark-to-Market**" has the meaning given to it in the definition of "**Mark-to-Market**";

"**Prime Rate**" means, with respect to Loans on any day, the greater of:

(a) the annual rate of interest announced from time to time by the Agent or the Swingline Lender, as applicable, as being its reference rate then in effect for determining interest rates on Canadian Dollar denominated commercial loans made by the Agent or the Swingline Lender, as applicable, in Canada; and

(b) the One Month BA Rate in effect on such day plus 100 bps;

"**Priority Payables**" means, at any time, any amount due and payable at such time by a Loan Party which is secured by a Security Interest or statutory right of claim in favour of any Governmental Authority or other Person which ranks or is capable of ranking prior to or *pari passu* with the Security Interests created by the Security in respect of any Account, Equipment or

Inventory, including amounts payable for wages, vacation pay, termination and severance pay, employee deductions (including income, withholding, social security and other employment taxes), Sales Taxes and other Taxes pursuant to the ETA (net of GST input credits), workers' compensation premiums, municipal Taxes, government royalties, pension fund obligations, overdue rents or Taxes, lienable payables and statutory holdbacks but excluding, for the avoidance of doubt, Security Interests or statutory rights of claim in respect of Priority Payables that are unregistered and secure amounts that are not due and payable;

"**PST**" means any consumption, use or sales tax imposed by any provincial or territorial taxing authority;

"**Purchase Money Security Interest**" means:

(a) a Security Interest taken or reserved in property to secure payment of all or part of its purchase price; and

(b) a Security Interest taken in property by a Person who gives value for the purpose of enabling a Loan Party to acquire rights in such property, to the extent that the value is applied to acquire those rights;

"**Rateable"** and **"Rateably**" means, subject to adjustment pursuant to Section 10.8(c), the proportion that the Lender Outstandings of any Lender or Swap Lender (if not then a Lender) bears to the aggregate of the Lender Outstandings of all Lenders and Swap Lenders, as determined at the Adjustment Time;

"**Real Estate**" means the properties owned by a Loan Party and identified in Schedule "J", as such schedule may be amended from time to time, but specifically excluding any goodwill and other intangible assets;

"**Register**" has the meaning given to it in Section 13.1(c);

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates;

"**Release**" has the meaning prescribed in any Environmental Laws and includes any presence, release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, leaching, spraying, inoculation, abandonment, seeping, emptying, throwing, dumping, placing, exhaust, or migration of any element or compound in, on, under, into or out of the indoor or outdoor environment through the air, soil, subsoil, surface water, groundwater, rock formation, portions of a building or any other facility (including the abandonment, storage or disposal of any barrels, tanks, vessels, containers or receptacles containing any Hazardous Substances), or otherwise;

"**Removal Effective Date**" has the meaning given to it in Section 12.6(b).

"**Repayment Notice**" means a notice to effect a repayment of Borrowings delivered under Section 4.4 and substantially in the form of Schedule "C" with all applicable blanks completed;

"**Resignation Effective Date**" has the meaning given to it in Section 12.6;

"**Revolving Accommodation**" means an Accommodation under the Revolving Facility.

"**Revolving Facility**" has the meaning set forth in Section 3.1(a)(i);

"**Revolving Facility Amount**" means $55,000,000 as such amount may be decreased pursuant to the provisions of this Agreement;

"**Revolving Facility Commitment**" means, with respect to each Lender, such Lender's obligation to make Loans under the Revolving Facility available to, and accept and purchase Bankers' Acceptances from (or, if applicable, make BA Equivalent Advances) for the account of, the Borrower, subject to the terms of this Agreement, in an aggregate amount not at any time in excess of the amount set forth under such Lender's name on Schedule "A" (or in any Assignment and Assumption executed hereafter) as such Lender's Revolving Facility Commitment, as such amount may hereafter be cancelled, reduced, increased or terminated from time to time pursuant to the provisions of this Agreement;

"**Rollover**" means, in respect of a maturing Bankers' Acceptance, the provision by a Lender of a further Borrowing by way of a Bankers' Acceptance, the proceeds of which are to be applied in whole or part to the repayment of the maturing Borrowing, and with respect to any outstanding Letter of Credit, the extension of the expiry date thereof;

"**Rollover Date**" means each Business Day that the Borrower has notified the Agent as the date on which the rollover of a Borrowing or a portion thereof is to be made pursuant to a request from the Borrower under Section 3.12;

"**Rollover Notice**" means a notice to effect a Rollover delivered under Section 3.12 and substantially in the form of Schedule "C" with all applicable blanks completed;

"**Sale/Leaseback**" means an arrangement under which title to any property or asset, or an interest therein, is transferred by a Person (the "**First-Mentioned Person**") to some other Person which leases or otherwise gives or grants the right to use such property or asset or interest therein to the First-Mentioned Person, whether or not in connection therewith the First Mentioned Person also acquires a right or is subject to an obligation to re-acquire the property, asset or interest, and regardless of the accounting treatment of such arrangement;

"**Sales Taxes**" means collectively GST, HST, and PST;

"**Security**" has the meaning given to it in Section 6.1 and, for certainty, includes all documents, instruments or agreements directly or indirectly assuring or securing the Agent, the Lenders and the Swap Lenders in respect of the Obligations; any amendments to any of the foregoing; any indentures or instruments supplemental to or an implementation of any of the foregoing; and any and all other documents, instruments or agreements pursuant to which the Agent, the Lenders and the Swap Lenders are assured or granted or receive a Security Interest pursuant to the terms hereof (including as provided in Section 6.1) or thereof;

"**Security Interest**" means any assignment, mortgage, charge, pledge, lien, hypothec, encumbrance securing or in effect securing an obligation or any indebtedness of any Person, conditional sale, title retention agreement or security interest whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, legal or equitable, perfected or not, and includes a Purchase Money Security Interest and the rights of a lessor pursuant to a Financial Lease or a Sale/Leaseback, but does not include a right of set-off or a set-off unless such right of set-off has been created expressly for the purpose of securing Debt;

"**Standard Term**" means the term to maturity of a Bankers' Acceptance (subject to availability) of approximately one (1) month, two (2) months, three (3) months or six (6) months (as selected by the Borrower and notified to the Agent pursuant to Section 3.4 or 3.8) for which a quote is available pursuant to paragraph (a) of the definition of CDOR Rate, commencing on and including the Drawdown Date, Conversion Date or Rollover Date, as the case may be, applicable to such Bankers' Acceptance;

"**Standby Fee Rate**" means, at any time, the rate, expressed as a rate per annum based on a year of three hundred sixty-five (365) days, set out in the table in the definition of Applicable Margin in this Agreement, under the heading "Standby Fees (bps)", opposite the applicable Debt to EBITDA Ratio;

"**Subsidiary**" means:

(a) a Person of which another Person alone or in conjunction with its other Subsidiaries owns an aggregate number of the Voting Shares sufficient to enable the election of a majority of the directors (or other persons performing similar functions) regardless of the manner in which other Voting Shares are voted;

(b) a Person of which another Person alone or in conjunction with its other Subsidiaries has, through the operation of any agreement or otherwise, the ability to elect or cause the election of a majority of the directors (or other Persons performing similar functions) or otherwise exercise control over the management and policies of such Person; and

(c) any partnership or trust of which any Loan Party:

  (i) is the general or managing partner or trustee; or

  (ii) directly or indirectly owns more than fifty percent (50%) of the equity or beneficial interest thereof;

and shall include any Person in like relation to a Subsidiary;

"**Subsidiary Guarantee**" means a guarantee in the form included in Schedule "G" and executed by a Loan Party with such changes as the Agent may approve;

"**successor entity**" has the meaning given to it in Section 9.3(b);

"**Swap**" means any Commodity Swap, Currency Swap or Interest Swap;

"**Swap Credit Documents**" mean all documents governing Lender Swaps and all Transactions effected thereunder;

"**Swap Demand for Repayment**" means a demand made by a Swap Lender pursuant to a Lender Swap demanding repayment of all indebtedness, obligations and liabilities relating thereto and shall include any notice under any Lender Swap which, when delivered, would require an early termination thereof and may require a payment by a Loan Party in settlement of obligations thereunder as a result of such early termination;

"**Swap Indebtedness**" means:

(a) at any time prior to the Adjustment Time, an amount determined by the Agent (or by the Borrower for the purposes of the Compliance Certificate) by,

  (i) calculating, for each Swap Lender, the difference, if positive, between the Positive Mark-to-Market and Negative Mark-to-Market for all of its Lender Swaps, and

  (ii) when such term is used in reference to all Lenders or Swap Lenders, adding together the aggregate net amounts calculated in (a)(i) under this definition above for all Swap Lenders; and

(b) after the Adjustment Time, an amount being determined by each Swap Lender by,

  (i) calculating for each of its Lender Swaps, the Termination Amount, and determining the difference, if positive, of the aggregate net amounts payable by any Loan Party to such Swap Lender, and

  (ii) when such term is used in reference to all Lenders or Swap Lenders, adding together the amounts calculated in (b)(i) under this definition above for all Swap Lenders;

"**Swap Lender**" means a Person, which, at the time that it entered into any Swap with a Loan Party, was a Lender or an Affiliate of a Lender;

"**Swingline Amount**" means Cdn. $5,000,000;

"**Swingline Facility Commitment**" means, with respect to the Swingline Lender, its obligation to make Loans and Letters of Credit available to the Borrower, subject to the terms of this Agreement, in an aggregate amount not at any time in excess of the Swingline Amount, as such amount may hereafter be cancelled, reduced, increased or terminated from time to time pursuant to the provisions of this Agreement. For greater certainty, the Swingline Commitment forms part of, and is not in addition to, the Swingline Lender's Revolving Facility Commitment;

"**Swingline Lender**" means CIBC in its capacity as the provider of Swingline Loans and Letters of Credit together with its successors and assigns in such capacity;

"**Swingline Lender's Account for Payments**" means the account advised by the Swingline Lender from time to time to which payments from and transfers to the Swingline Lender are to be effected;

"**Swingline Lender's Branch of Account**" means the office or branch of the Swingline Lender located at the address set forth under the Swingline Lender's name on Schedule "A" or such other office or branch of the Swingline Lender in Canada as the Swingline Lender may advise the Borrower in writing;

"**Swingline Loans**" has the meaning set forth in Section 3.5(a);

"**Takeover**" has the meaning given to it in Section 3.14;

"**Takeover Lender**" has the meaning given to it in Section 3.14(b);

"**Takeover Loan**" has the meaning given to it in Section 3.14(c);

"**Target**" has the meaning given to it in Section 3.14;

"**Tax**" or "**Taxes**" means all present and future taxes, rates, levies, imposts, assessments, dues, government fees, stamp taxes, deductions, charges or withholdings, and all liabilities with respect thereto, and any interest, additions to tax and penalties imposed with respect thereto, excluding, with respect to the Agent or any Lender, taxes (including sales, use or goods and services tax) imposed on its income, purchases or capital and franchise taxes imposed on it by any taxation authority;

"**Term Accommodation**" means an Accommodation under the Term Facility;

"**Term Facility**" has the meaning set forth in Section 3.1(a)(ii);

"**Term Facility Amount**" means $10,000,000 as such amount may be decreased pursuant to the provisions of this Agreement;

"**Term Facility Commitment**" means, with respect to each Lender, such Lender's obligation to make Loans under the Term Facility available to, and accept and purchase Bankers' Acceptances from (or, if applicable, make BA Equivalent Advances) for the account of, the Borrower, subject to the terms of this Agreement, in an aggregate amount not at any time in excess of the amount set forth under such Lender's name on Schedule "A" (or in any Assignment and Assumption executed hereafter) as such Lender's Term Facility Commitment, as such amount may hereafter be cancelled, reduced, increased or terminated from time to time pursuant to the provisions of this Agreement;

"**Termination Amount**" means, in respect of a Lender Swap on any day, the amount (whether positive or negative) determined by the Swap 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 Swap was a "Terminated Transaction" in accordance with the payment measures provided for in the ISDA Master Agreement between any Loan Party and such Swap 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 given to it in such ISDA Master Agreement;

"**Termination Event**" means:

(a) an automatic acceleration of the repayment of indebtedness outstanding hereunder without any notice being required thereunder from the Agent or any Lender; or

(b) an automatic early termination of obligations relating to a Lender Swap, without any notice being required from the Swap Lender;

"**Total Assets**" means, as at any date of determination, an amount equal to the total assets of the Borrower on a Consolidated Basis as shown on the consolidated statement of financial position in the financial statements of the Borrower most recently provided to the Agent;

"**Total Commitment**" means the aggregate of the Total Revolving Facility Commitments and the Total Term Facility Commitments;

"**Total Revolving Facility Commitment**" means, at any time, the amount equal to the aggregate of the Revolving Facility Commitments of each Lender at such time;

"**Total Term Facility Commitment**" means, at any time, the amount equal to the aggregate of the Term Facility Commitments of each Lender at such time;

"**Transaction**" has the meaning given to it in the applicable ISDA Master Agreement between a Loan Party and a Swap Lender;

"**Voting Shares**" means:

(a) share capital of any class of any corporation or securities of any other Person which carry voting rights to elect the board of directors or other body exercising similar functions under any circumstances, but shares or other securities which carry the right to so vote conditionally upon the happening of an event shall not be considered Voting Shares until the occurrence of such event; and

(b) an interest in a general partnership, limited partnership, trust, joint venture or similar Person which entitles the holder of such interest to receive a share of the profits, or on dissolution or partition, of the assets, of such Person;

"**Winalta Assets**" means the properties, rights, interests and other assets of Winalta Inc. immediately prior to completion of the Arrangement; and

"**Winalta Subsidiaries**" means each of Jutland Ridge Developments Inc.; Winalta Carlton Homes Inc.; Home Protection Warranty Corp. of Canada Inc.; Winalta North Inc.; Lighthouse Pointe Management Inc.; Sylvan Meadows Development Inc.; Pine Place Developments Inc.; Kalwin Properties Ltd.; 916830 Alberta Ltd. and Winalta Holdings Inc.

1.2 Headings and Table of Contents

The headings, the table of contents and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 References

Unless something in the subject matter or context is inconsistent therewith, all references to Sections, Articles and Schedules are to Sections and Articles of and Schedules to this Agreement. The words "hereto", "herein", "hereof', "hereunder" and similar expressions mean and refer to this Agreement.

1.4 Rules of Interpretation

In this Agreement, unless otherwise specifically provided,

(a) the singular includes the plural and vice versa, "month" means calendar month, "quarter" means calendar quarter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including facsimile;

(b) references to any agreement, contract, document or other instrument means a reference to any such agreement, contract, document or other instrument as the same has been or may be amended, modified, supplemented or restated from time to time; provided that, if consent to any such amendment, modification, supplement or restatement is required under any Loan Document, such consent must have been obtained; and

(c) references to any statute, act or other legislative enactment shall be to such statute, act or other legislative enactment as amended from time to time or replaced by a statute, act or other legislative enactment dealing with substantially the same subject matter as the statute, act or other legislative enactment so replaced.

1.5 Generally Accepted Accounting Principles

All financial statements required to be furnished by the Borrower to the Agent hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Agreement, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP.

1.6 Accounting Terms: Changes to Generally Accepted Accounting Principles

(a) Each accounting term used in this Agreement, unless otherwise defined herein, has the meaning assigned to it under GAAP applied consistently throughout the relevant period and relevant prior periods.

(b) If the Borrower, the Agent or the Majority Lenders determine at any time that any amount required to be determined hereunder would be materially different if such amount were determined in accordance with:

(i) GAAP applied by the Borrower in respect of its financial statements on the date hereof ("**Old GAAP**"), rather than

(ii) GAAP subsequently in effect in Canada and applied by the Borrower in respect of its financial statements and utilized for purposes of determining such amount,

then written notice of such determination shall be delivered by the Borrower to the Agent, in the case of a determination by the Borrower, or by the Agent to the Borrower, in the case of a determination by the Agent or the Majority Lenders.

(c) If the Borrower adopts a change in an accounting policy in the preparation of its financial statements in order to conform to accounting recommendations, guidelines, or similar pronouncements, or legislative requirements, and such change would require disclosure thereof under Old GAAP, or could reasonably be expected to adversely affect (i) the rights of, or the protections afforded to, the Agent or the Lenders hereunder or (ii) the position of the Borrower or of the Agent or the Lenders hereunder, the Borrower shall so notify the Agent, describing the nature of the change and its effect on the current and immediately prior year's financial statements in accordance with Old GAAP and in detail sufficient for the Agent and the Lenders to make the determination required of them in the following sentence. If either the Borrower, the Agent or the Majority Lenders determine at any time that such change in accounting policy results in an adverse change either (A) in the rights of, or protections afforded to, the Agent or the Lenders intended to be derived, or provided for, hereunder or (B) in the position of the Borrower or of the Agent and the Lenders hereunder, written notice of such determination shall be delivered by the Borrower to the Agent, in the case of a determination by the Borrower, or by the Agent to the Borrower, in the case of a determination by the Agent or the Majority Lenders.

(d) Upon the delivery of a written notice pursuant to Section 1.6(b) or Section 1.6(c), the Borrower and the Agent on behalf of the Lenders shall meet to consider the impact of such change in Old GAAP or such change in accounting policy, as the case may be, on the rights of, or protections afforded to, the Agent and the Lenders or on the position of the Borrower or of the Agent and the Lenders and shall in good faith negotiate to execute and deliver an amendment or amendments to this Agreement in order to preserve and protect the intended rights of, or protections afforded to, the Agent and the Lenders on the date hereof or the position of the Borrower or the Agent and the Lenders (as the case may be); provided that, until this Agreement has been amended in accordance with the foregoing, then for all purposes hereof, the applicable changes from Old GAAP or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under Old GAAP and the Borrower's prior accounting policy, as applicable. For the purposes of this Section 1.6, the Borrower, the Lenders and the Agent acknowledge that the amendment or amendments to this Agreement are to provide substantially the same rights and protection to the Agent and the Lenders as is intended by this Agreement on the date hereof. If the Borrower and the Agent on behalf of the Majority Lenders do not (for any reason whatsoever) mutually agree (in their respective sole discretions, without any obligation to so agree) on such amendment or amendments to the Agreement within 60 days following the date of delivery of such written notice, the Borrower shall continue to provide financial statements in accordance with Old GAAP and, for all purposes hereof, the applicable changes from Old GAAP or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under Old GAAP and the Borrower's prior accounting policy, as applicable.

1.7 **Time**

Unless otherwise provided herein, all references to a time in this Agreement shall mean local time in the city of Calgary, Alberta.

1.8 **Payment for Value**

All payments required to be made hereunder shall be made for value on the required day in same day immediately available funds.

1.9 **Monetary References**

Whenever an amount of money is referred to herein, such amount shall, unless otherwise expressly stated, be in Canadian Dollars.

1.10 **Swap Lenders**

Each Lender, in its capacity as a Swap Lender and for and on behalf of any of its Affiliates which become a Swap Lender, agrees to comply with and to cause each such Affiliate in its capacity as a Swap Lender to comply with the provisions of the Loan Documents to the extent such Loan Documents apply to any Lender Swap and agrees that any action taken by it under or in connection with the Loan Documents in its capacity as a Lender shall be binding on it, and, if applicable, any of its Affiliates, each in their capacity as a Swap Lender.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.1 **Representations and Warranties**

The Borrower represents and warrants to each of the Lenders and the Agent (all of which representations and warranties the Borrower hereby acknowledges are being relied upon by the Lenders and the Agent in entering into this Agreement) that:

(a) **Formation and Qualification**: each Loan Party is a corporation or partnership duly incorporated, continued, amalgamated or formed, as the case may be, and validly existing under the laws of its jurisdiction of incorporation, continuance, amalgamation or formation, as the case may be, has the legal right and all necessary corporate or partnership power and authority to own its Assets and carry on its business and is duly qualified, licensed or registered to carry on business under Applicable Laws in all jurisdictions in which it carries on business, except to the extent the absence of which would not have, or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;

(b) **Power**: each Loan Party has all requisite corporate or partnership power and authority, as applicable, to enter into and perform its obligations under each Loan Document and each Material Contract to which it is a party and do all acts and things and execute and deliver all other documents and instruments as are required hereunder or thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof;

(c) **Authorization**: the execution and delivery by each Loan Party of each Loan Document and Material Contract to which it is a party and the performance by it of its obligations thereunder have been duly authorized by all necessary corporate or partnership action, as applicable, including the obtaining of all necessary shareholder or partner consents;

(d) **Execution and Binding Obligations**: each Loan Document and each Material Contract to which each Loan Party is a party has been duly executed and delivered by it and constitute legal, valid and binding obligations of it enforceable against it in accordance with their respective terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; and (ii) the discretion that a court may exercise in the granting of equitable remedies;

(e) **No Conflict**: the execution, delivery and performance by each Loan Party of each Loan Document to which it is a party:

(i) does not and will not violate any provision of Applicable Law;

(ii) does not and will not violate its constating documents, including its articles, by-laws, partnership agreement or shareholders agreement, as applicable;

(iii) does not and will not result in a breach of or constitute a default or require any consent under, or result in the creation of any Security Interest (other than Permitted Encumbrances) upon any of its Assets pursuant to, any indenture or other agreement or instrument or by which it or its Assets may be bound or affected; and

(iv) does not and will not require any Governmental Action or notice to or filing with any Governmental Authority;

(f) **Governmental Approvals**: except for registration of the Security Interests constituted by the Security, no authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority or other Person, is or was necessary in connection with the execution, delivery and performance of each Loan Party's obligations under each Loan Document and each Material Contract to which it is a party, except such as are in full force and effect, unamended, at the date of this Agreement;

(g) **Authorizations**: each Loan Party possesses all authorizations, permits, consents, registrations and approvals necessary under Applicable Laws to properly conduct the Business, except to the extent the absence of which would not have, or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;

(h) **Title to Assets**: each Loan Party has good and valid title to all of its Assets other than Permitted Title Defects and Permitted Encumbrances;

(i) **Security Interests**: the Assets of each Loan Party are free and clear of all claims and Security Interests other than Permitted Title Defects and Permitted Encumbrances;

(j) **Default of Contracts/Instruments**: no Loan Party is in breach or default of, nor has any event or circumstance occurred, which, but for the passage of time or the giving of notice, or both, would constitute a breach or default, under any material agreement, instrument, authorization, permit, consent, registration or approval to which any Loan Party or any of its Assets are bound or subject, except to the extent that such breach or default would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(k) **Litigation**: (i) the Borrower has disclosed to the Agent and the Lenders, and has not knowingly withheld, nor has it misrepresented, any facts concerning any non-disclosure, non-competition or non-solicitation obligations, whether at common law or pursuant to any agreements, that individually or in the aggregate, would have a Material Adverse Effect, and (ii) there are no actions, suits or proceedings (whether or not purportedly on behalf of any Loan Party) pending or, to the best of its knowledge, information or belief, threatened against or affecting any Loan Party at law or in equity by or before any Governmental Authority or before any arbitrator of any kind which would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect; and (iii) no Loan Party is in default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any court, tribunal, governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign or any arbitrator of any kind which would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(l) **Financial Condition**: all financial statements of each Loan Party submitted to the Agent fairly reflect, as of the dates thereof, the consolidated financial condition of such Loan Party, as applicable, and the results of its operations for the periods covered thereby, have been prepared in accordance with GAAP and, from the date of the latest of such financial statements submitted to the Agent which are audited, no event has occurred which has or would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(m) **Taxes**: each Loan Party has filed all tax returns which were required to be filed, has paid or made provision for payment (in accordance with GAAP) of all Taxes which are due and payable, and has provided adequate reserves (in accordance with GAAP) for the payment of any Tax of which is being contested;

(n) **Compliance with Laws**: each Loan Party is in compliance with all Applicable Laws except to the extent that non-compliance would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(o) **Employee Benefit Plans**: each Loan Party is in compliance with all employee benefit plans to which it is a party or by which it is bound, except to the extent that non-compliance would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(p) **Environmental Laws**: each Loan Party:

(i) has obtained, made or given all Governmental Actions which are required under all applicable Environmental Laws except to the extent that failure to obtain, make or give the same, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;

(ii) is in compliance with all Environmental Laws and all terms and conditions of all such Governmental Actions, except to the extent failure to comply, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; and

(iii) has not received any notice of non-compliance with any Environmental Laws from any Governmental Authority or other Person or that any Release has occurred of, from, around, under or in respect of any Real Estate which would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(q) **Environmental Condition of Property**: the Assets of each Loan Party:

(i) are not the subject of any outstanding orders from a Governmental Authority alleging violation of any Environmental Laws; and

(ii) comply, with respect to their use and condition, with all Environmental Laws, except to the extent failure to so comply would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(r) **Security**: the Security Interests created by the Security granted by each Loan Party to the Agent rank as first priority Security Interests in priority to all other Security Interests over the Assets of each such Loan Party, subject only to Permitted Encumbrances;

(s) **Insurance**: the Borrower and each Material Subsidiary has in full force and effect such policies of insurance as required pursuant to Section 9.2(e);

(t) **No Default**: no Default or Event of Default has occurred and is continuing;

(u) **Debt**: no Loan Party has issued, created, incurred or assumed, nor has outstanding, any Debt other than Permitted Debt;

(v) **Financial Assistance**: no Loan Party has provided, nor has outstanding, any Financial Assistance to any Person other than Permitted Financial Assistance;

(w) **Subsidiaries**: as of the Effective Date the Borrower has no Subsidiaries other than 4-Way Equipment Rentals Corp., MCL Waste Systems & Environmental Inc. and TRAC Energy Services Ltd., Winalta Inc. and the Winalta Subsidiaries. No Winalta Subsidiary is a Material Subsidiary;

(x) **Real Estate**: all Real Estate is individually listed and accurately described with legal land descriptions in Schedule "J", as such schedule may be updated by the Borrower from time to time and as of the Effective Date, no Loan Party owns any Real Estate;

(y) **Material Contracts**: all Material Contracts are individually listed and accurately described in Schedule "M", as such schedule may be updated by the Borrower from time to time;

(z) **Organizational Structure of the Loan Parties and Locations**: the organizational structure of the Loan Parties is set out on Schedule N together with all additions, deletions or amendments thereto as are provided in writing to the Agent, and the chief executive office and all jurisdictions where each Loan Party operates is described on Schedule N together with all additions, deletions or amendments thereto as are provided in writing to the Agent from time to time;

(aa) **Operation of Properties**: to the best of the Borrower's knowledge, information and belief, after due enquiry, all of the Real Estate has been and will continue to be operated and maintained, as the case may be, in a good and workmanlike manner in accordance with sound industry practice and in accordance with all Applicable Laws, except to the extent that the failure to comply would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(bb) **Accuracy of Information**: all information, materials and documents, including financial modeling, budgets and sensitivities and environmental reports and data prepared by or on behalf of any Loan Party and delivered to the Agent, was prepared in good faith based, where applicable, on assumptions believed by it to be reasonable in the context of which the same were provided and all such information, materials and documents (other than forward-looking operating and financial information) are true, complete and accurate as of their respective dates, except to the extent that any inaccuracies would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(cc) **No Default or Event of Default**: no Default or Event of Default has occurred and is continuing;

(dd) **Information**: all material information that might reasonably be expected to affect any Lender's decision to enter into this Agreement, has been provided by the Borrower to the Agent; and

(ee) **Ranking**: the obligations of the Borrower hereunder and of each other Loan Party under its Guarantee of the obligations of the Borrower hereunder rank, for all purposes, at least pari passu in right of payment with the unsecured and unsubordinated Debt of the Borrower and such other Loan Party, as applicable.

2.2 **Deemed Representation and Warranty**

Each request by the Borrower for a Drawdown shall be deemed to be a representation and warranty by the Borrower to the Lenders and the Agent that the matters referred to in Section 2.1 are, as of the date of such request and will be as of the applicable Drawdown Date (other than those made as of a specific date), true and correct as of each such date. Each request by the Borrower for a Conversion or Rollover shall be deemed to be a representation and warranty that as of the date of such request and as of each Conversion Date or Rollover Date, there exists no Default or Event of Default.

2.3 **Survival of Representations and Warranties**

The representations and warranties in this Agreement and in any certificates or documents delivered to the Agent and the Lenders hereunder shall not merge in or be prejudiced by and shall survive any Accommodations and shall continue in full force and effect so long as any amounts are owing by the Borrower to the Lenders, or available to the Borrower, under this Agreement.

ARTICLE 3
THE CREDIT FACILITIES

3.1 **Establishment of the Facilities**

(a) **Availment Options**: From and after the Effective Date and relying on each of the representations and warranties set out in Section 2.1 and subject to the terms and conditions of this Agreement each Lender agrees to make Accommodations available to the Borrower by way of:

(i) Revolving Accommodations available to the Borrower up to the amount of its Revolving Facility Commitment, by way of revolving credit facilities for the purposes set forth in Section 3.3(a), commencing on the Effective Date and ending on the Maturity Date (the "**Revolving Facility**"); and

(ii) Term Accommodations available to the Borrower up to the amount of its Term Facility Commitment by way of revolving term credit facilities for the purposes set forth in Section 3.3(b), commencing on the Effective Date and ending on the Maturity Date (the "**Term Facility**").

(b) **Maximum Amount**: At no time shall:

(i) the Borrowings under the Revolving Facility (including Swingline Loans) exceed the Total Revolving Facility Commitment;

(ii) the Borrowings under the Term Facility exceed the Total Term Facility Commitment; or

(iii) the Borrowings under the Revolving Facility (including Swingline Loans) exceed the Borrowing Base.

3.2 **Revolving Feature**

Until the Maturity Date, the Borrowings may, within the limits herein provided, increase and decrease and the Borrower may borrow, repay and reborrow Accommodations until the Maturity Date. On the Maturity Date, the Commitment of each Lender shall reduce to zero.

3.3 **Purpose**

(a) **Revolving Facility**: Borrowings under the Revolving Facility shall first be used by the Borrower to fully repay amounts outstanding under the Existing Credit Agreement and to complete the Arrangement, and thereafter for general corporate purposes; and

(b) **Term Facility**: Borrowings under the Term Facility shall be used by the Borrower to finance up to 75% of the acquisition cost of non-rental capital assets.

3.4 **Borrowings**

(a) **Revolving Facility**: Subject to the provisions of this Agreement, the Borrower may borrow, repay and reborrow by way of Revolving Accommodations from each Lender pursuant to the Revolving Facility up to the amount of such Lender's Revolving Facility Commitment by:

(i) **Loans**: borrowing Loans from the Lenders in minimum aggregate amounts of Cdn. $1,000,000 and in integral multiples of Cdn. $100,000 thereafter, upon at least one (1) Business Day prior written notice;

(ii) **Bankers' Acceptances**: issuing Bankers' Acceptances to be accepted by the Lenders in minimum aggregate amounts of Cdn. $1,000,000 and in integral multiples of Cdn. $100,000 thereafter, upon at least two (2) Business Days prior written notice;

each such notice to be given to the Agent at or prior to 10:00 a.m. (Calgary time) on the last day on which such notice can be given pursuant to this Section 3.4 and to be substantially in the form of Schedule "B". Any such notice may be given by telephone and if so, shall be followed by delivery of written notice, substantially in the form of Schedule "B", by no later than 2:00 p.m. (Calgary time) on the same day.

(b) **Term Facility**: Subject to the provisions of this Agreement, the Borrower may borrow, repay and reborrow by way of Term Accommodations from each Lender pursuant to the Term Facility up to the amount of such Lender's Term Facility Commitment by:

(i) **Loans**: borrowing Loans from the Lenders in minimum aggregate amounts of Cdn. $150,000 and in integral multiples of Cdn. $100,000 thereafter, upon at least one (1) Business Day prior written notice;

(ii) **Bankers' Acceptances**: issuing Bankers' Acceptances to be accepted by the Lenders in minimum aggregate amounts of Cdn. $1,000,000 and in integral multiples of Cdn. $100,000 thereafter, upon at least two (2) Business Days prior written notice;

each such notice to be given to the Agent at or prior to 10:00 a.m. (Calgary time) on the last day on which such notice can be given pursuant to this Section 3.4 and to be substantially in the form of Schedule "B". Any such notice may be given by telephone and if so, shall be followed by delivery of written notice, substantially in the form of Schedule "B", by no later than 2:00 p.m. (Calgary time) on the same day.

3.5 **Swingline Facility**

(a) The Borrower shall be entitled to utilize a portion of the Swingline Lender's Revolving Facility Commitment to obtain:

(i) Letters of Credit in Canadian Dollars; and

(ii) Loans solely from the Swingline Lender (each such Loan, a "**Swingline Loan**")

(b) The Borrower shall ensure that:

(i) the aggregate principal amount of all outstanding Swingline Loans plus the aggregate face amount of Letters of Credit issued and outstanding does not exceed $5,000,000 at any time; and

(ii) the aggregate principal amount of all outstanding Swingline Loans plus the aggregate face amount of Letters of Credit issued and outstanding plus the Swingline Lender's Lender's Proportion of the aggregate principal amount of all outstanding Revolving Accommodations does not exceed such Lender's Revolving Facility Commitment.

3.6 **Swingline Loans**

(a) Swingline Loans may be obtained and repaid by the Borrower as follows:

(i) by requesting Accommodations and repayments of Swingline Loans by delivering a Borrowing Notice or Repayment Notice, as applicable (in each case, indicating in such notice that such notice relates to a Swingline Loan) to the Swingline Lender (in accordance with such notice particulars as the Swingline Lender shall from time to time advise the Borrower) and to the Agent not later than 10:00 a.m. (Calgary time) on the proposed Drawdown Date or date of repayment; or

(ii) by way of Overdraft on the Canadian Dollar accounts of the Borrower maintained with the Swingline Lender and designated as the accounts for such purpose and repayment of such overdrafts. No Borrowing Notice or Repayment Notice need be delivered by the Borrower in respect of Overdrafts.

(b) Swingline Loans shall be made by the Swingline Lender alone, without assignment to or participation by the other Lenders (except as provided in this Agreement). All interest payments and principal repayments of or in respect of Swingline Loans shall be solely for the account of the Swingline Lender and shall be paid by the Borrower directly to the Swingline Lender notwithstanding anything herein to the contrary. Subject to Section 3.6(d), and to Section 14.3, all costs and expenses relating to the Swingline Loans shall be solely for the account of the Swingline Lender.

(c) Except as otherwise specifically provided herein, all references to Loans shall include Swingline Loans of the same currency. Except as otherwise set out herein, all provisions hereof applicable to Loans shall include Swingline Loans of the same currency, mutatis mutandis.

(d) Notwithstanding anything to the contrary herein contained or to any contrary provisions of Applicable Law:

(i) if an Event of Default occurs; or

(ii) if the Swingline Lender so requires, and there are then outstanding any Swingline Loans, then, effective on the day of notice to that effect to the Agent and the other Lenders from the Swingline Lender, the Borrower shall be deemed to have requested, and hereby request, a Drawdown by way of Loan sufficient to repay the Swingline Loans and accrued and unpaid interest in respect thereof, and on the Business Day immediately following receipt of such notice, the other Lenders shall disburse to the Agent, who shall remit to the Swingline Lender, their Lender's Proportion of such amounts and such amounts shall thereupon be deemed to have been advanced by the Lenders to the Borrower and to constitute Loans. If a Lender does not disburse to the Agent for the account of the Swingline Lender its Lender's Proportion of any amount under this Section 3.6(d) then:

(A) such Lender shall purchase participations from the Swingline Lender in such Loans (without recourse to the Swingline Lender) for an amount or otherwise effect transactions to achieve the financial results contemplated by this Section 3.6(d); and

(B) for the purpose only of any distributions or payments to the Lenders (and not, for greater certainty, for the purposes of any obligations of the Lenders), including any distribution or payment with respect to the Borrower in the event of any enforcement or realization proceedings or any bankruptcy, winding-up, liquidation, arrangement, compromise or composition, the Revolving Facility Commitment of such Lender shall be deemed to be nil and the Revolving Facility Commitment of the Swingline Lender shall be increased by the Revolving Facility Commitment of such Lender until the amounts owed by the Borrower under the Revolving Facility are outstanding to each Lender in accordance with its Lender's Proportion determined without regard to this sentence. If any amount disbursed by a Lender under this Section 3.6(d) and deemed to have been advanced to the Borrower must be repaid by the Swingline Lender or by the relevant Lender to the Borrower then no reduction of the Swingline Loans as contemplated above shall be deemed to have occurred, but the Lenders shall purchase participations in the Swingline Loans (without recourse to the Swingline Lender) for an amount or otherwise effect transactions to achieve the financial results contemplated by this Section 3.6(d).

(e) For certainty, it is hereby acknowledged and agreed that the Lenders shall be obligated to advance their Lender's Proportion of the Drawdown contemplated by Section 3.6(d) to disburse their Lender's Proportion of the Loans referenced therein and to purchase participations contemplated by Section 3.6(d) irrespective of:

(i) whether a Default or Event of Default is then continuing or whether any other condition in Article 8 is met; and

(ii) whether or not the Borrower has, in fact, actually requested such Drawdown (by delivery of a Borrowing Notice or otherwise).

3.7 **Swingline Letters of Credit**

(a) **Aggregate Amount**: The aggregate face amount of Letters of Credit issued and outstanding under the Revolving Facility at any one time shall not exceed $2,500,000.

(b) **Issuance**: The Borrower may give the Swingline Lender a Borrowing Notice requesting that a Letter of Credit be issued by the Swingline Lender at or prior to 10:00 a.m. (Calgary time) and on at least three (3) Business Days' prior written notice. Any such notice may be given by telephone and if so, shall be followed by delivery of a Borrowing Notice by no later than 2:00 p.m. (Calgary time) on the same day.

(c) **Documentation**: The Swingline Lender shall not have any obligation to issue a Letter of Credit until the Borrower has executed and delivered to the Swingline Lender a duly completed LC Application and such ancillary documents, including applications and indemnities, as the Swingline Lender generally requires for like transactions and which are consistent with the provisions hereof.

(d) **Expiry**: Each Letter of Credit shall be in a form satisfactory to the Swingline Lender and shall expire: (i) not later than one (1) year from the date of its issuance, subject to customary automatic renewal provisions, and (ii) unless the Borrower has deposited with the Agent cash collateral for such Letter of Credit equal to the maximum amount thereof, plus the fees payable pursuant to Section 5.3 through to the expiry of such Letter of Credit, not later than the Maturity Date. Each Letter of Credit which by its terms is automatically renewable for a given period of time, which in any event shall be for a term of not more than one year, will provide that notice from the Swingline Lender can be given to the beneficiary thereof that such Letter of Credit will not be renewed at its maturity upon 30 days' prior notice.

(e) **Payment**: All payments made by the Swingline Lender to any Person pursuant to any Letter of Credit shall, unless the Borrower reimburses the Swingline Lender for such payment on or before the date it is made, be deemed as and from the date of such payment to be an advance to the Borrower of a Swingline Loan under the Revolving Facility with the proceeds of such advance being applied against the Borrower's obligations to reimburse the Swingline Lender for payment made under the Letters of Credit, and the provisions hereof relating to such Loans (including interest to be calculated thereon) shall apply thereto. The Swingline Lender shall forthwith advise the Borrower of any demand by the beneficiary of a Letter of Credit for payment by the Swingline Lender under such Letter of Credit and of any payment made by it on such Letter of Credit to the beneficiary thereof. In determining whether to pay under a Letter of Credit, the Swingline Lender shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit.

(f) **Renewal**: With respect to Letters of Credit which are not automatically renewable according to their terms, at or before 10:00 a.m. (Calgary time) at least thirty (30) Business Days prior to the date of expiry of any such Letter of Credit, the Borrower may elect to renew such Letter of Credit by selecting a new expiry date for the Letter of Credit or part thereof being renewed, which shall commence on the expiry date of the Letter of Credit being renewed. Renewal of any such Letter of Credit may only be effected by the Swingline Lender extending the expiry date of the existing Letter of Credit and shall be done either by the issuance of a new Letter of Credit containing the new expiry date or by an amendment to the existing one, and, in either case, with or without a reduction in the face amount thereof. Renewal of any Letter of Credit shall not be effected to the extent that such renewal would prevent or interfere with any required payment of principal hereunder. Any issuance to a new beneficiary, any increase in the face amount of the Letter of Credit or any other change in the terms thereof shall be considered to be a new Borrowing and may only be effected by the Borrower by delivering a Borrowing Notice to the Agent and the Swingline Lender. Letter of Credit Fees in respect of any renewed or extended Letter of Credit shall be payable pursuant to Section 5.3 and shall be computed for the period of renewal or extension.

(g) **Obligations regarding Letters of Credit**:

(i) The Swingline Lender will exercise and give the same care and attention to each Letter of Credit issued by it hereunder as it gives to its other letters of credit and similar obligations, and the Swingline Lender's sole liability to each Lender shall be to promptly return to the Agent for the account of the Lenders, each Lender's Proportion of any payments made to the Swingline Lender by the Borrower hereunder (other than the fees and amounts payable to the Swingline Lender for its own account) if the Borrower has made a payment to the Swingline Lender hereunder. Each Lender agrees that, in paying any drawing under a Letter of Credit, the Swingline Lender shall not have any responsibility to obtain any document (other than as expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of any Person delivering any such document. Neither the Swingline

Lender nor any of its representatives, officers, employees or agents shall be liable to any Lender for:

(A) any action taken or omitted to be taken in connection herewith at the request or with the approval of the Lenders;

(B) any action taken or omitted to be taken in connection with any Letter of Credit in the absence of gross negligence or wilful misconduct; or

(C) the execution, effectiveness, genuineness, validity, or enforceability of any Letter of Credit, or any other document contemplated thereby.

The Swingline Lender shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement or other writing (which may be a bank wire, telex, electronic mail transmittal or similar writing) believed by it to be genuine or to be signed by the proper Person or Persons.

(ii) The Borrower and each Lender hereby authorize the Swingline Lender to review on behalf of each Lender each draft and other document presented under each Letter of Credit. The determination of the Swingline Lender as to the conformity of any documents presented under a Letter of Credit to the requirements of such Letter of Credit shall, in the absence of the Swingline Lender's gross negligence or wilful misconduct, be conclusive and binding on the Borrower and each Lender. The Swingline Lender shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under any Letter of Credit. The Swingline Lender shall promptly after such examination:

(A) notify the Agent and the Borrower by telephone (confirmed in writing) of such demand for payment;

(B) deliver to the Agent a copy of each document purporting to represent a demand for payment under such Letter of Credit; and

(C) notify the Agent and the Borrower whether said demand for payment was properly made under such Letter of Credit.

(h) **Swingline Lender Indemnity**:

(i) If the Swingline Lender makes payment under any Letter of Credit and the Borrower does not fully reimburse the Swingline Lender on or before the date of payment, then Section 3.6(d) shall apply to deem a Loan to be outstanding to the Borrower under this Agreement in the manner herein set out. Each Lender shall, on request by the Swingline Lender, immediately pay to the Swingline Lender an amount equal to such Lender's Rateable Portion of the amount paid by the Swingline Lender such that each Lender is participating in the deemed Loan in accordance with its Lender's Proportion and, for certainty, regardless of whether any Default or Event of Default is then outstanding or whether any other condition to the making of a Loan has been satisfied or not.

(ii) Each Lender shall immediately on demand indemnify the Swingline Lender to the extent of such Lender's Proportion of any amount paid or liability incurred by the Swingline Lender under each Letter of Credit issued by it to the extent that the Borrower does not fully reimburse the Swingline Lender therefor.

3.8 **Conditions Applicable to Bankers' Acceptances and BA Equivalent Advances**

(a) **Acceptance of Bankers' Acceptances**: Subject to the terms and conditions of this Agreement, each Lender hereby agrees to accept its Lender's Proportion of Bankers' Acceptances as requested by the Borrower pursuant to a Borrowing Notice, Conversion Notice or Rollover Notice delivered under Sections 3.4, 3.11 or 3.12. Each such Lender shall purchase such Bankers' Acceptances at the applicable Discount Rate and shall deliver the Discount Proceeds thereof (less any BA Acceptance Fees payable to such Lender in respect thereof) for the account of the Borrower through the Agents' Account For Payment.

(b) **Payment to Borrower**: On the Drawdown Date, Conversion Date or Rollover Date relating to any issue of Bankers' Acceptances:

(i) on any Drawdown Date, each Lender shall deliver the Discount Proceeds thereof (less any BA Acceptance Fees payable to such Lender in respect thereof), for the account of the Borrower through the Agent at the Agent's Account for Payments;

(ii) on any Rollover Date relating to any Rollover of Bankers' Acceptances, the Borrower shall be liable to the Lenders for the principal amount of maturing Bankers' Acceptances. In order to satisfy the continuing liability of the Borrower to the Lenders for the principal amount of the maturing Bankers' Acceptances, each Lender shall receive and retain for its own account the Discount Proceeds from the purchase by such Lender of such new Bankers' Acceptances and the Borrower shall on the maturity date of the maturing Bankers' Acceptances pay to the Agent, for the benefit of such Lender an amount equal to the difference between the principal amount of the maturing Bankers' Acceptances and the Discount Proceeds from the purchase by such Lender of such new Bankers' Acceptances together with the BA Acceptance Fees to which such Lender is entitled pursuant to Section 5.2; and

(iii) on any Conversion Date relating to Bankers' Acceptances:

(A) in the case of a Conversion from a Loan, in order to satisfy the continuing liability of the Borrower to the Lenders for the amount of the converted Borrowing, each Lender shall receive for its own account the Discount Proceeds from the purchase by such Lender of such Bankers' Acceptances and the Borrower shall on the Conversion Date pay to the Agent for the benefit of such Lender the difference between the principal amount of the converted Borrowing and the Discount Proceeds from such Bankers' Acceptances together with the BA Acceptance Fees to which such Lender is entitled pursuant to Section 5.2; and

(B) in the case of a Conversion from a Bankers' Acceptance, in order to satisfy the continuing liability of the Borrower to the Lenders for an amount equal to the principal amount of such Bankers' Acceptance, the Agent shall record the obligation of the Borrower to each Lender as a Borrowing of the type into which the maturing Bankers' Acceptance has been converted.

(c) **Waiver of Presentment and Other Conditions**: The Borrower waives presentment for payment and, except to the extent of the negligence or wilful misconduct of a Lender referred to in Section 3.8(g), any other defence to payment of any amounts due to a Lender in respect of a Bankers' Acceptance accepted and, if applicable, purchased by it pursuant to this Agreement which might exist solely by reason of such Bankers' Acceptance being held, at the maturity thereof, by such Lender in its own right and the Borrower agrees not to claim any days of grace if such Lender as holder sues the Borrower on the Bankers' Acceptance for payment of the amount payable by the Borrower thereunder. On the specified maturity date of a Bankers' Acceptance, or such earlier date as may be required or permitted pursuant to the provisions of this Agreement, the Borrower shall, subject to Section 3.8(f), pay the Agent on behalf of the Lender that has accepted such Bankers' Acceptance, the full face amount of such Bankers' Acceptance through payment to the Agent or conversion of such Bankers' Acceptance into a Loan pursuant to Section 3.11.

(d) **Terms of Each Bankers' Acceptance**: Each Bankers' Acceptance shall:

(i) have a maturity date which shall be on a Business Day;

(ii) have a Standard Term (excluding days of grace);

(iii) be denominated in whole multiples of $100,000;

(iv) have a term which does not extend beyond the Maturity Date; and

(v) be in the standard form of each Lender.

It is the intention of the parties that, pursuant to the *Depository Bills and Notes Act* ("**DBNA**"), all Bankers' Acceptances accepted by the BA Purchasing Lenders under this Agreement shall be issued in the form of a "depository bill" (as defined in the DBNA), deposited with, and made payable to a "clearing house" (as defined in the DBNA) including The Canadian Depository for Securities Limited or its nominee, CDS & Co. ("**CDS**"). The Agent and the BA Purchasing Lenders, as applicable, shall, inter alia, effect the following and, subject to the approval of the Borrower, establish and notify the Borrower and the Lenders of any additional procedures, consistent with the terms of this Agreement and the quarterly requirements of the DBNA, as are reasonably necessary to accomplish such intention including:

(A) the instruments or drafts held by the Agent for the purposes of effecting Bankers' Acceptances will include a notation to the effect that they are issued pursuant to the DBNA;

(B) any reference to authentication of the Bankers' Acceptance will be removed; and

(C) any reference to "bearer" will be removed.

(e) **Power of Attorney Bankers' Acceptances**: As a condition precedent to each BA Purchasing Lender's obligation to accept and purchase Bankers' Acceptances hereunder and, subject to the DBNA compliance requirements set forth in Section 3.8(d), the Borrower agrees to the Power of Attorney Terms -Bankers' Acceptances set out in Schedule "I" and hereby grants to each BA Purchasing Lender a power of attorney on the terms set out in Schedule "I", provided that if the Borrower revokes such power of attorney, a BA Purchasing Lender shall not be obliged to accept and purchase Bankers' Acceptances unless the Borrower, the Agent and all of the BA Purchasing Lenders have agreed on amendments to this Agreement which the BA Purchasing Lenders may require to again accept and purchase Bankers' Acceptances.

(f) **Failure to Give Notice of Repayment**: If the Borrower fails to give notice to the Agent of the method of repayment of a Bankers' Acceptance prior to the date of maturity of such Bankers' Acceptance in accordance with the same period of notice required for the original acceptance of such Bankers' Acceptance as set forth in Section 3.4, the face amount of such Bankers' Acceptance shall be converted on its maturity to a Loan from the Lender pursuant to Section 3.11.

(g) **Unlawful Issue or Use**: The Borrower shall pay on demand to the Agent on behalf of each BA Purchasing Lender the face amount of any bankers' acceptance form presented to such BA Purchasing Lender for payment and paid by such Lender that has been unlawfully issued or used or put into circulation fraudulently or without authority, and shall indemnify such BA Purchasing Lender against any loss, cost, damage, expense or claim regardless of by whomsoever made that such BA Purchasing Lender may suffer or incur by reason of any fraudulent, unauthorized or unlawful issue or use of any such bankers' acceptance form, other than as is caused by the negligence or wilful act or omission of such BA Purchasing Lender or any of its officers, employees, agents or representatives failing to use the same standard of care in the custody of such bankers' acceptance forms as it uses in the custody of its own property of a similar nature.

(h) **BA Equivalent Advances**: Notwithstanding Section 3.4(a)(ii), the foregoing provisions of this Section 3.8, and any other provision hereof to the contrary, a Non-Acceptance Lender shall, in lieu of accepting Bankers' Acceptances, make a BA Equivalent Advance. The amount of each BA Equivalent Advance shall be equal to the Discount Proceeds which would be realized from a hypothetical sale of those Bankers' Acceptances which, but for this Section 3.8(h), such Lender would otherwise be required to accept and purchase as part of such a Borrowing by way of Bankers' Acceptances. To determine the amount of such Discount Proceeds, the hypothetical sale shall be deemed to take place at the Non-Acceptance Discount Rate. Any BA Equivalent Advance shall be made on the relevant Drawdown Date, Conversion Date or Rollover Date, as the case may be, and shall remain outstanding for the term of the Bankers' Acceptances issued concurrently therewith. Concurrently with the making of a BA Equivalent Advance, a Non-Acceptance Lender shall be entitled to deduct therefrom an amount equal to the BA Acceptance Fee which, but for this Section 3.8(h), such Lender would otherwise be entitled to receive as part of such issue of Bankers' Acceptances. The BA Equivalent Advance shall accrue interest at a rate per annum equal to the Non-Acceptance Discount Rate for such Bankers' Acceptance for the term of such BA Equivalent Advance. Upon the maturity date for such Bankers' Acceptances, the Borrower shall pay to each Non-Acceptance Lender, in satisfaction of the BA Equivalent Advance and interest accrued thereon, an amount equal to the face amount of the Bankers' Acceptance which, but for this Section 3.8(h), such Lender would otherwise have been required to accept as part of such Borrowing by way of Bankers' Acceptance, failing which such amount shall be converted to a Loan.

All BA Equivalent Advances made by a Non-Acceptance Lender shall, if requested by such Lender, be evidenced by promissory notes of the Borrower in form and substance satisfactory to such Lender, acting reasonably.

As a condition precedent to each Non-Acceptance Lender's obligation to make a BA Equivalent Advance hereunder, the Borrower agrees to the Power of Attorney Terms -BA Equivalent Advances set out in Schedule "J" and hereby grants to each Non-Acceptance Lender a power of attorney on the terms set out in Schedule "J", provided that if the Borrower revokes such power of attorney, it shall not be entitled to obtain BA Equivalent Advances unless the Borrower, the Agent and all of the Non-Acceptance Lenders have agreed on amendments to this Agreement which would again allow the Borrower to obtain BA Equivalent Advances.

3.9 **Agent's Duties re Bankers' Acceptances**

(a) **Advice to the Lenders**: The Agent, promptly following receipt of a Borrowing Notice for an Accommodation by way of Bankers' Acceptances, of a Conversion Notice for Conversion of a Borrowing to a Bankers' Acceptance or of a Rollover Notice for a Rollover of a Bankers' Acceptance, shall:

(i) advise the Borrower of the allocation of Bankers' Acceptances to each Lender such that the aggregate amount of Bankers' Acceptances required to be accepted by such Lender hereunder is in a whole multiple of Cdn. $1,000; or

(ii) advise each BA Purchasing Lender of the face amount of each Bankers' Acceptance to be purchased by it and the term thereof, which term shall be identical for all BA Purchasing Lenders. Promptly on each Drawdown Date, Conversion Date or Rollover Date on which BA Purchasing Lenders are required to purchase Bankers' Acceptances hereunder, the Agent shall determine the applicable CDOR Rate in respect of such Bankers' Acceptances.

(b) **Bankers' Acceptances Being Purchased**: Promptly on the Drawdown Date, Rollover Date or Conversion Date relating to all Bankers' Acceptances to be purchased by the BA Purchasing Lenders on such date, the Agent shall provide either written or telephone advice to the Borrower and each BA Purchasing Lender confirming the particulars with respect to such Bankers' Acceptances. Such advice shall be confirmed in writing by the Agent on or prior to 2:30 p.m. (Calgary time) on such Drawdown Date, Rollover Date or Conversion Date. Upon receipt of any such notice, each BA Purchasing Lender is thereupon authorized to complete and sign Bankers' Acceptances on behalf of the Borrower in accordance with the Power of Attorney Terms - Bankers' Acceptances and the particulars advised by the Agent.

3.10 **Pro-Rata Treatment of Borrowings**

(a) **Pro-Rata Borrowings**: Subject to Section 3.14(c), each Borrowing under a Facility and each basis of Borrowing shall be made available by each Lender under such Facility and all repayments and reductions in respect thereof shall be made and applied in a manner so that the Borrowings and each basis of Borrowing outstanding hereunder to each Lender will, to the extent possible, thereafter be in the same proportion as the Lender's Proportion of such Lender. The Agent is authorized by the Borrower and each Lender to determine, in its sole and unfettered discretion, the amount of Borrowings and each basis of Borrowing to be made available by each Lender and the application of repayments and reductions of Borrowings to give effect to the provisions of this Section 3.14(a) and Section 7.2; provided that, subject to Section 3.14(b), no Lender shall, as a result of any such determination, have Borrowings outstanding in an amount which is in excess of the amount of its Commitment.

(b) **Agent's Discretion on Allocation**: If it is not practicable to allocate Bankers' Acceptances to each Lender such that the aggregate amount of Bankers' Acceptances required to be purchased by such Lender hereunder is in a whole multiple of Cdn. $1,000, the Agent is authorized by the Borrower and each Lender to make such allocation as the Agent determines in its sole and unfettered discretion may be equitable in the circumstances. In no event shall the outstanding Borrowings of a Lender exceed its Lender's Proportion by more than Cdn. $1,000 as a result of such exercise of discretion by the Agent. In the event it is not practicable to allocate each basis of Borrowing in accordance with Section 3.14(a) by reason of the occurrence of circumstances described in Sections 11.1, 11.3 or 11.5, the Agent is authorized by the Borrower and each Lender to make such allocation as the Agent determines in its sole and unfettered discretion may be equitable in the circumstances, but no Lender shall, as a result of any such allocation, have any Borrowings outstanding in an amount which is in excess of the amount of its Commitment.

(c) **Further Assurances by Borrower**: To the extent reasonably possible, the Borrower and each Lender agrees to be bound by and to do all things necessary or appropriate to give effect to the provisions of this Section 3.10.

3.11 **Conversion Option**

The Borrower may, during the term of this Agreement, upon giving the Agent at the Agent's Branch of Account a Conversion Notice in accordance with the period of prior notice and other requirements set out in Section 3.4 (other than delivery of a Borrowing Notice) in respect of the basis of Accommodation to which any Accommodation is being converted, convert any Accommodation to another basis of Accommodation. Notwithstanding the foregoing, a Bankers' Acceptance may only be converted on its maturity date or on any other day if the Borrower pays all amounts payable in respect thereof pursuant to Section 4.5. A Letter of Credit may not be converted. If the requested conversion is either from or into Bankers' Acceptances, then:

(a) if a Default has occurred and is continuing, the Borrower, without limiting its rights to convert any Borrowing into a Loan shall only be entitled to request a conversion into a Bankers' Acceptance with a term to maturity of one (1) month or less as provided for herein; and

(b) if an Event of Default has occurred and is continuing, such conversion shall not be permitted and all Bankers' Acceptances in respect of which any such conversion has been requested shall be converted to a Loan on the maturity of such Bankers' Acceptances.

On each Conversion Date, the Borrower shall be required to repay to the Agent the basis of Accommodation which is being converted and, subject to the provisions of this Agreement, the Lenders shall be required to make available to the Borrower the Accommodations into which such basis of Accommodation is being converted.

3.12 **Rollovers**

The Borrower may, during the term of this Agreement, rollover all or any portion of a Bankers' Acceptance on its maturity date, upon giving the Agent at the Agent's Branch of Account a Rollover Notice in accordance with the period of notice and other requirements set out in Section 3.4 applicable to Bankers' Acceptances (other than delivery of a Borrowing Notice), unless immediately prior to the issuance of any Bankers' Acceptances a Default or an Event of Default shall have occurred and be continuing, in which event the Borrower, in the case of a Default, shall only be entitled to request a Bankers' Acceptance with a term to maturity of one (1) month or less as provided for herein and, in the case of an Event of Default, shall be deemed to have converted any Bankers' Acceptance to a Loan pursuant to Section 3.11 on the maturity date of the Bankers' Acceptance. In the event a Rollover Notice in respect of an existing Bankers' Acceptance is not given pursuant to this Section 3.12 or a Conversion Notice in respect of such existing Bankers' Acceptance is not given pursuant to Section 3.11, any such Bankers' Acceptance shall be converted to a Loan on the maturity date of such Bankers' Acceptance and the provisions of the last sentence of Section 3.11 shall apply to any such conversion.

3.13 **Notices Irrevocable**

All notices delivered or deemed to be delivered by the Borrower pursuant to this Article 3 shall be irrevocable and shall oblige the Borrower to take the action contemplated on the date specified therein.

3.14 Takeover Notification

In the event the Borrower wishes to utilize Borrowings to, or to provide funds to any Subsidiary of the Borrower 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 the offer to sell was 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 by one person) (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 the Borrower and its Subsidiaries and any person acting jointly or in concert with any thereof on the date that the offer to acquire is made, constitute in the aggregate ten percent (10%) or more of all of the outstanding securities of that class of securities of the person (a "**Takeover**"), then either:

(a) **Agreement of the Target Entity**: the Borrower shall provide to the Agent evidence satisfactory to the Agent of the agreement of the board of directors or like body of the Target approving the Takeover and approving the financing thereof by the Lenders; or

(b) **No Conflict by Lenders**: the following steps shall be followed:

(i) at least five (5) Business Days prior to the delivery of any notice to the Agent pursuant to Section 3.4 requesting Accommodations intended to be utilized for such Takeover, the President or Chief Financial Officer of the Borrower shall advise the Agent who shall promptly advise a Vice President of each Lender (or such other senior officer of such Lender as may be designated by such Lender from time to time) of the particulars of such Takeover in sufficient detail to enable such Lender to determine whether it has a conflict of interest if Accommodations from such Lender are utilized by the Borrower for such Takeover;

(ii) within three (3) Business Days of being so advised, each Lender shall notify the Agent of such Lender's determination, acting reasonably, as to whether such a conflict of interest exists (such determination to be made by such Lender in the exercise of its sole discretion having regard to such considerations as it deems appropriate), provided that in the event such Lender does not so notify the Agent within such three (3) Business Day period, such Lender shall be deemed to have notified the Agent that it has a conflict of interest; and

(iii) the Agent shall promptly notify the Borrower of such Lender's determination;

and in the event that any Lender has (or is deemed to have) such a conflict of interest, then upon the Agent so notifying the Borrower, such Lender shall have no obligation to provide Accommodations for such Takeover notwithstanding any other provision of this Agreement to the contrary; provided, however, that each other Lender (a "**Takeover Lender**") shall have an obligation, up to the amount of its Commitment, to provide Accommodations for such Takeover, and Accommodations for such Takeover shall be provided by each Takeover Lender in accordance with the ratio that its Lender's Proportion bears to the aggregate of the Lender's Proportions of all the Takeover Lenders.

(c) **Takeover Loans**: If Accommodations are utilized for the purposes of a Takeover (a "**Takeover Loan**") and there are Lenders other than Takeover Lenders (the "**Non-Takeover Lenders**"), the Lender's Proportion of each Non-Takeover Lender shall be temporarily adjusted in accordance with Section 3.14(b) and, as applicable, subsequent Borrowings shall be funded firstly by Non-Takeover Lenders and subsequent repayments shall be applied firstly to Takeover Lenders, in each case, until such time as the Lender's Proportion of each Takeover Lender and Non-Takeover Lender is equal to such Lender's Proportion in effect immediately prior to the advance of the Takeover Loan.

3.15 Lender Swaps

(a) **Swaps**: Subject to the terms and conditions hereof (and specifically Section 9.3(j)), each of the Lenders (or an Affiliate of such Lender) may from time to time enter into Swaps with any Loan Party during the term of this Agreement. Prior to engaging in any Lender Swaps, the applicable Loan Party shall enter into an ISDA Master Agreement with the applicable Swap Lender, or a confirmation that incorporates by reference the terms of an ISDA Master Agreement.

(b) **Secured Obligations**: The parties agree that all Permitted Swap Indebtedness shall be secured by the Security on a *pari passu* basis and shall rank *pari passu* with the Borrowings, Credit Card Obligations and Cash Management Obligations. All Swap Indebtedness of a Loan Party to any Swap Lender, other than Permitted Swap Indebtedness, shall, as to the Security, rank junior and be subordinate in every respect to the Borrowings and the Permitted Swap Indebtedness.

(c) **Determination of Permitted Swaps**: The Lender Swaps which constitute Permitted Swaps at any time shall be determined starting with the earliest Lender Swap entered into which is still outstanding on the date such determination is made, and so on chronologically with each subsequent Lender Swap, until the applicable limitations under Section 9.3(j) are exceeded, provided that a Lender Swap shall be deemed to be a Permitted Swap (and the indebtedness thereunder Permitted Swap Indebtedness) if it is entered into by a Swap Lender without actual notice or knowledge that such Lender Swap is not a Permitted Swap.

3.16 Credit Card Facilities

Any Lender may provide Credit Card Facilities to the Borrower or any other Loan Party from time to time. The parties agree that all Credit Card Obligations shall be secured by the Security on a *pari passu* basis and shall rank *pari passu* with the Borrowings, Permitted Swap Indebtedness and Cash Management Obligations, notwithstanding that they do not form part of the Borrowings.

3.17 **Cash and Treasury Management Facilities**

Any Lender may provide Cash Management Arrangements to the Borrower or any other Loan Party from time to time. The parties agree that all Cash Management Obligations shall be secured by the Security on a *pari passu* basis and shall rank *pari passu* with the Borrowings, Permitted Swap Indebtedness and Credit Card Obligations, notwithstanding that they do not form part of the Borrowings.

3.18 **Fees**

Concurrently with the execution and delivery of this Agreement, the Borrower shall pay to the Agent for and on behalf of the Lenders (in accordance with the Lender's Proportion of the Total Commitment) an upfront commitment fee as agreed between the Borrower and the Lenders. For greater certainty, the fees provided for in this Section 3.18 are in addition to any other fees payable in connection with the Facilities.

3.19 **Borrowing Base**

(a) **Borrowing Base Determination**: Upon receipt from the Borrower of:

(i) each Borrowing Base Certificate and the other materials required to be delivered under Section 9.4(c); or

(ii) notice of any property and casualty claim of any Loan Party;

the Agent may, by written notice to the Borrower, re-determine the amount set forth therein for and on behalf of the Lenders. If the Agent does not notify the Borrower of any such re-determination, the Borrowing Base shall be as set forth in the applicable Borrowing Base Certificate.

(b) **Other Re-determinations**: The Agent for and on behalf of the Lenders may re-determine the Borrowing Base at a time other than or in addition to the re-determinations pursuant to Section 3.19(a) if the Agent, acting reasonably, determines that an event or circumstance has occurred in respect of the Borrower that would reasonably be expected to have a Material Adverse Effect and the Borrower shall provide an updated Borrowing Base Certificate for the purposes of any such re-determination of the Borrowing Base if, in its sole discretion, the Agent, acting reasonably, deems such receipt of an updated Borrowing Base Certificate warranted.

(c) **Determination Conclusive**: Any re-determination of the Borrowing Base by the Agent for and on behalf of the Lenders (in accordance with the requirements of the definition of "**Borrowing Base**" and this Section 3.19) shall be final, binding and conclusive.

ARTICLE 4
REPAYMENT AND PREPAYMENT

4.1 Repayment of Term Accommodations

The principal amount of each Term Accommodation made during a Fiscal Year shall be aggregated with the principal amount of all other Term Accommodations made during such Fiscal Year and commencing on the first Interest Date to occur after such Fiscal Year and on each Interest Date to occur thereafter, the Borrower shall repay to the Lenders such aggregated Term Accommodation by way of 60 equal consecutive monthly instalments of principal. On the Maturity Date, the balance of the principal amount outstanding of such aggregated Term Accommodation together with all other amounts referred to in Section 4.2 shall be due and payable. For certainty, no monthly instalments of principal shall be required during the Fiscal Year in which a Term Accommodation was advanced.

4.2 Reduction of Commitments

On the Maturity Date, the Borrower shall repay all Borrowings, all Credit Card Obligations, all Cash Management Obligations and all accrued and unpaid interest and fees then outstanding to such Lender and its Affiliates, and the Commitment of such Lender shall be reduced to zero. The Borrower shall ensure that Bankers' Acceptances accepted by or issued on behalf of or for the account of such Lender mature on or prior to the Maturity Date.

4.3 Cash Collateral for Bankers' Acceptance

If, on any day on which prepayments are required to be made under Section 4.1, the Borrowings then outstanding include Bankers' Acceptances in an amount such that the prepayment would require the Borrower to be liable under the funding indemnity contained in Section 11.6 or to pay a Bankers' Acceptance prior to its maturity date, that portion of the prepayment which would otherwise be applied against any such Bankers' Acceptance shall be paid to the Agent for deposit into a Cash Collateral Account in accordance with Section 10.4 and be applied against such Bankers' Acceptance on its maturity date. Interest earned on such amounts while on deposit in a Cash Collateral Account shall be paid to the Borrower if no Default or Event of Default has occurred and is continuing after the payment of the amounts required pursuant to Section 4.1, if any.

4.4 Cancellation of Commitment and Prepayment

The Borrower may, without penalty or premium, at any time during the term of this Agreement, upon at least five (5) Business Days' prior written notice to the Agent and the Swingline Lender, as applicable, cancel all of the Total Commitment or any portion thereof in minimum amounts of Cdn. $1,000,000 and whole multiples of Cdn. $100,000 thereafter; provided that on or prior to the last day of such notice period the Borrower has:

(a) **Application to Facility**: identified in writing the amount of reduction to be applicable to the Revolving Facility Commitment, the Term Facility Commitment and the Swingline Facility Commitment (as applicable);

(b) **Prepaid Borrowings**: prepaid or otherwise reduced Borrowings outstanding to each Lender in an amount equal to the amount by which Borrowings outstanding to such Lender would otherwise be in excess of its Lender's Proportion of the Total Revolving Facility Commitment, the Total Term Facility Commitment or the Swingline Facility Commitment, as applicable, immediately after the reduction of the Commitments provided for in such notice; and

(c) **Paid Interest**: paid all accrued interest and other charges and fees in respect of the Borrowings being repaid or reduced as aforesaid.

Any such notice of cancellation is irrevocable and the amount of the Commitment of each Lender so cancelled and reduced may not be reinstated hereunder.

4.5 Early Repayment of Letters of Credit and Bankers' Acceptances

The Borrower shall not cancel all or any portion of the Commitment of any Lender pursuant to Section 4.4 if the Borrowings required to be repaid to such Lender as a result thereof include Letters of Credit with an expiry date falling subsequent to the date of such cancellation, or Bankers' Acceptances accepted by such Lender with a maturity date falling subsequent to the date of such cancellation unless, on the date of such cancellation, the Borrower has paid to the Agent at the Agent's Account for Payments, for the account of such Lender (a) in respect of Letters of Credit, the undrawn amount thereof, and (b) in respect of Bankers' Acceptances, the face amount thereof, in each case to be held in a Cash Collateral Account.

4.6 Evidence of Indebtedness

Each of the Agent and the Swingline Lender, as applicable, shall open and maintain accounts and records on the books of the Agent at the Agent's Branch of Account or on the books of the Swingline Lender at the Swingline Lender's Branch of Account, as applicable, evidencing the Revolving Borrowings and Swingline Loans, respectively, and other amounts owing by the Borrower to the Lenders or the Swingline Lender, as applicable, under this Agreement. The Agent and the Swingline Lender, as applicable, shall debit therefrom the amount of such Revolving Borrowings and Swingline Loans, respectively, and shall enter therein each payment of principal of and interest on the applicable Borrowings and fees and other amounts payable pursuant to this Agreement and shall record the Bankers' Acceptances purchased by the Lenders and the Letters of Credit issued by the Swingline Lender and all other amounts becoming due to the Agent and each Lender under this Agreement. The accounts and records of the Agent and the Swingline Lender, as applicable, so kept shall constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Borrower to the Agent, the Swingline Lender and each other Lender pursuant to this Agreement, the date each such Lender made each Revolving Borrowing available to the Borrower and the amounts the Borrower has paid from time to time on account of the principal and interest on the Borrowings, fees payable pursuant to this Agreement and other amounts owing hereunder.

ARTICLE 5
PAYMENT OF INTEREST AND FEES

5.1 Interest on Loans

The Borrower shall pay interest in Canadian Dollars on each Loan made by each Lender at the Agent's Account for Payments, in the case of the Revolving Facility and the Term Facility, and at the Swingline Lender's Account for Payments, in the case of Swingline Loans, in each case at a rate per three hundred and sixty-five (365) days equal to the Prime Rate plus the Applicable Margin applicable to such Loan. A change in the Prime Rate or the Applicable Margin will simultaneously cause a corresponding change in the interest payable on each Loan. Such interest shall accrue daily based on the Prime Rate and Applicable Margin in effect on each day and is payable monthly in arrears on each Interest Date for the period commencing on and including the immediately prior Interest Date up to but not including the Interest Date on which such interest is to be paid and shall be calculated on a daily basis and on the basis of the actual number of days elapsed in a year of three hundred sixty-five (365) days. The annual rates of interest to which the rates determined in accordance with the foregoing provisions of this Section 5.1 are equivalent, are the rates so determined multiplied by the actual number of days in the relevant calendar year and divided by three hundred sixty-five (365).

5.2 Bankers' Acceptance Fees

The Borrower shall pay acceptance fees in Canadian Dollars at the Agent's Account for Payments forthwith upon the acceptance by each Lender of each Bankers' Acceptance issued by the Borrower at a rate per three hundred sixty-five (365) day period equal to the BA Acceptance Fee applicable to and in effect on the date of acceptance of such Bankers' Acceptance calculated on the face amount of such Bankers' Acceptance and on the basis of the number of days in the term of such Bankers' Acceptance divided by three hundred sixty-five (365). Acceptance fees payable to the Agent, pursuant to this Section 5.2 shall be paid in the manner specified in Section 3.8. All fees payable pursuant to this Section 5.2 on any date in respect of any issuance of Bankers' Acceptances shall be calculated by the Agent and be payable by the Borrower based on the BA Acceptance Fee in effect on such date (and taking into account such issuance). There shall be no adjustment to any fees paid by the Borrower in respect of any Bankers' Acceptance upon any change in the BA Acceptance Fee occurring after the date of issuance of any Bankers' Acceptance.

5.3 Letter of Credit Fees

(a) In consideration of the Swingline Lender's commitment to issue Letters of Credit under the Revolving Facility, the Borrower shall pay to the Singline Lender a fee equal to the Letter of Credit Fee then in effect on the date of payment of such fee.

(b) The Borrower shall pay to the Swingline Lender on the date of issuance, amendment or renewal of any Letter of Credit at the request of the Borrower, the following amounts in the currency of such Letter of Credit:

(i) an issuance fee payable in the amount being the greater of $**[Redacted fee]** and an amount calculated, at the rate per annum equal to the Applicable Margin, on the basis of the maximum amount of such Letter of Credit for the period of a year or portion thereof during which such Letter of Credit is outstanding;

(ii) an amendment fee in the amount of $350; and

(iii) all out of pocket expenses incurred by the Swingline Lender in relation to the issuance, amendment, or delivering of a requested Letter of Credit.

5.4 **Credit Card and Cash Management Fees**

The Borrower shall pay fees to the Lenders in respect of Credit Card Facilities, and to the Lenders in respect of Cash Management Facilities, as provided in the agreements entered into by a Loan Party in connection therewith.

5.5 **Interest on Overdue Amounts**

Notwithstanding any other provision hereof, in the event that any amount due hereunder (including any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Lenders interest on such unpaid amount (including interest on interest), if and to the fullest extent permitted by Applicable Law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 11:00 a.m. Calgary time), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Borrowing on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to the interest rate applicable to Loans outstanding from time to time hereunder whether or not any Loans are then outstanding plus the Applicable Margin plus two percent (2%) per annum.

The Borrower hereby waives, to the fullest extent it may do so under Applicable Law, any provisions of Applicable Law, including specifically the *Interest Act* (Canada) or the *Judgment Interest Act* (Alberta), which may be inconsistent with this Agreement.

5.6 **Agent's Fees**

The Borrower shall pay an agency fee to the Agent (for the Agent's sole account) at the Agent's Account for Payments, in an amount as agreed from time to time between the Agent and the Borrower, on the Effective Date and on each annual anniversary of the Effective Date and such fees shall, for purposes of this Agreement, be deemed to be Obligations payable pursuant to this Agreement.

5.7 **Maximum Rate Permitted by Law**

No interest or fee to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under Applicable Law.

5.8 Interest Generally

The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Agreement or in any other Loan Document now or hereafter granted to or taken by the Agent or any Lender and all interest and fees payable by the Borrower to a Lender shall accrue from day to day and be computed as described herein in accordance with the "nominal rate" method of interest calculation.

5.9 Standby Fees

Until the Maturity Date, the Borrower shall pay standby fees to the Agent on behalf of each Lender calculated quarterly in arrears to and including the first Business Day of each calendar quarter commencing with the first Business Day of the calendar quarter following the calendar quarter in which the Effective Date occurs, and payable on the first Business Day of each such calendar quarter thereafter and on the Maturity Date. Each payment of standby fees shall be calculated for the period commencing on and including the Effective Date or the last date on which such standby fees were payable hereunder, as the case may be, up to and including the first Business Day of the calendar quarter following the calendar quarter for which such standby fees are to be paid or the Maturity Date (whichever is earlier) and shall be in an amount equal to the Standby Fee Rate in effect on each day during such period of calculation multiplied by the difference, if positive, obtained by subtracting the Borrowings outstanding from such Lender for each day in the period of the calculation, from the amount of such Lender's Commitment, in effect on each such day. Such standby fees shall be calculated on a daily basis and on the basis of a 365 day year.

5.10 Interest and Fee Adjustment

In the event of a change in the Applicable Margin and Standby Fee Rate as a result of a change in the Debt to EBITDA Ratio, such change shall become effective on the latest date permitted hereunder on which the Borrower is required to deliver a Compliance Certificate in accordance with the requirements hereof or, if the Borrower has not delivered a Compliance Certificate by such date the Applicable Margin and Standby Fee Rate shall be based on the highest rate in the table in the definition of Applicable Margin until the date of delivery of such Compliance Certificate.

ARTICLE 6
SECURITY

6.1 Security

To secure the payment and performance of all of the Obligations, the Borrower has executed and delivered, or shall execute and deliver, or cause to be executed and delivered (as applicable), the following documents each in form and substance satisfactory to the Agent, acting reasonably (collectively called, together with all other security documents, agreements and assurances required to be delivered by any Loan Party to the Agent pursuant to this Article 6, the "**Security**"):

(a) a General Security Agreement in favour of the Agent creating, among other things, a first charge Security Interest over all of the Borrower's present and after acquired personal property and a floating charge on all of the Borrower's present and after acquired real property;

(b) a Material Subsidiary Guarantee from each Material Subsidiary in favour of the Agent;

(c) a General Security Agreement from each Material Subsidiary in favour of the Agent creating, among other things, a Security Interest over all of its present and after acquired personal property and a floating charge on all of its present and after acquired real property; and

(d) such other security as is deemed appropriate from time to time by the Lenders, acting reasonably.

For certainty, the Security shall create, in favour of the Agent, a first fixed mortgage and charge on the Real Estate now owned or hereafter acquired by the Borrower and each other Loan Party.

With respect to the Existing Security, the Borrower hereby confirms and agrees that:

(i) the Existing Security was assigned to the Agent,

(ii) the Existing Security continues in full force and effect, for the benefit of the Agent, the Lenders and the Swap Lenders, as continuing collateral security for all Obligations; and

(iii) the Existing Security is hereby ratified and confirmed.

6.2 Form of Security

Without limiting the foregoing, the Security will be in such form or forms as will be required by the Agent, acting reasonably, and will be registered in such offices in the provinces of Canada as the Agent may from time to time reasonably require to protect the Security Interests created thereby. Should the Agent determine at any time and from time to time that the form and nature of the then existing Security is deficient in any way or does not fully provide the Agent and the Lenders with the Security Interests and priority to which each is entitled hereunder, the Borrower will forthwith execute and deliver or cause to be executed and delivered to the Agent, at the Borrower's expense, such amendments to the Security or provide such new security as the Agent may reasonably request.

6.3 Subsidiary Guarantees and Subsidiary Security

Forthwith upon a Subsidiary becoming a Material Subsidiary (and in any event within the time period required under Section 9.5(b)), and to secure the payment and performance of all Obligations, the Borrower shall cause the following Security to be executed and delivered (to the extent not already provided):

(a) a Material Subsidiary Guarantee from such Material Subsidiary in favour of the Agent;

(b) a General Security Agreement of such Material Subsidiary or joinder agreement in respect thereof in favour of the Agent creating, among other things, a first charge Security Interest over all of its present and after acquired personal property and a floating charge on all its present and after acquired real property;

(c) if such Material Subsidiary intends to transact Lender Swaps, obtain Ancillary Facilities, an unlimited liability guarantee from the Borrower with respect to the obligations of such Material Subsidiary to the Agent, the Lenders and the Swap Lenders (as applicable) thereunder; and

(d) such other security as is deemed appropriate from time to time by the Lenders, acting reasonably;

together with certified copies of constating documents and resolutions, a certificate of incumbency, a legal opinion of outside counsel with respect to the Material Subsidiary and the Security provided by it and such other documents as the Agent may reasonably require, all in a form substantially similar to those provided by the Borrower and, if applicable, the other Material Subsidiaries on the Effective Date, with such changes as may be approved by the Agent, acting reasonably.

6.4 **Registrations and Renewals**

The Borrower shall and shall cause each other Loan Party, at the Borrower's sole cost and expense, to do all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Agent may reasonably request from time to time to ensure that the priority of the Security Interests created by all of the Security executed and delivered to the Agent as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of advantage to the protection or perfection thereof and to cooperate with the Agent and the Agent's counsel in renewing or refiling any registration, filing or recordation required hereby in order to preserve, protect and maintain the priority of such Security Interests, from time to time. The Agent may, at the Borrower's sole cost and expense, effect any or all such registrations, filings and recordings should the Borrower fail to do so forthwith upon the Agent's request as aforesaid.

Forthwith upon the Agent's request from time to time, and in any event within five (5) Business Days, the Borrower shall deliver to the Agent a current land schedule in form satisfactory to the Agent detailing all Real Estate then held by the Loan Parties.

All Existing Security and security registrations in respect of which CIBC is the secured party and the Borrower or any Subsidiary of the Borrower is the debtor, and originally filed by CIBC with respect to the Existing Credit Agreement, shall (if not discharged by CIBC), be held by it solely for the benefit of the Agent, the Lenders and the Swap Lenders hereunder.

6.5 **Security Effective Notwithstanding Date of Advance**

The Security Interests constituted by the Security shall be effective against the Loan Parties, and the Security Interests in any Security shall be continuing, whether any of the Accommodations hereunder are utilized before or after or at the same time as the creation of any such Security Interests or before or after or upon the date of execution of this Agreement, and shall not be affected by the Lender Outstandings hereunder fluctuating from time to time or the accounts established by the Lenders ceasing to be in debit balance.

6.6 **Extensions, Etc.**

The Lenders may directly, or through the Agent or other duly authorized representatives, grant extensions, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with any Loan Party or any other Persons, sureties or securities as the Lenders, in their sole discretion, may see fit, all without prejudice to the liability of any Loan Party under the Loan Documents or the rights of the Lenders under the Loan Documents.

6.7 **Notice of Name Change**

The Borrower shall notify the Agent of any details, as soon as available, of any proposal to change the name of any Loan Party or the location of its chief executive office, and in any event not less than ten (10) Business Days prior to any such change.

6.8 **No Merger**

The taking of any Security Interest as provided under any Loan Document shall not operate by way of merger of any of the obligations of the Loan Parties under this Agreement or any other Loan Document, or of any Security Interest, guarantee, indemnity, contract, promissory note, bill of exchange or security in any other form, whether or not similar to the foregoing, and no judgment recovered by the Agent or a Lender shall operate by way of merger or in any way affect the Security Interest provided for in the Loan Documents, which shall be in addition to and not in substitution for any other Security Interest now or hereafter held by the Agent or a Lender whether for Obligations hereunder or under any Loan Document. For greater certainty, no judgment recovered by the Agent or a Lender shall operate by way of merger or in any way affect the obligation of the Borrower to pay interest, fees and other amounts at the rates, times and manner as provided in this Agreement.

6.9 **Further Assurances -Security**

The Borrower shall, forthwith and from time to time on the reasonable request of the Agent, grant and shall cause each other Loan Party to grant to the Agent on behalf of the Lenders and the Swap Lenders all such further rights and Security Interests necessary or of advantage to the Agent to permit it to operate the Real Estate in a liquidation of assets or as a going concern following the occurrence of an Event of Default. In addition, the Borrower shall, and shall cause each other Loan Party to forthwith and from time to time on the reasonable request of the Agent, execute and do or cause to be executed and done all assurances and things which in the opinion of the Agent may be necessary or of advantage to give the Agent, the

Lenders and the Swap Lenders the Security Interests and the priority intended to be created by the Security.

6.10 Release and Amendment of Security

No Lender shall, during the term of this Agreement, discharge, surrender, amend or otherwise modify any Security without the prior written consent of all of the Lenders, provided that the Agent may discharge the Security provided hereunder at the discretion of the Agent with respect to Permitted Dispositions, and provided the Agent may, in connection with its acceptance of supplemented Security Interests in accordance with Section 6.12, release the charge of the Security as against real property interests no longer intended to be subjected to the charge of the Security thereby.

The Lenders hereby authorize the Agent, and the Agent hereby agrees, to discharge the Security at the Borrower's sole cost and expense, forthwith after all of the Obligations have been unconditionally and irrevocably paid or performed in full and the Facilities and all Lender Swaps have been terminated or collateralized to the satisfaction of the Agent and the Lenders.

6.11 Permitted Encumbrances and Permitted Debt

Notwithstanding that a Loan Party is permitted to create or suffer to exist any Permitted Encumbrance or Permitted Debt, nothing herein contained shall in any manner, nor in any cause or proceeding, directly or indirectly, be taken to constitute a subordination of any Security Interest created pursuant to the Loan Documents to any Permitted Encumbrance or to any other Security Interest or other obligation whatsoever, or that the Obligations are in any way subordinate or junior in right of payment to any Permitted Debt.

6.12 Fixed Charge Supplements

From time to time upon the request of the Agent, within five (5) Business Days of such request, the Borrower shall, at the Borrower's sole cost and expense, execute and deliver, and shall cause each other Loan Party to execute and deliver, such additional or supplemental Security Interests (including by way of a fixed charge mortgage) as the Agent may request in order to ensure that the Real Estate held by the Loan Parties are validly subjected to first fixed charge Security Interests in favour of the Agent for the benefit of the Lenders and the Swap Lenders, subject only to Permitted Encumbrances, and in connection therewith shall provide to the Agent a land schedule in form satisfactory to the Agent detailing the Real Estate then held by the Loan Parties. Section 6.4 shall apply with respect to registrations against Real Estate subjected to fixed charges under this Section 6.12.

ARTICLE 7
PAYMENT AND TAXES

7.1 Time, Place and Currency of Payment

Payments of principal, interest, fees and all other amounts payable by the Borrower pursuant to this Agreement shall be paid in the currency in which it is due for value at or before 11:00 a.m. (Calgary time) on the day such payment is due. If any such day is not a Business Day, such amount shall be deemed for all purposes of this Agreement to be due on the Business Day next following such day and any such extension of time shall be included in the computation of the payment of any interest or fees payable under this Agreement. All payments in respect of the Revolving Facility and the Term Facility shall be made at the Agent's Account for Payments and all payments made in respect of the Swingline Loans shall be made at the Swingline Lender's Account for Payments.

7.2 Application of Payments

Except as otherwise agreed to by all of the Lenders in their sole discretion, all payments made by or on behalf of the Borrower pursuant to this Agreement, so long as no Default or Event of Default has occurred and is continuing, shall be distributed by the Agent rateably among the Lenders and the Agent in accordance with the terms of this Agreement or as directed by the Borrower.

7.3 Taxes

The Borrower shall make all payments to the Agent on behalf of the Lenders without set-off or counterclaim, free and clear of, and without deduction for or on account of, any Tax. If any Tax is deducted or withheld from any payments, the Borrower shall promptly remit to the Agent on behalf of the Lenders the equivalent of the amounts so deducted or withheld together with the relevant official receipts or other evidence satisfactory to the Agent evidencing payment to the appropriate taxing authority of each such Tax by the Borrower on behalf of the Lenders.

7.4 Account Debit Authorization

The Borrower authorizes and directs the Agent and the Swingline Lender, as applicable, in its discretion, to automatically debit, by mechanical, electronic or manual means, the bank accounts of the Borrower maintained with CIBC (for so long as CIBC is Agent and Swingline Lender hereunder) for all amounts payable under the Loan Documents including in respect of principal, interest and fees payable under this Agreement and recoverable expenses due and payable hereunder or under any Loan Document.

ARTICLE 8
CONDITIONS PRECEDENT TO DISBURSEMENT OF THE ACCOMMODATIONS

8.1 Effectiveness and Conditions Precedent

This Agreement shall become effective at such time as the following conditions precedent have been satisfied:

(a) **No Default**: as of the Effective Date, there shall exist no Default or Event of Default and the Agent shall have received a certificate from the Borrower certifying the same;

(b) **Representations and Warranties True**: the representations and warranties contained in Section 2.1 shall be true and correct as of the Effective Date and the Agent shall have received a certificate from the Borrower certifying the same;

(c) **Concurrent Payout of Existing Credit Agreement**: the Agent shall be satisfied that the proceeds of the initial advance of Borrowings shall be utilized to payout in full and cancel all of the Borrower's existing Debt (except Permitted Debt) including amounts outstanding under the Existing Credit Agreement;

(d) **Receipt of Documentation**: the Agent shall have received the following, in form and substance satisfactory to the Agent:

(i) a duly executed original of this Agreement for the Agent and each Lender;

(ii) duly executed originals of the Security or confirmations with respect thereto as required pursuant to Section 6.1;

(iii) a Borrowing Notice completed and signed by the Borrower with respect to the initial advance of Borrowings in a minimum amount required to effect the payout referred to in Section 8.1(c) and to complete the Arrangement, such Borrowing Notice to irrevocably direct the Agent to effect the direct payout of all of the Borrower's existing Debt (except Permitted Debt) including amounts outstanding under the Existing Credit Agreement;

(iv) a certificate of status or comparable document in respect of each Loan Party issued under the laws of its jurisdiction of incorporation, amalgamation or formation;

(v) a certified copy of the constating documents of each Loan Party and each Material Contract certified as of the Effective Date;

(vi) a certified copy of a directors' resolutions of each Loan Party with respect to the Loan Documents to which it is a party, certified as of the Effective Date;

(vii) a certificate of each Loan Party setting forth specimen signatures of the individuals who will be executing this Agreement and the other Loan Documents to which it is a party on its behalf;

(viii) a chart setting forth the organizational structure of the Borrower and each of the Material Subsidiaries;

(ix) search reports of recent date before the Effective Date for each of the jurisdictions in which the Security or notice thereof are intended to be filed, showing the due filing or recordation of, or that upon due filing or recordation (assuming such filing or recordation occurred on the date of such respective reports), the Security Interests created under such Security will be prior to all other financing statements, fixture filings, mortgages or other security documents in respect of the Assets, subject only to Permitted Encumbrances;

(x) a three year consolidated financial forecast of the Borrower after giving effect to the Arrangement which shall be in form and substance satisfactory to the Lenders and shall include a balance sheet, income statement and statement of cash flows, together with a detailed capital and operating expenditure budget and projected calculations of the Financial Covenants for such three year period;

(xi) evidence of insurance as required by Section 9.2(e), as confirmed by an insurance consultant acceptable to the Agent;

(xii) evidence of the registration of the Security as required hereunder;

(xiii) an opinion of Borden Ladner Gervais LLP, counsel to the Loan Parties addressed to the Agent and each Lender, relating to, inter alia, the existence of the Loan Parties and the authorization, execution, delivery and enforceability of the Agreement and the new Security, in form and substance satisfactory to the Agent;

(xiv) an opinion of Gowling Lafleur Henderson LLP, counsel to the Agent and the Lenders, addressed to the Agent and each Lender, in form and substance satisfactory to the Agent; and

(xv) such other documents and documentation which the Agent may reasonably request;

(e) each of the following conditions in respect of the Arrangement shall be satisfied:

(i) the Borrower shall have delivered to the Agent a true, correct and complete copy of the Arrangement Agreement, together with a certificate from a senior officer of the Borrower certifying the same to the Agent and the Lenders;

(ii) all material Authorizations and material third party consents and approvals necessary for the completion of the Arrangement shall have been unconditionally obtained and shall be in full force and effect (save and except, in the case of third party consents and approvals only, for those (A) which are, in accordance with standard and customary industry practice, obtained on a post-closing basis and (B) which there is a reasonable expectation will be unconditionally obtained within a reasonable period of time after the date hereof), and the Agent shall have received a certificate of a senior officer of the Borrower certifying the same to the Agent and the Lenders;

(iii) the Borrower shall have delivered to the Agent an appraisal prepared by an independent, qualified appraiser acceptable to the Agent that the Winalta Assets have an orderly liquidation value of not less than $34,000,000 and such appraisal shall either be addressed to the Agent and the Lenders or shall be subject to a transmittal letter in favour of the Agent and the Lenders;

(iv) the Borrower shall have delivered to the Agent: (A) pro forma financial statements incorporating the Winalta Assets as of the last completed Fiscal Quarter prior to completion of the Arrangement, in substantially the same form as the financial statements of the Borrower most recently delivered to the Agent; (B) a pro-forma Compliance Certificate demonstrating compliance with the financial covenants set forth in Section 9.1 after giving effect to the Arrangement; and (C) a pro forma Borrowing Base Certificate as at the end of the last calendar month prior to completion of the Arrangement, incorporating the Winalta Assets, and, in each case, the Agent and the Lenders shall be satisfied with the same, acting reasonably;

(v) concurrently with the Effective Date, the Arrangement shall have completed in accordance with the Arrangement Agreement and without any material amendment thereto or waiver of any condition by the Borrower which has not been consented to by the Majority Lenders, and the Agent shall have received a certificate of a senior officer of the Borrower certifying the same to the Agent and the Lenders together with a copy of the Final Order (as defined in the Arrangement Agreement); and

(vi) the Winalta Assets shall be free and clear of all Security Interests except for Permitted Encumbrances and the Borrower shall have received a release from the secured parties holding any Security Interests thereon (including a release from Alberta Treasury Branches in respect of the Winalta Assets and termination of Winalta Inc.'s credit facilities with Alberta Treasury Branches) which will be released from any trust conditions upon completion of the Arrangement and evidence of the foregoing satisfactory to the Agent and the Lenders, each acting reasonably, shall have been received by the Agent and the Lenders.

(f) **Litigation and Environmental**: the Lenders shall be satisfied that no litigation or actual or potential Environmental Liabilities, and no steps and/or proceedings taken with respect thereto up to the Effective Date, could reasonably be expected to have a Material Adverse Effect;

(g) **Fees**: the Agent shall have received payment of all agency, up front, commitment and arrangement fees of the Agent and each Lender;

(h) **Know-Your-Client Confirmations**: the Agent shall have received from each Lender confirmation that it has obtained from the Borrower all such information and evidence as such Lender requested of the Borrower prior to the Effective Date pursuant to Section 14.14; and

(i) **Material Adverse Effect**: as of such time, no circumstance or event shall have occurred which would reasonably be expected to have a Material Adverse Effect (nor have the Lenders become aware of any fact or facts not previously known, which, in the opinion of the Lenders, are reasonably likely to have a Material Adverse Effect), and no material adverse change shall have occurred in the operations or financial condition of the Loan Parties or of their Assets, taken as a whole, since the date of the most recent audited financial statements provided to the Agent, and the Agent shall have received a certificate from the Borrower to both such effects.

8.2 Additional Conditions Precedent to Term Accommodations

The obligation of the Lenders to make available any Term Accommodation pursuant to Section 3.4(b) is also subject to satisfactory evidence being given to the Agent of a list of assets to be purchased from the proceeds of such Term Accommodation and the purchase price of such assets.

8.3 **Continuing Conditions Precedent**

The obligation of the Lenders to make available any Accommodations pursuant to Section 3.4 or to make any Conversion pursuant to Section 3.11 or to make a Rollover pursuant to Section 3.12 (except in the case of Conversions or Rollovers where this Agreement deems such Conversion or Rollover to have occurred), is subject to and conditional upon:

(a) receipt of the appropriate Borrowing Notice, Conversion Notice or Rollover Notice;

(b) on each Drawdown Date, Conversion Date or Rollover Date, as applicable, there exists no Default or Event of Default; and

(c) on each Drawdown Date, the representations and warranties in Section 2.1, other than those stated to be made as at a specific date, are true and correct in all material respects with the same effect as if made as of such date.

8.4 **Waiver of a Condition Precedent**

The terms and conditions of Sections 8.1 and 8.2 are inserted for the sole benefit of the Agent and the Lenders and may be waived by the Majority Lenders in whole or in part with or without terms or conditions, in respect of all or any portion of the Accommodations, without affecting the right of the Lenders to assert such terms and conditions in whole or in part in respect of any other Accommodations.

ARTICLE 9
COVENANTS OF THE BORROWER

9.1 **Financial Covenants**

The Borrower covenants with each of the Lenders and the Agent that:

(a) Debt to EBITDA Ratio, as at the end of each Fiscal Quarter of the Borrower, shall not exceed **[Redacted amounts]**; and

(b) Interest Coverage Ratio, as at the end of each Fiscal Quarter of the Borrower, shall not be less than **[Redacted amounts]**.

9.2 **Positive Covenants of the Borrower**

The Borrower covenants with each of the Lenders and the Agent that unless the Majority Lenders (or such greater threshold as may be specifically provided for in this Agreement) otherwise expressly agree in writing:

(a) **Payment and Performance of Indebtedness**: the Borrower shall, and shall cause each other Loan Party to, pay duly and punctually all Lender Outstandings as and when due by it under the Loan Documents and shall pay and perform all other Obligations on its part to be performed under the terms of the Loan Documents at the times and places and in the manner provided for therein;

(b) **Existence**: except as otherwise permitted herein, the Borrower shall, and shall cause each other Loan Party to, maintain its corporate or partnership existence, as applicable, in good standing under the laws of its jurisdiction of incorporation, amalgamation, creation or formation, as the case may be, and duly register and qualify and remain duly registered and qualified as an extra provincial corporation or partnership, as applicable, under the laws of each jurisdiction in which the nature of any business transacted by it or the character of any Assets owned or leased by it requires such registration and qualification, except to the extent that failure to maintain such registration or qualification would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(c) **Inspection and Audit**: the Borrower shall, and shall cause each other Loan Party to, at reasonable times and on reasonable notice and subject to observance of applicable safety rules and procedures, allow or enable the Agent or its representatives to visit and inspect the Assets of the Loan Parties during normal business hours;

(d) **Payment of Taxes**: the Borrower shall, and shall cause each other Loan Party to, file all income tax returns which are required to be filed, pay or make provision for payment (in accordance with GAAP) of all Taxes which are due and payable, and provide adequate reserves (in accordance with GAAP) for the payment of any Tax, the payment of which is being contested, and shall provide the Agent upon request with evidence, in form and substance satisfactory to the Agent, of such payment or reserve;

(e) **Insurance**: the Borrower shall, and shall cause each other Loan Party to, maintain in full force and effect such policies of insurance issued by insurers of recognized standing insuring such properties and operations of the Loan Parties as would be maintained by a prudent Person engaged in the same or similar Business of similar size, including the Agent as an additional insured and as first loss payee, and shall, if required, furnish the Agent with certificates or other evidence satisfactory to the Agent of compliance with the foregoing provisions;

(f) **Defend Title to Assets**: the Borrower shall, and shall cause each other Loan Party to, maintain, protect and defend title to the Assets and take all such acts and steps as are necessary or advisable at any time and from time to time to retain its ownership and that of any other Loan Party in the Assets in good standing (other than Permitted Title Defects and Permitted Encumbrances); if the Security interests granted in any Loan Document or the title to or the rights of the Agent in or to any Assets or any part thereof shall be endangered or shall be attacked, directly or indirectly, or if any legal proceedings are instigated against any Loan Party with respect thereto, the Borrower shall (other than with respect to Permitted Title Defects) promptly give written notice thereof to the Agent and the Borrower shall and shall cause each applicable Loan Party to:

(i) conduct itself diligently to cure any such title defect that is discovered or validly claimed;

(ii) take all necessary and proper steps for the defence of title to such properties and the security granted thereunder or under any Security; and

(iii) take such action, including employment of legal counsel, as is reasonably appropriate to the prosecution or defence of litigation with the view to the release or discharge of claim made against the title to any such properties;

(g) **Books and Records**: the Borrower shall, and shall cause each other Loan Party to, keep proper and adequate records and books of account (including lists of accounts receivable showing amounts owing on each account) in which true and complete entries will be made in a manner sufficient to enable the preparation of financial statements in accordance with GAAP as consistently applied to such Loan Party and, upon request of the Agent, make the same available for confidential inspection by the Agent and the Lenders and their respective employees at all reasonable times;

(h) **Notice of Certain Events**: the Borrower shall provide the Agent with prompt written notice of the following when a senior officer of the Borrower has (or would reasonably be expected to have) knowledge of the same:

(i) any Default or Event of Default;

(ii) any actions, suits, litigation or other proceedings which are commenced against or adversely affect any Loan Party or any Assets, and which, (A) if adversely determined, would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, or (B) individually or in the aggregate assert claims that exceed $1,000,000;

(iii) any material default by a Loan Party or another party to a Material Contract;

(iv) the discovery of any title defect in respect of any Asset other than such Assets that have become obsolete or that are non-essential to the normal course of business operations of the Borrower or any other Loan Party, and other than a Permitted Title Defect;

(v) the occurrence of any circumstance or event which would render any representation or warranty in Section 2.1 incorrect or untrue if then made hereunder;

(vi) any default by a Loan Party under any term or provision of any agreement between itself and any Person which provides for recourse against it of an amount in excess of $1,000,000 and if as a result of such default (and assuming any requirement for notice or lapse of time or other condition precedent has been satisfied) such Person has the right to accelerate any indebtedness in excess of $1,000,000, or if such Person demands payment of any indebtedness in excess of $1,000,000 it owes to such Person as a result thereof;

(vii) any other matter, circumstance or event that has had or would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(viii) the discovery of any Hazardous Substance or of any material Release from or upon the land or property of any Loan Party which would reasonably be expected to include liability to a Loan Party in excess of $1,000,000 in the aggregate;

(ix) any Governmental Action that has been issued or made by any Governmental Authority to the effect that a Loan Party has failed to comply in any material respect with any Environmental Laws or requiring any remediation, stop work, cleanup or otherwise which would otherwise require a non-budgeted expenditure as a result thereof in excess of $1,000,000;

(x) any property or casualty claim by any Loan Party with respect to any Assets which individually or in the aggregate assert claims in excess of $1,000,000; and

(xi) any Permitted Disposition referred to in paragraph (d) of the definition of Permitted Disposition;

(i) **Maintenance and Operation of Assets**: the Borrower shall, and shall cause each other Loan Party to, maintain and operate all Assets in accordance with good industry practice and shall pay or cause to be paid all rents, royalties and other obligations to pay money validly imposed upon it, or upon the Assets or any part thereof as required to maintain such Assets other than such Assets that have become obsolete or that are non-essential to the normal course of business operations of the Borrower or any other Loan Party;

(j) **Maintenance of Security**: the Borrower shall, and shall cause each other Loan Party to, ensure that the Security is legal, valid, binding and enforceable;

(k) **Information Regarding Security**: the Borrower shall promptly provide all necessary information forthwith upon request from the Agent, to grant (or cause each other Loan Party to grant) a fixed mortgage and charge to the Agent on any or all properties so designated by the Agent;

(l) **Information – General**: the Borrower shall provide the Agent with such information documents, opinions, consents, acknowledgements and agreements as are reasonably necessary to implement this Agreement and the Security from time to time;

(m) **Use of Funds**: the Borrower shall ensure that the Facilities are for use by the Borrower, and will be used by the Borrower only for the purposes set out herein;

(n) **Ownership**: the Borrower shall ensure that each Material Subsidiary is a direct or indirect wholly owned Subsidiary of the Borrower;

(o) **Material Subsidiary Guarantees**: the Borrower shall ensure that each Material Subsidiary is at all times a party to a Subsidiary Guarantee of the Obligations, and has provided the Security required by Article 6;

(p) **Ranking**: the Borrower shall ensure that the obligations of the Borrower hereunder and of each other Loan Party under its Guarantee of the obligations of the Borrower hereunder rank, for all purposes at least pari passu in right of payment with the unsecured and unsubordinated Debt of the Borrower or such other Loan Party, as applicable;

(q) **Maintain Permits and Compliance with Laws and Regulations**: the Borrower shall and shall cause each other Loan Party to:

(i) obtain and preserve and keep in full force and effect all franchises, licences, privileges and Authorizations necessary to enable each Loan Party to operate and conduct its business in accordance with good industry practice;

(ii) observe and comply with all requirements of any Governmental Authority relative to any of its Assets and all covenants, terms and conditions of all agreements upon or under which any of its Assets are held;

(iii) comply with and manage and operate the Assets in compliance with all Applicable Laws, rules, regulations and orders of Governmental Authorities, including Environmental Laws;

(iv) observe and conform to all valid requirements, including Governmental Actions, of any Governmental Authority relative to any Loan Party's Assets and all covenants, terms and conditions of all agreements upon or under which any of such Assets are held;

(v) keep and maintain in effect and comply with all Authorizations required in connection with the applicable Loan Party's business or operations; and

(vi) store, treat, transport or otherwise handle and dispose of all Hazardous Substances and waste owned, managed or controlled by the applicable Loan Party in compliance with all Environmental Laws;

except, in any case, to the extent failure to do so would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(r) **Compliance Orders**: the Borrower shall forthwith notify the Agent and shall cause each other Loan Party to make copies available for inspection and review on a confidential basis by representatives of the Agent upon receipt of all written orders, control orders, directions, action requests, claims and complaints from a Governmental Authority:

(i) relating to the defective or unsatisfactory condition of the Assets which would reasonably be expected to have a Material Adverse Effect; or

(ii) relating to non-compliance with any Environmental Law which would reasonably be expected to have a Material Adverse Effect.

The Borrower shall and shall cause each other Loan Party to proceed diligently to resolve (including commence and diligently pursue proceedings for judicial or quasi-judicial determination as to the merits of any thereof), any such claims, complaints, notices or inquiries relating to compliance with Environmental Law where the failure to resolve the same would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

(s) **Additional Information**: the Borrower shall, and shall cause each other Loan Party to, furnish to the Agent on a confidential basis any additional information regarding the business, affairs, operations and financial condition of each Loan Party as the Agent shall reasonably request; and

(t) **Further Assurances**: the Borrower shall do and cause each other Loan Party to do all such further acts and things and execute and deliver all such further documents as shall be reasonably required by the Agent in order to ensure the terms and provisions of the Loan Documents are fully performed and carried out.

9.3 Negative Covenants of the Borrower

The Borrower covenants with each of the Lenders and the Agent that it shall not, and shall ensure that each other Loan Party shall not unless the Majority Lenders (or just greater threshold as may be specifically provided for in this Agreement) otherwise expressly agree in writing:

(a) **Conduct of Business**: cease to carry on the Business, as carried on as of the date hereof, or engage in any material business or make any material investments or enter into any material ventures other than the Business;

(b) **Mergers, Etc.**: enter into any transaction whereby all or substantially all of the undertaking and Assets of the Borrower or any other Loan Party would become the property of any other Person (a "**successor entity**") whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise (other than any such transaction solely among the Loan Parties where only the provisions of paragraph (i) and (ii) of this Section 9.3(b) must be complied with) unless:

(i) prior to or contemporaneously with the consummation of such transaction, such Loan Party, and the successor entity, as applicable, shall have executed such instruments and done such things as in the opinion of the Agent, acting reasonably, are necessary or advisable to establish that upon the consummation of such transaction:

(A) the successor entity shall have assumed all the covenants and obligations of such Loan Party under the Loan Documents to which it is a party;

(B) the Loan Documents, as applicable, shall be a valid and binding obligation of the successor entity entitling the Agent and the Lenders, as against the successor entity, to exercise all their rights thereunder;

(C) the rights and benefits afforded or intended to be afforded the Agent and the Lenders under the Loan Documents to which such Loan Party is a party are not adversely affected in any material respect;

(D) legal opinions satisfactory to the Agent, acting reasonably, confirming the matters set forth in Sections 9.3(b)(i)(A) and (B) above are provided by counsel to the Borrower;

(ii) no Default or Event of Default is subsisting or would occur after giving effect to such transaction;

(iii) all of the Lenders, in their sole discretion, are satisfied with the creditworthiness of the successor entity; and

(iv) all of the Lenders, in their sole discretion, are satisfied the transaction would not reasonably be expected to have a Material Adverse Effect;

(c) **Debt Incurrence**: issue, create, incur or assume any Debt other than Permitted Debt;

(d) **Negative Pledge**: create, incur, assume or suffer to exist any Security Interest upon or with respect to any of its Assets other than for Permitted Encumbrances;

(e) **Dispositions**: directly or indirectly make any sale, lease, transfer or other disposition of any of its Assets to any Person other than Permitted Dispositions;

(f) **Capital Expenditures**: make, or enter into any binding agreement to make, any Capital Expenditures other than Permitted Capital Expenditures;

(g) **Investments**: the Borrower will not, and will not permit any Loan Party to, make any Investments other than Permitted Investments;

(h) **Financial Assistance**: provide any Financial Assistance to any Person other than Permitted Financial Assistance;

(i) **Distributions**: other than Distributions to the Borrower or another Loan Party make or give effect to any Distributions if a Default or Event of Default has occurred and is continuing or would result from the making or effecting of such Distribution;

(j) **Swaps**: enter into any Swap outside the ordinary course of its business; provided that, without limiting the generality of the foregoing, the following shall be considered to be Swaps entered into outside of the ordinary course of business:

(i) any Swap that is entered into for any purpose other than managing interest rate risk or currency risk, or is otherwise entered into for speculative purposes (determined, where relevant, by reference to GAAP);

(ii) any Swap having a term from its inception to maturity exceeding three (3) years;

(iii) any Swap entered into with a counterparty that is not a Swap Lender; and

(iv) any Swap in respect of which a Security Interest (other than the Security) is granted to secure the obligations of a Loan Party;

(k) **Shares of Subsidiaries**: except to the extent otherwise contemplated or permitted hereunder, sell, transfer, assign or otherwise dispose of any of the shares or partnership interests of any Material Subsidiary, nor issue any share, share rights, partnership interests or other securities of any Material Subsidiary to any Person, other than to another Loan Party;

(l) **Change of Fiscal Year**: change the fiscal year end of the Borrower from December 31 or the basis on which the financial records of a Loan Party are now maintained, subject to Section 1.6;

(m) **Transactions with Affiliates**: engage in, or permit any other Loan Party to engage in, any material transaction with any Affiliate of the Borrower (other than the Borrower or another Loan Party, as applicable) on terms which are materially less favourable to such Loan Party than would be obtainable at the time in comparable transactions with any other Person;

(n) **Partnerships**: add any Person as a partner to a Material Subsidiary which is a partnership if such Person is not a Loan Party; nor transfer any Voting Shares, units or other ownership interests in any Material Subsidiary which is a partnership if the transferee is not a Loan Party; nor make any changes, amendments or supplements to the partnership agreement relating to such partnership which would reasonably be expected to adversely affect the Lenders in a material manner; or

(o) **Material Contracts**: modify, alter, amend, extend, renew, replace, knowingly waive strict and timely performance of any compliance with (including waiving any default under), terminate, cancel, suspend or assign any Material Contract or any term, agreement, provision, item, obligation or covenant contained in any Material Contract, if to do so would reasonably be expected to have a Material Adverse Effect.

9.4 Financial Reporting

The Borrower covenants and agrees with the Agent and each of the Lenders as follows:

(a) **Annual Financial Statements**: the Borrower shall furnish to the Agent as soon as available and in any event within one hundred twenty (120) days after the end of each Fiscal Year annual audited consolidated financial statements of the Borrower, prepared by a national accounting firm, setting forth in comparative form the corresponding figures of the preceding Fiscal Year together with an auditor's report confirming that the consolidated financial statements of the Borrower present fairly in all material respects the consolidated financial position of the Borrower as of the close of such Fiscal Year, and its consolidated financial position and its consolidated cash flows for such Fiscal Year in accordance with GAAP;

(b) **Quarterly Financial Statements**: the Borrower shall furnish to the Agent as soon as available and in any event within sixty (60) days after the end of each of the first three (3) Fiscal Quarters of each Fiscal Year quarterly internally-prepared, and management-reconciled, unaudited consolidated financial statements of the Borrower including unaudited consolidated statements of comprehensive income, statement of financial position, statement of changes in shareholders' equity and statement of cash flows, prepared by management in accordance with GAAP consistently applied;

(c) **Monthly Asset Information**: the Borrower shall furnish to the Agent as soon as available and in any event within forty five (45) days after the end of each calendar month:

(i) aged Accounts listings, monthly aged accounts payable listings and Inventory listing of the Borrower and the Material Subsidiaries; and

(ii) a Borrowing Base Certificate signed by a senior officer of the Borrower setting out the Borrowing Base, including the margin value calculation of the Eligible Account Receivables, the Eligible Equipment and the Eligible Inventory, as at the preceding month end;

(d) **Quarterly Asset Information**: the Borrower shall furnish to the Agent as soon as available and in any event within sixty (60) days after the end of each of its Fiscal Quarters, a detailed asset listing of its and the Material Subsidiaries' inventory of Equipment which outlines the cost, age and net book value of each individual piece of Equipment;

(e) **Compliance Certificate**: the Borrower shall furnish to the Agent, concurrently with the provision of the financial statements pursuant to Sections 9.4(a) and 9.4(b), and effective as of the last day of such Fiscal Quarter or Fiscal Year (as the case may be), a duly executed and completed Compliance Certificate together with the particulars of any information contained therein as the Agent may reasonably request;

(f) **Management's Discussion & Analysis**: the Borrower shall furnish to the Agent, concurrently with the provision of the financial statements pursuant to Sections 9.4(a) and 9.4(b), a management's discussion & analysis for such Fiscal Year or Fiscal Quarter, together with the particulars of any information contained therein as the Agent may reasonably request;

(g) **Financial Forecasts**: the Borrower shall furnish to the Agent as soon as available and in any event no later than one hundred fifty (150) days after the commencement of each Fiscal Year a financial forecast for the current Fiscal Year and each Fiscal Year to and including the Fiscal Year in which the Maturity Date occurs, which forecast includes for each such year a statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows, forecasted compliance with the Financial Covenants, and budgeted Capital Expenditures for each such year, detailed on a quarterly basis;

(h) **Desktop Appraisal**: at the request of the Agent, the Borrower shall furnish to the Agent as soon is available and in any event no later than one hundred twenty (120) days after the end of each of its Fiscal Years, a desktop appraisal on the Equipment of the Borrower and the Material Subsidiaries comprising no less than 50% of the net book value of the fleet of such Equipment and confirming that fair market value of such Equipment is at least equal to its net book value; and

(i) **Environmental Information**: the Borrower shall, and shall cause each other Loan Party to, upon the request of the Agent (acting reasonably), make available for discussion with the Lenders at all reasonable times the senior officers of each Loan Party primarily responsible for the environmental activities and affairs of the Borrower or Material Subsidiary.

The Borrower may satisfy its delivery obligations under Sections 9.4 (a), (b) and (f) by posting the same on the Borrower's profile at www.sedar.com.

9.5 **Material Subsidiaries**

(a) **Material Subsidiary Test**: The Borrower shall ensure that it and the other Loan Parties at all times directly own, in aggregate (i) not less than ninety five percent (95%) of Total Assets as shown on the consolidated statement of financial position in the financial statements of the Borrower most recently provided to the Agent and (ii) not less than ninety five percent (95%) of EBITDA for the period covered by the financial statements of the Borrower most recently provided to the Agent.

(b) **Designation of Material Subsidiaries**: The Borrower shall, from time to time as is necessary to ensure compliance with Section 9.5(a), designate such Material Subsidiaries as it shall determine as Material Subsidiaries and shall notify the Agent that such Person has become a Material Subsidiary and furnish the Agent with the name, date and jurisdiction of incorporation of amalgamation, as applicable, description of business and principal place of business address of each Material Subsidiary and shall cause each Material Subsidiary to provide to the Agent for the benefit of the Lenders, within twenty (20) Business Days of it becoming a Material Subsidiary, the Security contemplated by Section 6.3 and, in addition thereto, shall provide, or cause to be provided, to the Agent and the Lenders a favourable opinion of counsel satisfactory to the Agent, acting reasonably, as to the legality, validity and enforceability of such Security and as to such other matters as the Agent may reasonably require together with such other documents, such as certified resolutions and constating documents of such Material Subsidiary, as the Agent may reasonably require.

(c) **Release of Material Subsidiary Security**: The Borrower shall be entitled to request that a Material Subsidiary which is, or has been designated, a Material Subsidiary no longer be a Material Subsidiary if the absence of such Material Subsidiary would not cause non-compliance with Section 9.5(a). Upon providing an officer's certificate of the Borrower confirming the foregoing and that no Default or Event of Default has occurred and is continuing and no Default or Event of Default would result from giving effect to such request and the Agent determining that no Default or Event of Default would result from giving effect to such request, the Agent shall confirm in writing the redesignation of such Material Subsidiary as a Non-Material Subsidiary and shall cancel and return the Security granted by such Subsidiary.

(d) **Subsidiary Ownership**: If a Subsidiary becomes a Material Subsidiary, the Borrower shall ensure at all times that it beneficially owns either directly or indirectly through one or more Material Subsidiaries, all of the issued and outstanding Equity Interests of each such Material Subsidiary.

9.6 Environmental Audit

Upon the occurrence of any circumstance or event or series of circumstances or events which, in the opinion of the Majority Lenders, acting reasonably, may result in any material Environmental Liability to the Borrower or any Material Subsidiary, the Agent may, upon the request of the Majority Lenders (and after consultation with and written notice to the Borrower), arrange for an environmental audit of the Borrower and any Material Subsidiary to be conducted by an independent environmental engineer or other environmental consultant, at the expense of the Borrower. The Borrower shall and shall cause each such Material Subsidiary to, upon reasonable notice and so long as any such engineer or consultant agrees to comply with the health and safety standards then generally applicable to the Assets to be audited, provide access to its Assets to any such environmental engineer or consultant in order for such engineer or consultant to conduct such environmental and other inspections as it may deem advisable and in that connection to examine the records, books, Assets, affairs and business operations of the Borrower and such Material Subsidiaries and to make inquiries of government offices concerning compliance by the Borrower and such Material Subsidiaries with Environmental Laws.

ARTICLE 10
EVENTS OF DEFAULT

10.1 Events of Default

The occurrence of any one or more of the following events or circumstances constitutes an Event of Default under this Agreement:

(a) **Failure to Pay Principal**: the failure of the Borrower to make any payment of any Borrowings when due hereunder;

(b) **Failure to Pay Interest or Fees**: the failure of any Loan Party to make any payment of any interest, fees or any other amount due under any Loan Document when due hereunder and such default shall remain unremedied for a period of two (2) Business Days after written notice from the Agent to the Borrower that such amount is overdue;

(c) **Specific Breach of Covenant**: if there is a breach or failure of due performance or observance by any Loan Party with any term contained in Sections 9.1, 9.2(b), 9.2(e), 9.2(h), 9.2(j), 9.2(m), 9.2(n), 9.2(o), 9.2(p), 9.3, 9.4, 9.5 or 9.6;

(d) **Other Breach of Covenant**: if there is a breach or failure of due performance or observance by any Loan Party of any covenant or provision of this Agreement or any of the Loan Documents (other than those otherwise dealt with in this Section 10.1), unless such breach or failure is cured to the satisfaction of the Majority Lenders, acting reasonably, within twenty (20) Business Days after written notice thereof by the Agent to the Borrower;

(e) **Misrepresentations**: if any representation or warranty made or deemed to be made by the Borrower or any other Loan Party in any Loan Document, certificate or document shall prove to have been incorrect in any material respect when made or deemed to be made or repeated hereunder or thereunder; provided that if the matter, defect or deficiency which is the subject matter of the misrepresentation is capable of correction or remedy (and not merely by changing the representation made), then if it is not corrected or remedied to the satisfaction of the Majority Lenders, acting reasonably, within twenty (20) Business Days after written notice thereof by the Agent to the Borrower;

(f) **Cross Default**: if any Loan Party any Loan Party is in default under any term or provision of any agreement evidencing or securing Debt between itself and any Person (other than this Agreement), and such breach or default is in respect of an amount which (taken together with any other such breaches or defaults in respect of Debt and taken together with any accelerated amounts in respect of Debt) is in the aggregate in excess of $1,000,000 and such breach or default is not remedied within any applicable cure period in the relevant agreement with respect to Debt;

(g) **Cease to Carry on Business**: if any Loan Party ceases or threatens to cease to carry on business;

(h) **Voluntary Insolvency**: if any Loan Party shall:

(i) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or of all or any material part of its assets or undertaking;

(ii) make or threaten to make a general assignment for the benefit of creditors or make or threaten to make a bulk sale of its assets; or be unable, or admit in writing its inability or failure, to pay its debts generally as they become due;

(iii) commence any case, proceeding or other action under any existing or future Applicable Law relating to bankruptcy, insolvency, reorganization, winding-up or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or an arrangement with creditors or taking advantage of any insolvency law or proceeding for the relief of debtors, or file an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding;

(iv) take corporate or partnership action for the purpose of effecting any of the foregoing; or

(v) commit or threaten to commit an act which, if committed by a corporation, would constitute bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or any statute passed in substitution therefor, as amended from time to time;

(i) **Involuntary Insolvency**: if any case, proceeding or other action shall be instituted in any court of competent jurisdiction against any Loan Party seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding-up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or the like of such Loan Party or of all or any material part of its assets, or any other like relief in respect of such Loan Party under any bankruptcy or insolvency law and, if such case, proceeding or other action is being contested by the Borrower in good faith, the same shall continue undismissed or unstayed and in effect for any period of thirty (30) consecutive days (or such longer period, not exceeding sixty (60) days, as is required to dismiss or stay or render ineffective such case, proceeding or other action); provided that if an order, decree or judgment is granted (whether or not entered or subject to appeal) against a Loan Party thereunder or a trustee, receiver or liquidator is appointed in the interim and such order, decree, judgment or appointment is not stayed or discharged within five (5) days of it being granted, such grace period shall cease to apply;

(j) **Qualified Auditor Report**: if any Loan Party shall be the subject of any qualified auditor report, where such qualification relates to a Material Adverse Effect;

(k) **Disposition of Assets**: if any Loan Party shall pass an effective resolution or initiate steps or proceedings for the purpose of authorizing the disposition of all or substantially all of its property, assets and undertakings, other than as permitted by this Agreement;

(l) **Change in Ownership**: if, at any time:

(i) each Material Subsidiary is not wholly-owned, directly, by the Borrower or another Material Subsidiary (unless any such Material Subsidiary ceases to exist pursuant to any one or more reorganization transactions made subject to and in accordance with Section 9.3(b)); or

(ii) a Change of Control occurs;

(m) **Judgments**: if a final judgment or judgments for the payment of money shall be rendered against any Loan Party in an amount in excess of $1,000,000 and the same shall remain undischarged for a period of twenty (20) Business Days during which such judgment or judgments shall not be on appeal or execution thereof shall not be effectively stayed;

(n) **Writs**: if writs, executions, attachments or similar processes are issued or levied against any of the property of any Loan Party, in an aggregate amount which is in excess of $1,000,000 and such writ, execution, attachment or similar process remains undischarged or unreleased for a period of twenty (20) Business Days;

(o) **Encumbrancers**: if encumbrancers or lienors lawfully take possession of any property of any Loan Party having a value in an aggregate amount which is in excess of $1,000,000 and such possession continues for a period of twenty (20) Business Days;

(p) **Invalid Loan Documents**: if any material provision of any Loan Document continues to be invalid or unenforceable in whole or in a material part, or any of the Security Interests in and to any material Assets constituted by the Security fails to attach thereto or to have the priority intended thereby, and, in either case, the same is not cured to the satisfaction of the Majority Lenders, acting reasonably, within twenty (20) Business Days after notice thereof by the Agent to the Borrower;

(q) **Lender Swaps**: if any Loan Party breaches or is in default under any Lender Swap and such breach or default is not remedied within any applicable cure period in the relevant agreement with respect thereto;

(r) **Litigation**: if any determination or development occurs with respect to any litigation that, in the opinion of the Majority Lenders, acting reasonably, materially increases the likelihood of a judgment being rendered against a Loan Party, which judgment could reasonably be expected to have a Material Adverse Effect; or

(s) **Material Adverse Effect**: if an event shall occur which, in the opinion of all the Lenders, would reasonably be expected to have a Material Adverse Effect unless such event is capable of remedy then if such event shall not be remedied within twenty (20) Business Days after notice thereof by the Agent to the Borrower.

10.2 **Acceleration**

Upon the occurrence of any Event of Default which has not been remedied or waived, the Agent on behalf of the Lenders, and with the approval of the Majority Lenders, shall be entitled to, without limiting or restricting other remedies or rights under contract, at law or in equity, as the Agent and the Majority Lenders may in their sole and unfettered discretion determine:

(a) **Terminate Commitment**: cease to make or continue any Borrowings hereunder, notwithstanding any prior receipt by the Agent of a Borrowing Notice, Conversion Notice or a Rollover Notice or any other event and the Agent may, by written notice to the Borrower, declare the Total Commitment and the right of the Borrower to apply for further Accommodations to be terminated; and

(b) **Acceleration Notice**: by written notice to the Borrower (an "**Acceleration Notice**"), declare all Borrowings (including the face amount of all Bankers' Acceptances and the undrawn amount of all outstanding Letters of Credit) and other Obligations to be immediately due and payable (or to be due and payable at such later time as may be stated in such notice) without further demand, presentation, protest or other notice of any kind, all of which are expressly waived by the Borrower;

provided that upon the occurrence of an Event of Default specified in Section 10.1(h) or 10.1(i) the Commitment shall automatically terminate and all Borrowings (including the face amount of all Bankers' Acceptances and the undrawn amount of all outstanding Letters of Credit) and other Obligations shall automatically become due and payable, in each case without any requirement that notice be given to the Borrower. Immediately upon the occurrence of an Event of Default specified in Section 10.1(h) or 10.1(i) or at the time stated in an Acceleration Notice, the Borrower shall pay to the Agent on behalf of the Lenders all amounts owing or payable in respect of all Borrowings (including the face amount of all Bankers' Acceptances and the undrawn amount of all outstanding Letters of Credit) and other Obligations, failing which all rights and remedies of the Agent and the Lenders under the Loan Documents shall thereupon become enforceable.

10.3 **Demands for Repayment**

(a) **Lender Demands**: If the Agent, on behalf of the Majority Lenders, delivers an Acceleration Notice, each Swap Lender may, within three (3) Business Days, deliver (to the extent applicable to it) a Swap Demand for Repayment.

(b) **Termination Event**: If a Termination Event has occurred and all the Lender Outstandings are not thereafter due and payable, each Lender and Swap Lender shall, within three (3) Business Days, deliver such Demands for Repayment as may be necessary to ensure that all Lender Outstandings are thereafter due and payable under the Credit Agreements.

(c) **Swap Demand**: If any Swap Lender proposes to deliver a Swap Demand for Repayment, such Lender shall notify the Agent of its determination, and the Agent, within a further five (5) Business Days after receipt of the aforesaid notice, shall notify all Swap Lenders whether the Agent, on behalf of the Majority Lenders, proposes to deliver an Acceleration Notice hereunder. If the Agent does not so advise the Swap Lenders within such five (5) Business Day period it shall be deemed to have advised that the Majority Lenders do not propose to deliver an Acceleration Notice. If the Agent does notify the Swap Lenders that the Majority Lenders propose to deliver an Acceleration Notice, all Demands for Repayment shall be delivered concurrently by the Agent and the Swap Lenders. If the Agent does notify the Swap Lenders that the Majority Lenders do not propose, or the Agent is deemed to have advised that the Majority Lenders do not propose, to deliver an Acceleration Notice, the Swap Lender which delivered the notice to the Agent may at any time within thirty (30) Business Days thereafter deliver the Swap Demand for Repayment. If the Swap Lender delivering any such Demand for Repayment does not receive the amount so demanded on or prior to the time stated in such Swap Demand for Repayment, such Swap Lender shall so notify the Agent and the Agent and each other Lender and Swap Lender shall forthwith concurrently deliver such Demands for Repayment as may be necessary to ensure that all Lender Outstandings are thereafter due and payable under the Credit Agreements.

(d) **No Sharing**: Any amounts which are lawfully received by any Swap Lender under a Swap prior to the earlier of the delivery by the Agent of a Demand for Repayment or the occurrence of a Termination Event hereunder are not required to be shared pursuant to the provisions of Section 10.7.

(e) **Lender Affiliates**: If a Lender Swap is entered into with an Affiliate of a Lender, that Lender shall cause such Affiliate to deliver all Swap Demands for Repayment as required by this Section 10.3 and such obligations shall survive such Lender (at any time after any such Lender Swap was entered into) ceasing to be a Lender hereunder.

10.4 Cash Collateral Accounts

Upon the occurrence of:

(a) a Termination Event or delivery of an Acceleration Notice; or

(b) an event under Section 4.1 where the Borrower elects in accordance with Section 4.3 to make payment to a Cash Collateral Account of the required amount;

the Borrower shall forthwith pay to the Agent, for deposit into a Cash Collateral Account, an amount equal to the Lender's maximum potential liability under then outstanding Bankers' Acceptances and Letters of Credit (collectively, the "**Escrow Funds**"). The Escrow Funds shall, in the case of (a) above, be held by the Agent for set-off against future indebtedness owing by the Borrower to the Lenders in respect of such Bankers' Acceptances, Letters of Credit or, in the case of (b) above, be applied as required by Section 4.3.

10.5 Remedies on Default

After an Event of Default:

(a) **Majority Lenders Instructions**: if the Majority Lenders provide directions or instructions to the Agent, the Agent, on behalf of all Lenders and Swap Lenders, shall take such actions and commence such proceedings as the Majority Lenders in their sole discretion may determine and may enforce or otherwise realize upon any Security, all without any obligation to marshal any Security Interests and without additional notice, presentation, demand or protest, all of which the Borrower hereby expressly waives (to the extent such rights may be waived under Applicable Law). The rights and remedies of the Agent and the Lenders under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. If, from time to time, there are no Lenders other than Swap Lenders, the Majority Lenders for the purposes of this Agreement shall be calculated by revising paragraph (a) of the definition of Majority Lenders to change the references to "Borrowings" to "Lender Outstandings" and deleting the words "under the Facilities"; and

(b) **General Remedies**: the rights and remedies of the Agent and each Lender and Swap Lender under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. The Agent may, on behalf of all Lenders and Swap Lenders, and shall, if so required by the Majority Lenders, to the extent permitted by Applicable Law, bring suit at law, in equity or otherwise for any available relief or purpose including but not limited to:

    (i) **Specific Performance**: the specific performance of any covenant or agreement contained in the Loan Documents;

(ii) **Injunction**: enjoining a violation of any of the terms of the Loan Documents;

(iii) **Assistance**: aiding in the exercise of any power granted by the Loan Documents or by law; or

(iv) **Judgment**: obtaining and recovering judgment for any and all amounts due in respect of the Borrowings or amounts otherwise due hereunder or under the Loan Documents.

10.6 Right of Set-Off

Upon the occurrence and during the continuance of any Event of Default, and in addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Agent and each Lender is authorized at any time and from time to time thereafter, without notice to the Borrower or to any other Person (any such notice being expressly waived by the Borrower), to combine, consolidate or merge all or any of the Borrower's accounts with, and liabilities, to it and to set-off and to appropriate and to apply any and all deposits (general or special, time or demand, provisional or final) and any other indebtedness (other than Swap Indebtedness which is not Permitted Swap Indebtedness) at any time held by or owing by it to or for the credit of or the account of the Borrower against and on account of the Borrowings (including the face amount of all Bankers' Acceptances) and other liabilities and indebtedness of the Borrower to the Agent or such Lender under this Agreement and the other Loan Documents, including all claims of the Agent or any Lender of any nature or description arising out of or connected with this Agreement and the other Loan Documents, irrespective of whether or not the Agent or any Lender has made any demand under this Agreement or any of the other Loan Documents and although such obligations, liabilities or claims of the Borrower or any of them are contingent or unmatured. Notwithstanding the provisions of any Swap, the Lenders and Swap Lenders shall not effect or purport to effect any set-off of Swap Indebtedness that is not Permitted Swap Indebtedness against or on account of any Lender Obligations owed to it.

10.7 Application and Sharing of Payments Following Acceleration

Except as otherwise agreed to by all the Lenders in their sole discretion, all monies and property received by the Lenders (in their capacity as Lenders and, if applicable, Swap Lenders) for application in respect of the Lender Outstandings or any other Swap Indebtedness subsequent to the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 10.1(h) or 10.1(i) (including all monies received as a result of a realization upon the Security or the exercise of a right of set-off), shall be applied and distributed to the Lenders (in their capacity as Lenders and, if applicable, Swap Lenders) in the manner set forth below, each such application to be made in the following order with any balance remaining after application in respect of each category to be applied to the next succeeding category:

(a) firstly, in or towards payment of any fees or expenses then due and payable to the Agent hereunder or under any other Loan Document;

(b) secondly, pro rata among the Lenders in respect of amounts due and payable to such Lenders as and by way of recoverable expenses hereunder or under any of the Security;

(c) thirdly, pro rata among the Lenders in respect of amounts due and payable to such Lenders by way of interest pursuant to Section 5.1, acceptance fees pursuant to Section 5.2, Letter of Credit Fees pursuant to Section 5.3, Credit Card Facility or Cash Management Facility fees pursuant to Section 5.4, interest on overdue amounts pursuant to Section 5.5 and standby fees pursuant to Section 5.9;

(d) fourthly, pro rata among the Lenders in respect of any other amount (other than Lender Outstandings) not hereinbefore referred to in this Section 10.7 which are then due and payable to any of them by the Borrower hereunder or under any other Loan Document;

(e) fifthly, pro rata among the Lenders and the Swap Lenders in or towards repayment of the Lender Outstandings; and

(f) sixthly, pro rata in or towards repayment to the Swap Lenders of all Swap Indebtedness in excess of the Permitted Swap Indebtedness.

To the extent that a Lender Swap is entered into by an Affiliate of a Lender, that Lender shall cause such Affiliate to comply with the provisions of this Section 10.7 and such obligation shall survive such Lender (at any time after any such Lender Swap was entered into) ceasing to be a Lender hereunder.

10.8 **Adjustments**

In the event that:

(a) **Contingent Liabilities**: at the Adjustment Time, a portion of the Borrowings is outstanding as Letters of Credit and it is subsequently determined that the Swingline Lender is not required to make payment under anyone or more such instruments; or

(b) **Notice Periods**: any of the Lenders are required by Applicable Law to continue to make advances or other amounts available to the Borrower subsequent to the Adjustment Time by reason of a requirement of Applicable Law to give the Borrower a reasonable period of notice prior to terminating such Lender's obligation to make such advances or other amounts available;

then, whenever and so often as that occurs:

(c) **Sharing Adjustment**: the terms "**Rateable**" and "**Rateably**" shall, ipso facto, as at the Adjustment Time be redetermined by excluding from the determination of the amount of Lender Outstandings any payments not required to be made as a result of the occurrence of an event described in Section 10.8(a) and by including in the determination of the amount of Lender Outstandings any amount required to be made available pursuant to Section 10.8(b); and

(d) **Lender Outstandings**: Lender Outstandings shall be redetermined by excluding from the determination of the amount of Lender Outstandings any payments not required to be made as a result of the occurrence of an event described in Section 10.8(a) and by including in the determination of Lender Outstandings any amount required to be made available pursuant to Section 10.8(b);

and the Lenders shall thereupon make all such payments and adjustments as may be necessary to ensure amounts outstanding to the Lenders are thereafter outstanding in accordance with the provisions of Section 12.18.

10.9 Calculations as at the Adjustment Time

For the purposes of this Agreement, if:

(a) **Swap Demand**: a Swap Demand for Repayment has been delivered; or

(b) **Termination Event**: a Termination Event has occurred under any Credit Agreement evidencing a Swap;

then, for the purposes of calculations to be made at the Adjustment Time, any Termination Amount which is payable by any Loan Party under such Swap in settlement of obligations arising thereunder as a result of the early termination of the Swap shall be deemed to have become payable at the time of delivery of such Swap Demand for Repayment or the time of occurrence of such Termination Event as the case may be, notwithstanding that the amount payable by any Loan Party is to be subsequently calculated and notice thereof given to such Loan Party in accordance with such Swap. For the purposes of the foregoing, the Agent shall make all determinations of the applicable Termination Amounts in accordance with its usual practices, acting reasonably, and for such purposes each Lender shall provide details to the Agent of its own calculations of the applicable Termination Amounts.

10.10 Lender May Perform Covenants

If any Loan Party shall fail to perform any of its obligations under any covenant contained in any of the Loan Documents within the time permitted for the performance of any such covenant or for the cure of any default thereof, the Agent may, on behalf of the Lenders and with the approval of the Majority Lenders and with prior notification to the Borrower, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds on behalf of the Lenders. If the Agent elects to effect such observance or performance, neither the Agent nor any Lender shall be liable for any failure or deficiency in effecting such observance or performance, nor for the payment of any bills, invoices or accounts incurred or rendered in connection therewith, except to the extent the Agent or such Lender is grossly negligent or acts with wilful misconduct. All amounts so paid by any Lender or the Agent hereunder shall be repaid by the Borrower on demand therefor, and shall bear interest at the rate set forth in Section 5.5 from and including the date paid by the Agent hereunder to but excluding the date such amounts are repaid in full by the Borrower and shall be secured by the Security.

10.11 Waiver of Default

Any single or partial exercise by any Lender or Swap Lender, the Agent or by the Agent on behalf of any Lender or Swap Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in the Loan Documents shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy to which the Agent or such Lender or Swap Lender may be lawfully entitled for the same default or breach, and any waiver by any Lender or Swap Lender, the Agent or by the Agent on behalf of any Lender or Swap Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement contained in the Loan Documents, and any indulgence granted thereby, shall be deemed not to be a waiver of any subsequent default. To the extent permitted by Applicable Law, the Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which may limit or modify the Agent's or a Lender's or Swap Lender's rights or remedies under the Loan Documents.

10.12 Sharing Repayments

Each Lender agrees that, subsequent to the Adjustment Time, it will at any time and from time to time upon the request of the Agent purchase portions of the Lender Outstandings and make any other adjustments which may be necessary or appropriate in order that amounts which remain outstanding under the Loan Documents to each Lender or thereafter outstanding, as adjusted pursuant to this Section 10.12, are in accordance with the provisions of Section 10.7. The Borrower agrees to do all things reasonably necessary or appropriate to give effect to any and all purchases and other adjustments by and between the Lenders pursuant to this Section 10.12.

ARTICLE 11
INCREASED COST/TAXES/ILLEGALITY

11.1 Increased Cost

(a) **Increased Costs Generally**. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Lender to any Tax with respect to this Agreement, or any Accommodation made by it, or change the basis of taxation of payments to such Lender in respect thereof; or

(iii) impose on any Lender any other condition, cost or expense affecting this Agreement or any Accommodation made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Accommodation or of maintaining its obligation to make any such Accommodation, or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements**. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or its Lender Parent, if any, regarding capital requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of its Lender Parent, if any, as a consequence of this Agreement, the Commitments of such Lender or the Accommodations made by such Lender, to a level below that which such Lender or its Lender Parent could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its Lender Parent with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its Lender Parent for any such reduction suffered.

(c) **Certificates for Reimbursement**. A certificate of a Lender setting for the amount or amounts necessary to compensate such Lender or its Lender Parent, as the case may be, as specified in paragraph (a) or (b) of this Section 11.1 and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) **Delay in Requests**. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 11.1 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 11.1 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

11.2 **Taxes.**

(a) **Payments Free of Taxes**. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Taxes, provided that if the Borrower shall be required by Applicable Law to deduct any Taxes from such payments, then: (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 11.2) the Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made; (ii) the Borrower shall make such deductions; and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) **Payment of Other Taxes by the Borrower**. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) **Indemnification by the Borrower**. The Borrower shall indemnify the Agent and each Lender, within 10 days after demand therefor, for the full amount of any Taxes imposed or asserted on or attributable to amounts payable under this Section 11.2) paid by the

Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount and other relevant particulars in respect of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) **Evidence of Payments**. As soon as practicable after any payment of any Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(e) **Status of Lenders**. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(f) **Treatment of Certain Refunds**. If the Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 11.2, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 11.2, with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of the Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent or such Lender in the event the Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Agent or any Lender or to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

11.3 Mitigation Obligations

If any Lender requests compensation under Section 11.1 or requires the Borrower to pay additional amounts to any Lender or any Governmental Authority for the account of any

Lender pursuant to Section 11.2, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking Borrowings hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment: (i) would eliminate or reduce amounts payable pursuant to Section 11.1 or 11.2, as the case may be, in the future; and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

11.4 **Illegality**

If the introduction of or any change in Applicable Law, regulation, treaty, official directive or regulatory requirement now or hereafter in effect (whether or not having the force of law) or any change in the interpretation or application thereof by any court or by any judicial or Governmental Authority charged with the interpretation or administration thereof makes it unlawful or prohibited for a Lender (in its sole opinion acting reasonably and in good faith) to make, to fund or to maintain the Accommodations or a portion of the Accommodations or to perform its obligations under this Agreement, such Lender may by notice to the Borrower through the Agent terminate its obligations under this Agreement to make such Accommodations or perform such obligations and the Borrower shall prepay such Accommodations within two (2) Business Days (or such longer grace period, if any, as may be permitted by such Applicable Law) together with all accrued but unpaid interest and fees as may be applicable to the date of payment or convert by notice to the Agent such Accommodation forthwith into another basis of Accommodation available under this Agreement.

If it becomes illegal for any Lender to hold or benefit from a Security Interest over real property pursuant to any law of the United States, such Lender shall notify the Agent and disclaim any benefit of such Security Interest to the extent of such illegality, but such illegality shall not invalidate or render unenforceable such Security Interest for the benefit of the Agent or each of the other Lenders.

11.5 **Substitute Basis of Accommodation**

If:

(a) the Agent (acting reasonably) makes a determination, which determination shall be conclusive and binding upon the Borrower, and notifies the Borrower, that there no longer exists an active market for bankers' acceptances accepted by the Lenders; or

(b) the Agent is advised by Lenders holding at least 25% of the Total Commitment by written notice (each, a "**Lender BA Suspension Notice**") that such Lenders have determined (acting reasonably) that the Discount Rate will not or does not accurately reflect the cost of funds of such Lenders or the discount rate which would be applicable to a sale of Bankers' Acceptances accepted by such Lenders in the market;

then:

(c) the right of the Borrower to request Bankers' Acceptances from any Lender shall be suspended until the Agent determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower and the Lenders;

(d) any outstanding Borrowing Notice requesting an Accommodation by way of Bankers' Acceptances shall be deemed to be a Borrowing Notice requesting a Loan in the amount specified in the original Borrowing Notice; and

(e) any outstanding Rollover Notice requesting a Rollover of a Bankers' Acceptance shall be deemed to be a Conversion Notice requesting a Conversion of such Bankers' Acceptances into a Loan.

The Agent shall promptly notify the Borrower and the Lenders of any suspension of the Borrower's right to request Bankers' Acceptances and of any termination of any such suspension. A Lender BA Suspension Notice shall be effective upon receipt of the same by the Agent if received prior to 12:00 noon (Calgary time) on a Business Day and if not, then on the next following Business Day, except in connection with a Borrowing Notice, Conversion Notice or Rollover Notice previously received by the Agent, in which case the Lender BA Suspension Notice shall only be effective with respect to such previously received Borrowing Notice, Conversion Notice or Rollover Notice if received by the Agent prior to 12:00 p.m. (Calgary time) two Business Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date (as applicable) applicable to such previously received Borrowing Notice, Conversion Notice or Rollover Notice, as applicable.

11.6 Funding Indemnity

If, for any reason whatsoever and whether or not required or permitted pursuant to the provisions of this Agreement, the Borrower fails for any reason to borrow, convert, rollover or otherwise act in accordance with a notice given hereunder pursuant to Schedules "B" or "C", the Borrower shall indemnify the Lender for any loss or expense incurred by such Lender including any loss of profit or expenses such Lender incurs by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to maintain such Accommodation or any increased interest or other charges payable to lenders of funds borrowed in order maintain such Accommodation together with any other reasonable out-of-pocket charges, costs or expenses incurred by such Lender relative thereto. A certificate of such Lender (acting reasonably and prepared in good faith) submitted by the Agent setting out the basis for the determination of the amount necessary to indemnify such Lender shall be, in the absence of manifest error, prima facie evidence thereof.

ARTICLE 12
THE AGENT AND THE LENDERS

12.1 Authorization of Agent

Each Lender and Swap Lender irrevocably appoints and authorizes the Agent to exercise such powers, perform such duties, take such actions, make such decisions and determinations and give such consents under the Loan Documents as are required to be exercised, performed, taken, made, given or otherwise carried out by the Agent hereunder or under any other agreement between the Lenders (including, if applicable, Swap Lenders), together with all powers reasonably incidental thereto. As to any matters not expressly required by this Agreement, the other Loan Documents or by any other agreement between the Lenders (including, if applicable, Swap Lenders) to be carried out by the Agent, the Agent is not required to exercise any discretion or take or to refrain from taking any action except upon the written instructions of the Majority Lenders. Notwithstanding anything to the contrary in this Agreement, the Agent shall not be required to exercise any discretion or to take or to refrain from taking any action in any manner which is contrary to the Loan Documents, to any other agreement among the Lenders (including, if applicable, Swap Lenders) or to Applicable Law.

12.2 **Rights as a Lender**

The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent, and the term "**Lender**" or "**Lenders**" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

12.3 **Exculpatory Provisions**

(a) The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Agent or any of its Affiliates in any capacity.

(b) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary or desirable in the circumstances hereunder) or (ii) in the absence of its own gross negligence or wilful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Agent by the Borrower or a Lender, and actually received by the Agent.

(c) The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the validity, enforceability, sufficiency, priority, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (iv) the satisfaction of any condition set forth in Article 8 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

12.4 **Reliance by Agent**

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of an Accommodation that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Accommodation. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

12.5 **Delegation of Duties**

The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-Agents appointed by the Agent. The Agent and any such sub-Agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-Agent and to the Related Parties of the Agent and any such sub-Agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as Agent.

12.6 Resignation of Agent

(a) The Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in Calgary, Alberta or Toronto, Ontario, or an Affiliate of any such bank with an office in Calgary, Alberta or Toronto, Ontario. If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Majority Lenders) (the "**Resignation Effective Date**"), then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Agent is a Defaulting Lender pursuant to clause (c) of the definition thereof, the Majority Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person remove such Person as Agent and, in consultation with the Borrower appoint a successor. If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be greed by the Majority Lenders) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable): (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Security held by the Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Agent shall continue to hold such Security until such time as a successor Agent is appointed); and (ii) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time, if any, as the Majority Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent, and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such Successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article 12 and Section 14.3 shall continue in effect for the benefit of such retiring or removed Agent, its sub-Agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as Agent.

12.7 Non-Reliance on Agent and Other Lenders

Each Lender and Swap Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender or Swap Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Swap Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or Swap Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

12.8 No Other Duties, etc.

Anything herein to the contrary notwithstanding, none of the Bookrunners or Arrangers listed on the cover page hereof, if any, shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents except in its capacity, as applicable, as the Agent, a Lender or a Swap Lender hereunder.

12.9 Agent May File Proofs of Claim

In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Agent (irrespective of whether the principal of any Accommodation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Borrowings, Letters of Credit and all other Lender Outstandings that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agent (including any claim of the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agent and their respective counsel and all other amounts due to the Lenders and the Agent under Article 5 and Section 14.3 allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each Swap Lender to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders and the Swap Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Article 5 and Section 14.3.

12.10 Collateral and Guarantee Matters

(a) In addition to the authority granted to the Agent in 6.10, the Lenders and the Swap Lenders irrevocably authorize the Agent, at its option and in its discretion, to release any Security Interest on any property granted to or held by the Agent under the Loan Documents if unanimously approved, authorized or ratified in writing by the Lenders.

(b) Upon request by the Agent at any time, the Lenders will confirm in writing the Agent's authority to release its interest in particular types or items of property, or to release any guarantor from its obligations under its Subsidiary Guarantee pursuant to this Section 12.10.

(c) The Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Agent's Security Interest over such Collateral, or any certificate prepared by any Loan Party in connection therewith, nor shall the Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

12.11 Rights and Obligations of Each Lender and Swap Lender

The rights and obligations of each Lender and Swap Lender under this Agreement are several and no Lender shall be obligated to make Borrowings available to the Borrower in excess of the amount of such Lender's Commitment. The failure of a Lender or Swap Lender to perform its obligations under this Agreement shall neither:

(a) **No Liability to Other Lenders or Swap Lenders**: result in any other Lender or Swap Lender incurring any liability whatsoever, provided however that a Lender shall remain liable at all times for the performance of the obligations of its Affiliate that is a Swap Lender; nor

(b) **No Relief from Obligations**: relieve any Loan Party or any other Lender or Swap Lender from its respective obligations under any Loan Document.

Nothing contained herein or in any other Loan Document or Credit Agreement nor any action taken pursuant hereto or thereto shall be deemed to constitute the Lenders or Swap Lenders a partnership, joint venture or any other similar entity.

Each of the Lenders and Swap Lenders hereby acknowledge that, to the extent permitted by Applicable Law, the remedies provided hereunder to the Lenders and Swap Lenders are for their benefit collectively and acting together and not severally, and further acknowledge that its rights hereunder are to be exercised not severally but collectively by the Agent upon the decision of the Majority Lenders regardless of whether an Acceleration Notice has been delivered or an Event of Default under Section 10.1(h) or 10.1(i) has occurred. Notwithstanding any of the provisions contained herein each of the Lenders and Swap Lenders hereby covenants and agrees that it shall not be entitled to individually take any action with respect to the Loan Documents including taking (including in respect of its Commitment or any indebtedness or liability owed to it) any action contemplated in Sections 10.2 and 10.5, but that any such action shall be taken only by the Agent with the prior written agreement or instructions of the Majority Lenders; provided that notwithstanding the foregoing, if the Agent, having been adequately indemnified against costs and expenses of doing so by the Lenders, shall fail to carry out any such instructions of the Majority Lenders, any Lender may do so on behalf of all Lenders and Swap Lenders and shall, in so doing, be entitled to the benefit of all protection given the Agent hereunder or elsewhere.

12.12 **Notice to Lenders and Swap Lenders**

Unless otherwise specifically dealt with in this Agreement, in the event the Agent delivers a written notice to a Lender or a Swap Lender requesting advice from such Lender or Swap Lender as to whether it consents or objects to any matter in connection with the Loan Documents, then, except as otherwise expressly provided herein, if such Lender or Swap Lender does not deliver to the Agent its written consent or objection to such matter:

(a) where a time period is specified hereunder for the Agent or the Majority Lenders to provide any response, notice or other communication prior to the end of such period; or

(b) where no such time period is specified hereunder, then within fifteen (15) Business Days of the delivery of such written notice by the Agent to such Lender or Swap Lender;

such Lender or Swap Lender shall be deemed not to have consented thereto.

12.13 **Notices between the Lenders or Swap Lenders, the Agent and the Borrower**

All notices by the Lenders or Swap Lenders to the Agent shall be through the Agent's Branch of Account and all notices by the Agent to a Lender or Swap Lender shall be through such Lender's or Swap Lender's Branch of Account. All notices or communications between the Borrower and the Lenders or Swap Lenders which are required or contemplated pursuant to the Loan Documents shall be given or made through the Agent at the Agent's Branch of Account.

12.14 **Agent's Duty to Deliver Documents Obtained from the Borrower**

The Agent shall promptly, and in any event within five (5) Business Days, deliver to each Lender, at its Branch of Account in hard copy or electronic form, such documents, papers, materials and other information as are furnished by the Borrower to the Agent on behalf of such Lender pursuant to this Agreement, and the Borrower shall provide the Agent with sufficient copies of all such information for such purpose.

12.15 **Arrangements for Borrowings**

The Agent shall promptly give written notice to each Lender at its Branch of Account upon receipt by the Agent of any notice given pursuant to Article 3, other than those that apply only to Swingline Loans. The Agent shall advise each Lender of the amount, date and details of each Borrowing and of such Lender's share in each Borrowing. At or before 11:00 a.m. (Calgary time) on each Drawdown Date, Conversion Date or Rollover Date:

(a) **Loans**: each Lender will make available to the Borrower its share of Borrowings by way of Loans by forwarding to the Agent the amount of Loans required to be made available by such Lender; and

(b) **Bankers' Acceptances**: each Lender will make available to the Borrower its share of Borrowings by way of Bankers' Acceptances by forwarding to the Agent the amount of the Discount Proceeds in respect of such Bankers' Acceptances (less the amount of applicable BA Acceptance Fees payable by the Borrower to such Lender pursuant to Section 5.2).

12.16 Arrangements for Repayment of Borrowings

(a) **Prior to Demand or Acceleration**: Prior to the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 10.1(h) or 10.1(i), upon receipt by the Agent of payments from the Borrower on account of principal, interest, fees or any other payment made to the Agent on behalf of the Lenders, the Agent shall pay over to each Lender at its Branch of Account the amount to which it is entitled under this Agreement and shall use its best efforts to make such payment to such Lender on the same Business Day on which such payment is received by the Agent. If the Agent does not remit any such payment to a Lender on the same Business Day as such payment is received by the Agent, the Agent shall pay interest thereon to such Lender until the date of payment at a rate determined by the Agent (such rate to be conclusive and binding on such Lender) in accordance with the Agent's usual banking practice in respect of deposits of amounts comparable to the amount of such payment which are received by the Agent at a time similar to the time at which such payment is received by the Agent.

(b) **Subsequent to Acceleration**: Following delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 10.1(h) or 10.1(i), the Lenders and Swap Lenders shall share any payments subsequently received in accordance with Section 10.7.

12.17 Repayment by Lenders to Agent

(a) **Where the Borrower Fails to Pay**: Unless the Agent has been notified in writing by the Borrower at least one (1) Business Day prior to the date on which any payment to be made by such Borrower hereunder is due that such Borrower does not intend to remit such payment, the Agent may (but shall not be obligated to), in its discretion, assume that the Borrower has remitted such payment when so due and the Agent may, in its discretion and in reliance upon such assumption, make available to each Lender on such payment date an amount equal to the amount of such payment which is due to such Lender pursuant to this Agreement. If the Borrower does not in fact remit such payment to the Agent, the Agent shall promptly notify each Lender and each such Lender shall forthwith on demand repay to the Agent the amount of such assumed payment made available to such Lender, together with interest thereon until the date of repayment thereof at a rate determined by the Agent (such rate to be conclusive and binding on such Lender) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to such Lender.

(b) **Where a Lender Fails to Pay**: Unless the Agent has been notified in writing by a Lender at least one (1) Business Day prior to a Drawdown Date, Conversion Date or Rollover Date that such Lender does not intend to make available the amount required to be made available by such Lender pursuant to this Agreement on such Drawdown Date, Conversion Date or Rollover Date, the Agent may, in its discretion, assume that such Lender has remitted funds to the Agent in an amount equal to the amount required to be made available by such Lender pursuant to this Agreement and the Agent may, in its discretion and in reliance upon such assumption, make available to the Borrower on such Drawdown Date, Conversion Date or Rollover Date an amount equal to the amount required to be made available by such Lender pursuant to this Agreement. If a Lender does not in fact remit such funds to the Agent and, if the Agent has provided funds to the Borrower on behalf of such Lender, the Agent shall promptly notify such Lender and such Lender shall forthwith remit such funds to the Agent, failing which the Borrower shall forthwith on demand repay to the Agent (without prejudice to the Borrower' rights against such Lender) the amount made available by the Agent on behalf of such Lender, in each case together with interest thereon until the date of repayment thereof at a rate determined by the Agent (such rate to be conclusive and binding on such Lender or the Borrower, as the case may be) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to such Lender.

12.18 Adjustments Among Lenders

(a) **Adjustments to Outstanding Borrowings**: If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Borrowings resulting in such Lender receiving payment of a proportion of the aggregate amount of the Borrowings and accrued interest thereon greater than its Lender's Proportion thereof as provided herein, then the Lender receiving such greater proportion shall: (a) notify the Agent of such fact; and (b) purchase (for cash at face value) portions of the Borrowings of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective Borrowings, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to: (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

(b) **Application of Payments**: The Lenders and Swap Lenders agree that, after the Adjustment Time, the amount of any repayment made by the Borrower under, and the amount of any proceeds from the exercise of any rights or remedies of the Agent, the Lenders and Swap Lenders under the Loan Documents or any Permitted Swaps will, subject to Section 10.7, be applied in a manner so that to the extent possible the amount of Lender Outstandings of each Lender and Swap Lender which remain outstanding after giving effect to such application will be in the same proportion as its Lender's Proportion of the aggregate Lender Outstandings of all Lenders and Swap Lenders and, after repayment of all Borrowings and Permitted Swap Indebtedness, will be applied on account of any remaining Swap Indebtedness.

(c) **Receipt of Payments other than Borrowings**: Notwithstanding anything contained in this Section 12.18, there shall not be taken into account for the purposes of computing any amount payable to a Lender or Swap Lender pursuant to this Section 12.18, any amount which such Lender or Swap Lender receives as a result of any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of any monies owing by a Loan Party to such Lender or Swap Lender other than on account of Borrowings or Swap Indebtedness; provided that, if at any time a Lender or Swap Lender receives any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of monies owing or payable to it by a Loan Party in respect of liabilities of a Loan Party under Borrowings or Swap Indebtedness, such payments will be applied in accordance with Section 10.7; provided further that the provisions of this Section 12.18(c) shall not apply to:

(i) a Swap Lender which sets off amounts owing by a Loan Party to such Swap Lender under a Permitted Swap against amounts owing by such Swap Lender (including, for clarity, its Affiliates) to a Loan Party under any Permitted Swap entered into between such parties; or

(ii) a Swap Lender which sets off amounts owing by a Loan Party to such Swap Lender under a Lender Swap (other than a Permitted Swap) against amounts owing by such Swap Lender (including, for clarity, its Affiliates) to a Loan Party under any Lender Swap (other than a Permitted Swap) entered into between such parties.

To the extent that a Lender Swap is entered into by an Affiliate of a Lender, that Lender shall cause such Affiliate to comply with the provisions of this Section 12.18, and such obligation shall survive such Lender (at any time after any such Lender Swap was entered into) ceasing to be a Lender hereunder.

(d) **Further Assurances**: The Borrower agrees to be bound by and, at the request of the Agent, to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Lenders and Swap Lenders pursuant to this Section 12.18 but shall incur no increased indebtedness, in aggregate, by reason thereof.

12.19 **Lenders' Consents to Waivers, Amendments, etc.**

(a) **Unanimous Consent of Lenders**: Any waiver of or any amendment to a provision of the Loan Documents which relates to:

(i) a change in the types of Accommodations or interest periods relating thereto;

(ii) a decrease in interest rates, standby fees, the Applicable Margin or the Standby Fee Rate;

(iii) a change in notice periods or the amount of any payments payable by the Borrower to any Lender under this Agreement, including any waiver of the time of payment thereof;

(iv) an increase or decrease in the Commitment of any Lender other than as provided for herein;

(v) a change in the definition of "CDOR Rate", "Discount Rate" or "Majority Lenders";

(vi) the postponement of the Maturity Date;

(vii) the provisions of this Section 12.19;

(viii) an Event of Default under Section 10.1(a) or 10.1(b);

(ix) any release or modification of the Security, except as provided by Section 6.10, and except for modifications which are mechanical and administrative in nature; or

(x) any matter which, pursuant to the Loan Documents, specifically requires the consent or agreement of all of the Lenders, rather than the consent or agreement of "the Lenders" or the "Majority Lenders" or "the Agent";

shall bind the Lenders and the Swap Lenders only if such waiver or amendment is agreed to in writing by all of the Lenders.

(b) **Majority Consent**: Subject to Section 12.19(a) and except as otherwise provided in the Loan Documents, any waiver, consent to or any amendment to any provision of the Loan Documents and any action, consent or other determination in connection with the Loan Documents shall bind all of the Lenders and the Swap Lenders if such waiver, amendment, action, consent or other determination is agreed to in writing by the Majority Lenders.

(c) **Agent's Consent**: Any waiver, consent to or any amendment to any provision of the Loan Documents which relates to the rights or obligations of the Agent shall require the agreement of the Agent thereto.

(d) **Swingline Lender's Consent**: Any waiver, consent to or any amendment to any provision of the Loan Documents which relates to the rights or obligations of the Swingline Lender in its capacity as Swingline Lender and in no other capacity shall only require the agreement of the Swingline Lender thereto.

12.20 **Reliance by Agent on Notices, etc.**

The Agent shall be entitled:

(a) **Reliance on Written Documents**: to rely upon any writing, letter, written notice, certificate, telex, facsimile copy, cable, statement, order or other document believed by the Agent to be genuine and correct and to have been signed, sent or made by the proper Person or Persons; and

(b) **Reliance on Legal Advice**: with respect to legal matters, to act upon advice of legal advisors selected by the Agent concerning all matters pertaining to the Loan Documents and the Agent's duties thereunder;

and the Agent shall assume no responsibility and shall incur no liability to the Borrower or any Lender or Swap Lender by reason of relying on any such document or acting on any such advice. In determining compliance with any condition hereunder to the making of any Accommodation that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Accommodation.

12.21 **Relations with Borrower**

Except for the transactions provided for in this Agreement, each Lender may deal with the Borrower and any other Loan Party in all transactions and generally do any banking business with or provide any financial services to the Borrower and any other Loan Party without having any liability to account to the other Lenders therefor. Where any Lender is the Agent, with respect to its Commitment and Lender's Proportion, such Lender shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent.

12.22 **Sharing of Information**

Subject to Section 13.1(a), the Borrower authorizes the Agent and each Lender and Swap Lender to share among each other and with any successor, assignee, or any potential assignee, any information possessed by it regarding a Loan Party or the Loan Documents.

12.23 **Amendment to this Article 12**

The provisions of this Article 12 may be amended or added to, from time to time, without the agreement of the Borrower provided such amendment or addition does not adversely affect the rights of the Borrower hereunder or increase, in the aggregate, the liabilities of the Borrower hereunder. A copy of the instrument evidencing such amendment or addition shall be forwarded by the Agent to the Borrower as soon as practicable following the execution thereof;

provided that after an Event of Default a failure to do so by the Agent shall not render it liable in damages to the Borrower.

12.24 The Agent and Defaulting Lenders

(a) Each Defaulting Lender shall be required to provide to the Agent cash in an amount, as shall be determined from time to time by the Agent, in its discretion, equal to all obligations of such Defaulting Lender to the Agent that are owing or may become owing pursuant to this Agreement, including such Defaulting Lender's obligation to pay its Lender's Proportion of any indemnification, reimbursement or expense reimbursement amounts not paid by the Borrower. Such cash shall be held by the Agent in one or more cash collateral accounts, which accounts shall be in the name of the Agent and shall not be required to be interest bearing. The Agent shall be entitled to apply the foregoing cash in accordance with Section 14.3(d), in the case of amounts owing to the Agent.

(b) In addition to the indemnity and reimbursement obligations noted in Section 14.3(d), the Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligations of the Borrower hereunder) rateably according to their respective Lender's Proportions (and in calculating the Lender's Proportion of a Lender, ignoring the Commitments of Defaulting Lenders) any amount that a Defaulting Lender fails to pay the Agent and which is due and owing to the Agent pursuant to Section 14.3(d). Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender and which would otherwise be payable by the Defaulting Lender.

(c) The Agent shall be entitled to set off any Defaulting Lender's Lender's Proportion of all payments received from the Borrower against such Defaulting Lender's obligations to make payments and fund Accommodations required to be made by it and to purchase participations required to be purchased by it in each case under this Agreement and the other Loan Documents. To the extent permitted by law, the Agent shall be entitled to withhold and deposit in one or more non-interest bearing cash collateral accounts in the name of the Agent all amounts (whether principal, interest, fees or otherwise) received by the Agent and due to a Defaulting Lender pursuant to this Agreement, for so long as such Lender is a Defaulting Lender, which amounts shall be used by the Agent:

   (i) first, to reimburse the Agent for any amounts owing to it, in its capacity as Agent, by such Defaulting Lender pursuant to any Loan Document;

   (ii) second, to repay on a pro rata basis the incremental portion of any Accommodations made by a Lender pursuant to Section 13.6 in order to fund a shortfall created by a Defaulting Lender and, upon receipt of such repayment, each such Lender shall be deemed to have assigned to the Defaulting Lender such incremental portion of such Accommodations;

   (iii) third, to cash collateralize all other obligations of such Defaulting Lender to the Agent owing pursuant to this Agreement in such amount as shall be determined from time to time by the Agent in its discretion, including such Defaulting

Lender's obligation to pay its Lender's Proportion of any indemnification, reimbursement or expense reimbursement amounts not paid by the Borrower; and

(iv) fourth, to fund from time to time the Defaulting Lender's Lender's Proportion of Lender Outstandings.

(d) For greater certainty and in addition to the foregoing, neither the Agent nor any of its Affiliates nor any of their respective shareholders, officers, directors, employees, agents or representatives shall be liable to any Lender (including a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts payable by the Borrower to a Defaulting Lender and received and deposited by the Agent in a cash collateral account and applied in accordance with the provisions of this Agreement, save and except for the gross negligence or wilful misconduct of the Agent as determined by a final non-appealable judgement of a court of competent jurisdiction.

ARTICLE 13
SUCCESSORS AND ASSIGNS, JUDGMENT CURRENCY AND CONFIDENTIAL INFORMATION

13.1 Successors and Assigns

(a) **Successors and Assigns Generally.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except: (i) to an assignee in accordance with Section 13.1(b); (ii) by way of participation in accordance with Section 13.1(d); or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 13.1(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 13.1(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Borrowings at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Facility) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section 13.1 in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section 13.1, the aggregate amount of the Commitment (which for this purpose includes Borrowings outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Borrowings of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000 and in the case of any assignment in respect of the Swingline Facility Commitment, all of such Commitment, unless each of the Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Borrowings or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-*pro rata* basis.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section 13.1 and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five Business Days after having received notice thereof and provided, further, that the Borrower's consent shall not be required during the primary syndication of the Facilities;

(B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Facility if such assignment is to a Person that is not a Lender with a Commitment in respect of such Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment.

The assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons.** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) **No Assignment to Natural Persons.** No such assignment shall be made to a natural Person.

(vii) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Agent, the applicable *pro rata* share of Borrowings previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full *pro rata* share of all Borrowings in accordance with its Lender's Proportion. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to paragraph (c) of this Section 13.1, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 11.1 and 11.2 and 14.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; <u>provided</u>, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 13.1(d).

(c) **Register.** The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Calgary, Alberta or Toronto, Ontario a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Borrowings owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.** Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 14.3(d) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 12.20 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 11.1 and 11.2 (subject to paragraph (e) of this Section 13.1) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 13.1(b); provided that such Participant agrees to be subject to the provisions of Section 13.5 as if it were an assignee under Section 13.1(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.6 as though it were a Lender; provided that such Participant agrees to be subject to Section 10.8 as though it were a Lender.

(e) **Limitations upon Participant Rights.** A Participant shall not be entitled to receive any greater payment under Sections 11.1 and 11.2 than the Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 11.2 unless the Borrower is notified of the participation sold to such

Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 11.2(e) as though it were a Lender.

(f) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

13.2 Judgment Currency

If for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement it becomes necessary to convert into the currency of such jurisdiction. (herein called the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For such purpose "**rate of exchange**" means the spot rate at which the Agent, on the relevant date at or about 12:00 o'clock noon (Toronto time), would be prepared to sell a similar amount of such currency in Toronto, Ontario against the Judgment Currency. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Borrower shall, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of payment is the amount then due under this Agreement in such other currency. Any additional amount due from the Borrower under this Section 13.2 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

13.3 Swap Lender

If any Swap Lender for any reason ceases to be a Lender, such Swap Lender shall continue to be bound by and entitled to the benefit of the terms and conditions hereof in such capacity, and entitled to the benefit of the Security, until such time as it is no longer a party to any Lender Swap, with the exception of any indemnities of, or in favour of, such Swap Lender hereunder existing at that time and which shall survive such termination.

13.4 Treatment of Certain Information; Confidentiality

Each of the Agent, the Lenders and the Swap Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed:

(a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential);

(b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including the Office of the

Superintendant of Financial Institutions or similar body and any self-regulatory authority, such as the National Association of Insurance Commissioners);

(c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process;

(d) to any other party hereto;

(e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder;

(f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder;

(g) on a confidential basis to any rating agency in connection with rating the Borrower or its Subsidiaries or the Facilities;

(h) with the consent of the Borrower; or

(i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower.

For purposes of this Section, "**Information**" means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent or any Lender on a non-confidential basis prior to disclosure by the Borrower or any of its Subsidiaries; provided that, in the case of information received from the Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

13.5 **Dissenting Lenders**

If a Lender (in this Section 13.4 called a "**Dissenting Lender**"):

(a) withholds its consent or its approval following a request of the Borrower as provided in this Agreement and, as a result, the consent of the Majority Lenders or all of the Lenders, as the case may be, cannot be obtained in connection with such request;

(b) makes a claim for additional compensation under Section 11.1 or if the Borrower is required to pay additional amounts to such Lender or any Governmental Authority for the account of such Lender pursuant to Section 11.2;

(c) determines that it is unable to make, fund or maintain Accommodations pursuant to Section 11.3; or

(d) is a Defaulting Lender;

(and in the case of clauses (b) or (c), no other Lender has concurrently made such claim or determination), the Borrower may, so long as there exists no Default which is continuing, by giving notice to each Dissenting Lender and to the Agent within ten (10) Business Days of being notified by the Agent of whether the Lenders have consented to such request (in the case of clause (a) above) or have made such claim or determination (in the case of clause (b) or (c) above):

(e) designate an alternate lender or lenders (which need not be an existing Lender) to purchase an assignment in accordance with Section 13.1 of a Dissenting Lender's Commitment and the related Lender Outstandings (which alternate lender shall purchase such assignment prior to the expiry of such ten (10) Business Day period), provided that no Lender shall be obligated to make any such assignment as a result of a demand by the Borrower pursuant to this Section 13.5 unless said assignment is done on a without warranty basis; and/or

(f) repay all Lender Outstandings of a Dissenting Lender prior to the expiry of such ten (10) Business Day period; provided that if (in the case of clause (a) above) such Dissenting Lender(s) arises from the failure to obtain Majority Lenders' consent (as opposed to all Lenders' consent), the Borrower requires the prior consent of all Lenders that are not Dissenting Lenders in order to exercise this repayment right;

and in each case unless and until such Dissenting Lender shall have received one or more payments from either the Borrower or one or more assignees in an aggregate amount at least equal to the Lender Outstandings owing to such Dissenting Lender, together with accrued interest thereon to the date of payment of such Lender Outstandings and all other amounts payable to such Dissenting Lender under the Loan Documents (including all losses, costs and expenses suffered or incurred by the Dissenting Lender as a result of complying with this Section 13.5 and all amounts owing under Section 14.3(d)). Any such alternate lender (other than an existing Lender) is subject to the Agent's prior consent, such consent not to be unreasonably withheld. For clarity, if the Borrower exercises its rights under this Section 13.5 and there is more than one Dissenting Lender, the Borrower must deal with all Dissenting Lenders in the same manner.

13.6 **Defaulting Lenders**

(a) Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(i) the standby fees payable pursuant to Section 5.9 shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender;

(ii) a Defaulting Lender shall not be included in determining whether, and the Commitment and the Lender's Proportion of the Lender Outstandings of such Defaulting Lender shall not be included in determining whether, all Lenders or the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 12.19), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that (A) materially and adversely affects such Defaulting Lender differently than other affected Lenders, (B) increases the Commitment or extends the Maturity Date, or (C) relates to the matters set forth in Sections 12.19(a)(i), 12.19(a)(ii), 12.19(a)(iii), 12.19(a)(iv) (in so far as it relates to the Commitment of a Defaulting Lender), 12.19(a)(v), 12.19(a)(vi) and 12.19(a)(ix), shall require the consent of such Defaulting Lender; and

(iii) for the avoidance of doubt, the Borrower shall retain and reserve its other rights and remedies respecting each Defaulting Lender.

(b) If the Agent has actual knowledge that a Lender is a Defaulting Lender at the time that the Agent receives (i) a Borrowing Notice or (ii) a Conversion Notice that will result in a currency conversion, then each other Lender shall fund its Lender's Proportion of such affected Accommodation (and, in calculating such Lender's Proportion, the Agent shall ignore the Commitments of each such Defaulting Lender); provided that, for certainty, no Lender shall be obligated by this Section 13.6(b) to make or provide Accommodations in excess of its Commitment. If the Agent acquires actual knowledge that a Lender is a Defaulting Lender at any time after the Agent received (i) a Borrowing Notice or (ii) a Conversion Notice that will result in a currency conversion, then the Agent shall promptly notify the Borrower that such Lender is a Defaulting Lender (and such Lender shall be deemed to have consented to such disclosure). Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender under this Section 13.6(b) and which would otherwise have been paid by the Defaulting Lender if its Commitment had been included in determining the Lender's Proportion of such affected Accommodations.

(c) If any Lender shall cease to be a Defaulting Lender, then, upon becoming aware of the same, the Agent shall notify the other Lenders and (in accordance with the written direction of the Agent) such Lender (which has ceased to be a Defaulting Lender) shall purchase, and the other Lenders shall on a rateable basis sell and assign to such Lender, portions of such Lender Outstandings equal in total to such Lender's Lender's Proportion thereof without regard to Section 13.6(b).

ARTICLE 14
MISCELLANEOUS

14.1 Severability

Any provision of this Agreement 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.

14.2 Survival of Undertakings

All covenants, undertakings, agreements, representations and warranties made pursuant to this Agreement survive the execution and delivery of this Agreement and continue in full force and effect until the full payment and satisfaction of all Obligations and the termination of the Loan Documents and the Swap Credit Documents.

14.3 Expenses, Indemnity, Damage Waiver

(a) **Borrower Deliverables.** All statements, reports (including engineering reports and environmental reports), certificates, opinions and other documents or information required to be furnished to the Agent or the Lenders or by any other Loan Party under this Agreement shall be supplied by the Borrower without cost to the Agent or any Lender.

(b) **Reimbursement.** The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates (including the reasonable fees, charges and disbursements of legal counsel for the Agent for a solicitor and his own client basis and engineering and other expert or professional costs and fees incurred in relation to the Facilities), in connection with the syndication of the Facilities, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Swingline Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all out-of-pocket expenses incurred by the Agent or any Lender (including the fees, charges and disbursements of any counsel for the Agent or any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 14.3, or (B) in connection with the Accommodations hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Accommodations.

(c) **General Indemnity.** The Borrower shall indemnify the Agent (and any sub-agent thereof) and each Lender and Swap Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any

Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Accommodation or the use or proposed use of the proceeds therefrom (including any refusal by the Swingline Lender to honour a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(d) **Reimbursement by Lenders.** To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (b) or (c) of this Section 14.3 to be paid by it to the Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Lender's Proportion of the Total Commitment at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent) or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent), in connection with such capacity. The obligations of the Lenders under this paragraph (d) are subject to Section 12.11.

(e) **Reimbursement by Swap Lenders**. Each Swap Lender that is not a Lender agrees that it will indemnify the Agent for any and all costs, expenses and disbursements which may be incurred or made by the Agent in good faith in connection with the enforcement of the Loan Documents or Security on behalf of such Swap Lender and agrees that it will, on written demand detailing such costs, expenses and disbursements, reimburse the Agent for any such costs, expenses or disbursements for which the Agent is not properly reimbursed at any time by the Borrower. The Agent may refrain from exercising any right, power or discretion or taking any action to protect or enforce the rights of any such Swap Lender under the Loan Documents or Security until it has been so reimbursed.

(f) **Waiver of Consequential Damages, Etc.** To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Accommodation, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (c) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(g) **Payments.** All amounts due under this Section shall be payable promptly, and in any event within five Business Days, after demand therefor.

(h) **Survival.** Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

14.4 Failure to Act

No failure, omission or delay on the part of the Agent or any Lender or any Swap Lender in exercising any right, power or privilege hereunder shall impair such right, power or privilege or operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

14.5 Waivers

No breach of any of the provisions of any of the Loan Documents may be waived or discharged verbally; any such waiver or discharge may only be made by way of an instrument in writing signed by either the Agent on behalf of the Lenders or the Majority Lenders, as applicable, or by the Lenders and, if required by the Agent, and such waiver or discharge will then be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given. Any such waiver or discharge which affects the rights of the Agent may only be made by way of an instrument in writing signed by the Agent.

14.6 Amendments

No provision of the Loan Documents may be amended verbally and any such amendment may only be made by way of an instrument in writing signed by the Borrower, the Agent and the Lenders required by Section 12.19.

14.7 Notice

Except as otherwise expressly provided herein, all notices, advices, requests and demands hereunder shall be in writing (including facsimile transmissions) or, if by telephone, immediately confirmed in writing, and shall be given to or made upon the respective parties hereto at the address set forth in this Agreement or at such other address as any party shall designate for itself. All notices shall be effective upon actual receipt. In the event of any discrepancy between any telephone notice, advice, request or demand and the written confirmation thereof, the telephone version shall govern with respect to actions taken by the recipient thereof before such recipient has had a reasonable time to act after its receipt of the written confirmation. All notices to the Agent shall be given to the Agent at the Agent's Branch of Account and all notices to the Swingline Lender shall be given to the Swingline Lender at the Swingline Lender's Branch of Account.

14.8 **Electronic Communications**

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender if such Lender has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

14.9 **Platform**

Each Loan Party agrees that the Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "**Platform**"). The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Agent or any of its Related Parties (collectively, the "**Agent Parties**") have any liability to the Borrower or the other Loan Parties, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Agent's transmission of communications through the Platform. "**Communications**" means, collectively, any notice, demand, communication, information, document or other material that any Loan Party provides to the Agent pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

14.10 **Whole Agreement**

This Agreement together with the other Loan Documents and Swap Credit Documents, constitutes the whole and entire agreement between the parties thereto and cancels and supersedes any prior agreements, undertakings, declarations and representations, written or verbal, in respect of the subject matter of this Agreement and the other Loan Documents.

14.11 **Governing Law**

The parties agree that this Agreement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. There shall be no application of any conflict of laws or rules which would result in any laws other than internal laws in force in the Province of Alberta applying to this Agreement. The parties hereto do hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Agreement or any other Loan Document (except to the extent expressly provided for in such other Loan Document), or any of the transactions contemplated hereby or by any thereof, without prejudice to the rights of the Agent or any Lender to take proceedings in other jurisdictions in which any Assets secured by the Security may be situate.

14.12 **Survival of Agreement**

This Agreement shall continue and survive until the termination of all Loan Documents and Swap Credit Documents such that thereafter there is not nor can there be any Obligations arising under any Loan Document or Swap Credit Document.

14.13 **Time of Essence**

Time shall be of the essence of this Agreement.

14.14 **Anti-Money Laundering Legislation**

(a) The Borrower acknowledges 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" Applicable Laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Lenders and the Agent may be required to obtain, verify and record information regarding the Borrower, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrower, and the transactions contemplated hereby. The Borrower shall promptly: (i) provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent, or any prospective assignee of a Lender or the Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence; and (ii) notify the recipient of any such information of any changes thereto.

(b) If, upon the written request of any Lender, the Agent has ascertained the identity of the Borrower or any other Loan Party or any authorized signatories of the Borrower or any other Loan Party for the purposes of applicable AML Legislation on such Lender's behalf, then the Agent;

(i) shall be deemed to have done so as an agent for such Lender, and this Agreement shall constitute a "written agreement" in such regard between such Lender and the Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to such Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of the Borrower or any other Loan Party or any authorized signatories of the Borrower or any other Loan Party, on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Borrower or any other Loan Party or any such authorized signatory in doing so.

14.15 **Conflict with Loan Documents**

In the event there is a conflict or inconsistency as to any matter between the provisions hereof and the provisions of any other Loan Document or Swap Credit Document, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency; provided, however, that for the purposes of this Section 14.15 there shall not be considered to be a conflict or inconsistency between any provision hereof and any provision of any other Loan Document or Swap Credit Document merely because one of such Loan Documents or Swap Credit Documents does, and the other does not, deal with the particular matter.

14.16 **Dealings with Agent**

Subject to Section 12.19, the Borrower shall be entitled to accept the written notification, advice, instruction or direction of the Agent on behalf of any Lender, the Majority Lenders or the Lenders without further inquiry. Each Lender and Swap Lender shall be bound by any advice, instruction or direction in writing given to the Borrower by the Agent on behalf of the Majority Lenders or the Lenders, where it is authorized to do so in accordance with the terms and conditions hereof or under any other Loan Document, and each Lender hereby waives any right to contest or disaffirm any such notice, advice, instruction, or direction in writing of the Agent, in the absence of manifest error.

14.17 **Further Assurances**

The Borrower, the Agent and each of the Lenders shall do all such further acts and things and execute and deliver all such further documents as shall be reasonably required in order to ensure the terms and provisions of the Loan Documents are fully performed and carried out.

14.18 **Counterpart Execution.**

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[Remainder of Page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

Borrower:		**CERF INCORPORATED**
[Redacted address]		
		By: “Signed”
Attention:	**[Redacted name]**	Name:
		Title:
Telefax:	**[Redacted fax no.]**	

Agent:	**CANADIAN IMPERIAL BANK OF COMMERCE,** as Agent
	By: “Signed”
	By: “Signed”
Lender:	**CANADIAN IMPERIAL BANK OF COMMERCE**, as Lender
	By: “Signed”
	By: “Signed”

Lender:

ALBERTA TREASURY BRANCHES, as Lender

By: “Signed”

By: “Signed”

Schedule "A" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

COMMITMENTS AND ADDRESSES

Lender	Revolving Facility Commitment	Term Facility Commitment	Swingline Facility Commitment
Canadian Imperial Bank of Commerce **[Redacted address]** Attention: **[Redacted]** Fax No.: **[Redacted]**	**[Redacted amount]**	**[Redacted amount]**	**[Redacted amount]** (included in Revolving Facility Commitment)
Alberta Treasury Branches **[Redacted address]**	**[Redacted amount]**	**[Redacted amount]**	**[Redacted amount]**

Schedule "B" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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FORM OF BORROWING NOTICE

TO: Canadian Imperial Bank of Commerce ("**CIBC**"), as [**Agent/Swingline Lender**]

RE: Credit Agreement (the "**Credit Agreement**") dated as of August ●, 2014 among CERF Incorporated (the "**Borrower**"), CIBC and those other financial institutions which are or hereafter become lenders thereunder (the "**Lenders**"), and CIBC, as administrative agent for the Lenders (the "**Agent**")

DATE: ____________, 20___.

---

1. The Drawdown Date is _____________, 20__.

2. Pursuant to Section 3.4 of the Credit Agreement, the undersigned hereby irrevocably requests that the following Accommodations be made available under the applicable Facility:

[Revolving/Term] Facility:

TYPE OF ADVANCE	PRINCIPAL AMOUNT	TERM
Loan	___________________________________	N/A
Bankers' Acceptances	___________________________________	____________________

Swingline Facility:

TYPE OF ADVANCE	PRINCIPAL AMOUNT	TERM
Loan	___________________________________	N/A
Letter of Credit	___________________________________	

3. As of the date of this Borrowing Notice, no Default or Event of Default has occurred and is continuing and each of the representations and warranties of the Borrower deemed to be made by the Borrower pursuant to Section 2.2 of the Credit Agreement (other than

those made as of it specific date) are, as of the date of such request, and will be, as of the applicable Drawdown Date, true and correct in all material respects.

4. This Notice is irrevocable.

5. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

DATED at Calgary, Alberta effective the date and year first above written.

CERF INCORPORATED

By: ______________________________

Name:

Title:

Schedule "C" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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FORM OF NOTICE OF ROLLOVER OR NOTICE OF CONVERSION OR NOTICE OF REPAYMENT

TO: Canadian Imperial Bank of Commerce ("**CIBC**"), as Agent

RE: Credit Agreement (the "**Credit Agreement**") dated as of August 27, 2014 among CERF Incorporated (the "**Borrower**"), CIBC and those other financial institutions which are or hereafter become lenders thereunder (the "**Lenders**"), and CIBC, as administrative agent for the Lenders (the "**Agent**")

DATE: ________________, 20__

Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

1. Pursuant to Section 4.4 (cancellation of Commitment and Prepayment), 3.11 (Conversion) and 3.12 (Rollover) of the Credit Agreement, the undersigned hereby irrevocably notifies the Agent that it will be:

(a) rolling over part or all of the Accommodation described as:

[Revolving/Term] Facility: ________________________________

Type of Accommodation: ________________________________

*Principal Amount: ________________________________

Date of Maturity: ________________________________

into the same Accommodation described as:

Date of Maturity: ________________________________

* if only part of maturing Advance is rolled over, please indicate.

or;

(b) converting part or all of the Accommodation described as:

[Revolving/Term] Facility: ________________________________

Type of Accommodation: ______________________

*Principal Amount if applicable: ______________________

Date of Maturity: ______________________

into an Accommodation described as:

* if only part of maturing Advance is converted, please indicate.

Type of Accommodation: ______________________

*Principal Amount: ______________________

Date of Maturity: ______________________

(c) Repaying part or all of the Advance described as:

Facility:
[Swingline/Revolving/Term] ______________________

Type of Accommodation: ______________________

*Principal Amount: ______________________

Date of Maturity or Repayment: ______________________

*if only part of maturing Advance is being repaid, please indicate the applicable amount being repaid including the details provided above in respect thereof and whether the balance will be rolled over or converted.

2. This Notice is irrevocable.

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

DATED at Calgary, Alberta effective the date and year first above written.

CERF INCORPORATED

By: ______________________
Name:
Title:

Schedule "D" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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FORM OF COMPLIANCE CERTIFICATE

I, **_________________________**, of the City of Calgary, in the Province of Alberta, hereby certify as follows:

1. I am the **[insert title of senior officer]** of CERF Incorporated

2. This Certificate applies to the **[Fiscal Year/Fiscal Quarter]** ending **_______________**.

3. I am familiar with and have examined the provisions of the Credit Agreement dated August 27, 2014 among CERF Incorporated, as borrower (the "**Borrower**"), the Lenders (as defined therein) with Canadian Imperial Bank of Commerce, as Agent (as the same may be amended, renewed, extended, modified and/or restated from time to time, the "**Credit Agreement**"), and have made such reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and its agents as I have deemed necessary for purposes of this Certificate.

4. Except where the context otherwise requires, all capitalized terms used herein have the same meaning as in the Credit Agreement.

5. No Default or Event of Default exists.

6. As of the last day of the above referenced **[Fiscal Quarter/Fiscal Year]** the Debt to EBITDA Ratio was __________, and included in Exhibit "B" attached hereto are the detailed particulars of the manner in which the Debt to EBITDA Ratio was calculated.

7. As of the last day of the above referenced **[Fiscal Quarter/Fiscal Year]** the Interest Coverage Ratio was __________, and included in Exhibit "B" attached hereto are the detailed particulars of the manner in which the Interest Charge Coverage Ratio was calculated.

8. At all times during the above referenced **[Fiscal Quarter/Fiscal Year]** the Borrower and its Material Subsidiaries directly owned, in aggregate (i) not less than ninety five percent (95%) of Total Assets as shown on the consolidated statement of financial position in the financial statements of the Borrower most recently provided to the Agent and (ii) not less than ninety five percent (95%) of EBITDA for the period covered by the financial statements of the Borrower most recently provided to the Agent; and included in Exhibit "B" attached hereto are the detailed particulars of the manner in which the foregoing determinations were calculated.

9. The Loan Parties are the Borrower and [identify all Material Subsidiaries], each of which has provided Security to the Agent and/or the Agent as required by Article 6 of the Credit

Agreement. The Borrower's only other Subsidiaries are [●] and [●], none of which are Material Subsidiaries.

10. Attached hereto as Exhibit "A" is a true and complete specification of all additions to, or deletions from, or modifications to, or replacements of (as applicable) Material Contracts, since the most recently delivered quarterly or annual Compliance Certificate, in sufficient detail to permit the Agent to subject each addition, modification or replacement to the fixed charges of the Security and to registrations thereof.

11. Each of the representations and warranties made in the Credit Agreement (except those stated to be made as of a specific date) were true and correct as of the last day of the above referenced **[Fiscal Quarter/Fiscal Year]**.

12. Since the date of the last Compliance Certificate delivered to the Agent, the Borrower has not, except as disclosed to the Agent in writing, received notice of:

    (a) the discovery of any Hazardous Substance or of any release of a Hazardous Substance into the environment from or upon the land or property of the Borrower or any other Loan Party that would reasonably be expected to give rise to a Material Adverse Effect;

    (b) any order, judgment or claim (if such claim is determined adversely) that has been made by any Person against the Borrower, any other Loan Party or any of their Assets that would reasonably be expected to give rise to a Material Adverse Effect;

    (c) any Governmental Action that has been issued or made by any Governmental Authority to the effect that the Borrower or any other Loan Party has failed to comply in any material respect with any Environmental Laws or requiring any remediation, stop work, cleanup otherwise that has not previously been disclosed in writing to the Agent; or

    (d) any claim that has been made by any Person against the Borrower, any other Loan Party or the Assets that, if determined adversely, would reasonably be expected to give rise to a Material Adverse Effect.

13. This Certificate is given by the undersigned officer in his or her capacity as an officer of the Borrower without any personal liability.

DATED this __day of __________, 20__.

CERF INCORPORATED

By: ______________________________

Name:
Title:

Exhibit "A" to Compliance Certificate

Listing of Material Contracts

As at [Date]

Exhibit "B" to Compliance Certificate

[Calculation Details in respect of the Certifications in paragraphs 6 and 7]

[Provide required calculations]

Schedule "E" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption (the "**Assignment and Assumption**") is dated as of the Effective Date set forth below and is entered into by and between [the] [each][1] Assignor identified in item 1 below ([the] [each, an] "**Assignor**") and [the] [each][2] Assignee identified in item 2 below ([the] [each, an] "**Assignee**"). [It is understood and agreed that the rights and obligations of [the Assignors] [the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by [the] [each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the] [each] Assignor hereby irrevocably sells and assigns to [the Assignee] [the respective Assignees], and [the] [each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of [the Assignor's] [the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor] [the respective Assignors] under the respective facilities identified below (including any letters of credit and guarantees included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)] [the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the] [any] Assignor to [the] [any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the] [an] "**Assigned Interest**"). Each such sale and assignment is without recourse to

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[1] For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
[2] For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
[3] Select as appropriate.
[4] Include bracketed language if there are either multiple Assignors or multiple Assignees.

[the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the] [any] Assignor.

1. Assignor[s]: ______________________________

____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: ______________________________

____

[for each Assignee, indicate [Affiliate] [Approved Fund] of [identify Lender]

3. Borrower(s): ______________________________

4. Agent: Canadian Imperial Bank of Commerce as the administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement dated as of August 27, 2014 among CERF Incorporated, the Lenders party thereto and Canadian Imperial Bank of Commerce, as Agent

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Facility Assigned[7]	Aggregate Amount of Commitment/ Loans for all Lenders[8]	Amount of Commitment / Loans Assigned	Percentage Assigned of Commitment/ Loans[9]
			$	$	$
			$	$	$
			$	$	$

[5] List each Assignor, as appropriate.
[6] List each Assignee, as appropriate.
[7] Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "Commitment – [**Revolving Facility/Term Facility**]," "Swingline Facility Commitment," etc.)
[8] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
[9] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[7. Trade Date: ________________][10]

Effective Date: ______________ ____, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S][11]

[NAME OF ASSIGNOR]

By: ______________________________

Title:

[NAME OF ASSIGNOR]

By: ______________________________

Title:

ASSIGNEE[S][12]

[NAME OF ASSIGNEE]

By: ______________________________

Title:

[NAME OF ASSIGNEE]

By: ______________________________

Title:

[10] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

[11] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[12] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to and][13] Accepted:

CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

By: ______________________________

Title:

[Consented to:][14]

[NAME OF RELEVANT PARTY]

By: ______________________________

Title:

[13] To be added only if the consent of the Agent is required by the terms of the Credit Agreement.
[14] To be added only if the consent of the Borrower and/or other parties is required by the terms of the Credit Agreement.

ANNEX 1

[____________________][15]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. **Representations and Warranties.**

1.1 **Assignor[s].** [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the] [the relevant] Assigned Interest, (ii) [the] [such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document[16], (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 **Assignee[s].** [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 13.1(b)(ii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 13.1(b)(ii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the] [the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Sections 9.4(a) and 9.4(b) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the] [such] Assigned Interest, (vi) it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender[17], attached to the Assignment and Assumption is any documentation required to be

[15] Describe Credit Agreement at option of Agent.
[16] The term "Loan Document" should be conformed to that used in the Credit Agreement.
[17] The concept of "Foreign. Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up.

delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, [the] [any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments.

From and after the Effective Date, the Agent shall make all payments in respect of [the] [each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the] [the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the] [the relevant] Assignee for amounts which have accrued from and after the Effective Date[18]. Notwithstanding the foregoing, the Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the] [the relevant] Assignee.

3. General Provisions.

This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the Province of Alberta and of Canada applicable therein.

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[18] The Agent should consider whether this method conforms to its systems. In some circumstances, the following alternative language may be appropriate:

"From and after the Effective Date, the Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves."

Schedule "F" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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FORM OF GENERAL SECURITY AGREEMENT

GENERAL SECURITY AGREEMENT

This General Security Agreement (this "**Agreement**") is made as of **_______________**, 201___ by ●, a **[corporation, partnership, limited partnership]** subsisting under the laws of **[Alberta or other]** (the **Debtor**), in favour of and for the benefit of Canadian Imperial Bank of Commerce, as agent for and on behalf of itself as Agent and the Lenders and the Swap Lenders and each of them (Canadian Imperial Bank of Commerce, in such capacity, and its successors and assigns are herein called the "**Secured Party**").

Recitals

1. The Borrower, Canadian Imperial Bank of Commerce, as Agent, and the Lenders are parties to the Credit Agreement.

2. Pursuant to the Credit Agreement, the Debtor is required to execute and deliver this Agreement to and in favour of the Secured Party as collateral security for the payment and performance of the Obligations.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Borrower**" means CERF Incorporated., a corporation existing under the laws of Alberta, its successors and its permitted assigns.

"**Collateral**" means the property, assets and undertakings which are subject to the lien hereof; such term shall be deemed to refer to such property, assets and undertakings or any part thereof but shall not include consumer goods (as defined in the PPSA).

"**Credit Agreement**" means the credit agreement dated as of August ___, 2014, among the Borrower, as borrower, persons party thereto from time to time in their capacities as lenders, and Canadian Imperial Bank of Commerce, as Agent, as it may be amended, supplemented or otherwise modified or restated from time to time.

"**Distribution**" means:

(a) the declaration, payment or setting aside for payment of any dividend or distribution on or in respect of any of the Collateral constituting securities;

(b) the payment, distribution or return of any capital of any Persons; or

(c) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any interests in the capital of any Persons or any securities, instruments, or contractual rights capable of being converted into, exchanged or exercised for interests in the capital of any Persons.

"**Documents**" means, collectively, the Credit Agreement, each other Loan Document and the Swaps Credit Documents.

"**lien hereof**" means the Security Interests created or expressed to be created or required to be created by the Debtor pursuant to this Agreement.

"**Obligations**" means, collectively and at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Debtor pursuant to or relating to any of the Documents, including without limitation all Lender Outstandings whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

"**PPSA**" means the *Personal Property Security Act* (Alberta).

"**Receiver**" means any receiver or receivers of the Collateral appointed by the Secured Party pursuant to this Agreement or by a court having jurisdiction; such term shall be deemed to refer to a receiver or receiver-manager.

Capitalized words and phrases used in this Agreement and the recitals hereto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Credit Agreement. For certainty, if the Credit Agreement ceases to be in force for any reason whatsoever, then for all purposes hereof the aforementioned capitalized words and phrases shall continue to have the same defined meanings set forth in the Credit Agreement as if such agreement remained in force in the form immediately prior to its ceasing to be in force.

1.2 Headings, References and Schedules

(a) 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.

(b) The term "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement 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, Sections and Schedules are to Articles, Sections and Schedules of this Agreement.

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

(e) References herein to a statute include, unless otherwise stated, regulations passed or in force pursuant thereto and any amendments to such statute or to such regulations from time to time, and any legislation or regulations substantially replacing the same or substantially replacing any specific provision to which such reference is made.

ARTICLE 2
SECURITY

2.1 Security for Obligations

As continuing security for the due payment, observance and performance of all of the Obligations, but subject to the exceptions hereinafter contained, the Debtor hereby:

(a) **personal property:** grants to and in favour of the Secured Party a continuing security interest in all of the Debtor's present and after-acquired personal property and rights thereto and therein (including all present and after-acquired intellectual property and rights thereto and therein, all present and after-acquired electronic information and electronic information storage and computer systems, all present and after-acquired franchises, privileges, permits, grants, licences, authorizations, contracts and agreements, and all goods, chattel paper, investment property, documents of title, instruments, money and intangibles, as such terms are defined in the PPSA), wherever located;

(b) **increases and additions:** for certainty, grants to the Secured Party a continuing security interest in, all increases, additions, accretions, attachments, parts, profits and accessions to any of the foregoing property, together with all substitutions for and replacements and renewals of any of the foregoing property;

(c) **proceeds:** grants to the Secured Party a continuing security interest in, all proceeds derived directly or indirectly from any dealing with any of the foregoing property (or any dealing with such proceeds), whether or not of the same type, class or kind as the original property, including any right to an insurance payment or any other payment as indemnity or compensation for loss or damage, and payments made in the total or partial discharge of an intangible, chattel paper, an instrument or a security; and

(d) **real property:** grants a first floating charge to and in favour of the Secured Party over all of the Debtor's present and after-acquired right, title, estate and interest (whether freehold, leasehold, profit à prendre or otherwise, and whether legal or equitable, corporeal or incorporeal) in and to all real property, buildings, structures, improvements, expansions, erections, works and fixtures, wherever located, and all accretions and accessions thereto, substitutions therefor, and all proceeds thereof.

2.2 Habendum

The Secured Party shall have and hold the Collateral and the rights hereby conferred on the Secured Party for the use and purpose and with the powers and authorities herein expressed.

2.3 Secured Party Not Liable on Debtor's Agreements, Etc.

Nothing contained in this Agreement shall be construed as rendering the Secured Party liable, directly or indirectly, for any obligations of the Debtor under any agreement, instrument, permit, lease, license or other document subject to the lien hereof, or any judgment, decree or order of any Governmental Authority.

2.4 Charge Valid Irrespective of Advance of Moneys

The lien hereof shall be and be deemed to be effective whether or not the money hereby secured or any part thereof shall be advanced before, upon or after the date of execution and issuance of this Agreement.

2.5 Acknowledgement

The Debtor, by executing this Agreement hereby acknowledges and agrees that:

(a) value has been given by the Secured Party;

(b) the Debtor has rights in the Collateral; and

(c) there is no agreement to postpone the attachment of the lien hereof.

2.6 Crystallization of Floating Charge

Without limiting its rights hereunder to crystallize and fix the floating charge created by Section 2.1(d) in any other manner or the powers, rights and remedies of the Secured Party hereunder in respect of the Collateral, the Secured Party may, at any time and from time to time, crystallize and fix such floating charge in respect of all or a portion of the property subject thereto by giving notice to the Debtor thereof, without any requirement for further intervention by the Secured Party (whether by the taking of possession, the appointment of a Receiver or otherwise) provided that the Secured Party may not exercise its remedies in respect of such fixed charge unless an Event of Default has occurred and is continuing. To the extent permitted by Applicable Law, but not in limitation of any occurrences that at law cause a floating charge security to crystallize or become fixed, the Debtor agrees that the floating charge security created by Section 2.1(d) shall crystallize and become fixed immediately and without any requirement for any notice or intervention on the part of the Secured Party, if an Event of Default occurs. The Debtor shall execute such further documents, make all filings and registrations, provide such legal opinions and do all acts reasonably requested by the Secured Party to give effect to the foregoing. The Debtor shall, forthwith on demand being made by the Secured Party, pay all reasonable fees, costs and expenses incurred by the Secured Party or its agents in connection with the filing, registering and depositing of this Agreement and all such supplementary and corrective instruments and all additional mortgage and security documents. The fees, costs and expenses incurred by the Secured Party or its agents hereunder shall be secured hereby and shall become part of the Obligations.

ARTICLE 3
ACCOUNTS; INVESTMENT PROPERTY

3.1 Assigned Accounts

The following provisions shall apply to all debts, accounts, claims, moneys, receivables and other similar items of personal property assigned and transferred to the Secured Party hereunder (in this Section called the "**assigned accounts**"):

(a) **collection:** following the occurrence of an Event of Default which is continuing, the Secured Party may collect, realize, sell or otherwise deal with the assigned accounts or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable and without notice to the Debtor (except as otherwise required by law);

(b) **not bound to collect:** the Secured Party shall not be liable or accountable for any failure to collect, realize, sell or otherwise deal with or obtain payment of the assigned accounts or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing, selling or otherwise dealing with or obtaining payment of the same or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Person in respect of the same;

(c) **trustee:** following the occurrence of an Event of Default which is continuing, all moneys collected or received by the Debtor in respect of the assigned accounts shall be held in trust by the Debtor for the benefit of the Secured Party, and paid over to the Secured Party forthwith on demand;

(d) **information:** the Debtor shall from time to time forthwith on request of the Secured Party furnish to the Secured Party any information relating to the assigned accounts and the Secured Party shall be entitled from time to time to inspect any documents pertaining thereto and take custody of any documents of title, chattel paper or instruments applicable to such assigned accounts;

(e) **notifications:** following the occurrence of an Event of Default which is continuing, the Secured Party may notify any account debtor to make payment of the assigned accounts to or to the order of the Secured Party; and

(f) **control of proceeds:** following the occurrence of an Event of Default which is continuing, the Secured Party may take control of any proceeds of the assigned accounts.

3.2 Investment Property

If an Event of Default has occurred and is continuing, the Secured Party may require that the Debtor have any shares, stock, warrants, bonds, debentures, debenture stock and other investment property and all instruments that form part of the Collateral (collectively, the "**Securities**") registered in the name of the Secured Party or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that, until an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise all voting power from time to time exercisable in respect of the Securities. The Secured Party shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor shall from time to time forthwith upon the request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

ARTICLE 4
LEASES; RESTRICTIONS ON ASSIGNMENT; POSSESSION AND USE

4.1 Last Day of Term Excluded

The last day of the term of any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, shall be excepted from the lien hereof and shall not form part of the Collateral, but the Debtor shall stand possessed of such one day remaining upon trust for the Secured Party and shall assign and dispose of the same as the Secured Party or any assignee from the Secured Party of such lease or agreement shall direct. The Secured Party may at any time after the occurrence of an Event of Default remove the Debtor as trustee and appoint another in its place.

4.2 Prohibitions on Assignment

To the extent that an assignment of amounts payable and other proceeds arising under or in connection with, or the grant of a Security Interest in any agreement, licence, permit or quota of the Debtor would result in the termination of such agreement, licence, permit or quota (each, a "**Restricted Asset**"), the lien hereof with respect to each Restricted Asset will not apply but shall constitute a trust created in favour of the Secured Party, pursuant to which the Debtor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Secured Party, on the following basis:

(a) subject to the Credit Agreement, until the lien hereof is enforceable the Debtor is entitled to receive all such proceeds; and

(b) whenever the lien hereof is enforceable, (i) all rights of the Debtor to receive such proceeds cease and all such proceeds will be immediately paid over to the Secured Party, and (ii) the Debtor will take all actions requested by the Secured Party to collect and enforce payment and other rights arising under the Restricted Asset.

4.3 Intellectual Property

(a) The lien hereof with respect to trade-marks constitutes a security interest in, and a charge of, such Collateral in favour of the Secured Party, but does not constitute an assignment or mortgage of such Collateral to the Secured Party.

(b) Until the lien hereof is enforceable, the grant of the lien hereof in intellectual property does not affect in any way the Debtor's rights to commercially exploit the intellectual property, defend it, enforce the Debtor's rights in it or with respect to it against third parties in any court or claim and be entitled to receive any damages with respect to any infringement of it.

4.4 Realization on Agreements

Nothing in Section 4.2 or elsewhere in this Agreement shall be construed as limiting the rights of the Secured Party or any Receiver to rely upon provisions in any agreement or instrument subject to the lien hereof where such provisions are more favourable to the Secured Party or a Receiver than those contained herein (notwithstanding any inconsistency herewith), nor as requiring the Secured Party or any Receiver to comply with any restrictions of the nature referred to in Section 4.2 in connection with any realization on the Collateral where such compliance is not otherwise required by the law relating to realization of security.

4.5 Possession and Dealings with Collateral Prior to Default

Unless and until an Event of Default shall have occurred which is continuing, the Debtor may, subject to the express terms hereof (in particular, Section 5.1) and the terms of the Credit Agreement:

(a) possess, operate, manage use, deal with and dispose of the Collateral in the ordinary course of its business and for the purpose of carrying of the same; and

(b) exercise, enjoy and enforce all of its rights and remedies under any agreement subject to the lien hereof in the ordinary course of its business and for the purpose of carrying on the same;

but nothing herein shall be construed as subordinating the lien hereof to any other present or future creditor of the Debtor, whether secured or unsecured.

4.6 Voting and Other Rights

(a) Unless an Event of Default has occurred which is continuing, the Debtor is entitled to exercise, either directly or, if the Collateral constituting securities is registered in the name of the Secured Party or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such securities including the voting rights from time to time exercisable in respect of such securities and to give proxies, consents and waivers in respect thereof. No such action may be taken if it would violate or be inconsistent with this Agreement or any other

Document or would have the effect of imposing any restriction on the transferability of any said securities.

(b) Upon the occurrence of an Event of Default which is continuing, the Secured Party may give the Debtor a notice prohibiting the Debtor from exercising the rights and powers of a holder of such securities including the voting rights in respect thereof, at which time all such rights of the Debtor will cease immediately and the Secured Party will have the right to exercise the rights and powers related to such securities including the right to vote.

4.7 Distributions

(a) Unless an Event of Default has occurred which is continuing:

(i) the Debtor is entitled to receive all Distributions or other payments in respect of the Collateral constituting securities; and

(ii) if the Collateral constituting securities has been registered in the name of the Secured Party or its nominee, the Secured Party will execute and deliver (or cause to be executed and delivered) to the Debtor all directions and other instruments as the Debtor may request for the purpose of enabling the Debtor to receive the Distributions or other payments that the Debtor is authorized to receive pursuant to Section 4.7(a)(i) above.

(b) Upon the occurrence of an Event of Default which is continuing, all rights of the Debtor pursuant to Section 4.7(a) will cease and the Secured Party will have the sole and exclusive right and authority to receive and retain all payments that the Debtor would otherwise be authorized to retain pursuant to Section 4.7(a). All money and other property received by the Secured Party pursuant to the provisions of this Section 4.7(b) may be applied on account of the Obligations or may be retained by the Secured Party as additional Collateral hereunder and be applied in accordance with the provisions of the Credit Agreement.

ARTICLE 5
COVENANTS OF THE DEBTOR

5.1 Restrictions on Creating Security and Property Dispositions

The Debtor covenants and agrees with the Secured Party that it shall not:

(a) **security:** create, assume, suffer to exist or otherwise have outstanding any Security Interests except for:

(i) Permitted Encumbrances (provided that nothing in this Agreement shall be construed as subordinating or postponing the lien hereof to any such Permitted Encumbrances); or

(ii) Security Interests hereafter created or assumed by it with the prior consent in writing of the Secured Party (provided that no such writing shall be construed as subordinating or postponing the lien hereof unless, and then only to the extent, expressly set out therein);

(b) **dispositions of assets:** sell, assign, exchange or transfer any property except for Permitted Dispositions; or

(c) **control:** grant "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property to any Person other than the Secured Party.

5.2 Further Assurances and After-Acquired Property

(a) The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, transfers, Security Interests and assurances in order to give effect to the provisions hereof.

(b) The Debtor hereby irrevocably constitutes and appoints any officer of the Secured Party at its address herein set out, or any Receiver appointed by the court or the Secured Party as herein set out, the true and lawful attorney of the Debtor with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to sue in the name of the Debtor whenever and wherever it may be deemed necessary or expedient in connection with this section.

5.3 Survival

Each covenant and agreement set out in this Article 5 shall remain in force and effect until this Agreement has been terminated. The covenants and agreements set forth in this Article 5 are without limitation to any other covenants, undertakings or agreements contained herein or in any other document between the Debtor and the Secured Party.

ARTICLE 6
LIEN HEREOF ENFORCEABLE UPON OCCURRENCE OF AN EVENT OF DEFAULT

If any Event of Default shall occur and be continuing, the lien hereof shall become immediately enforceable.

ARTICLE 7
REMEDIES

7.1 Remedies

If the lien hereof becomes enforceable and the Secured Party has determined to enforce the same, the Secured Party may itself (or through an agent) to the fullest extent permitted by

Applicable Law, and a Receiver appointed by the Secured Party pursuant to Section 7.2 hereof may:

(a) **possession of Collateral and power of entry**: take possession of the Collateral at such place or places as it may then be situate, and/or demand by notice in writing to the Debtor that the Debtor assemble and deliver possession of the Collateral to such place or places as is specified in such demand, whereupon the Debtor shall forthwith do so. The Secured Party or a Receiver may take such steps as it considers necessary or desirable to obtain possession of the Collateral to the exclusion of the Debtor and to that end the Debtor agrees that the Secured Party or Receiver may at any time enter upon lands and premises where the Collateral may be found for the purpose of taking possession of and/or removing the Collateral without being liable to the Debtor by reason of such entry. In the event that the Secured Party or Receiver takes possession of the Collateral, it shall have the right to seize, repossess and maintain the same upon the premises on which the Collateral may then be situate without removal to other premises, and may dispose of the same from such premises;

(b) **power of disposition**: sell, lease or otherwise dispose of the Collateral either as a whole or in separate parcels, units or parts, by public sale (including public auction) or private or closed tender or by private contract, with only those notices, if any, as are required by Applicable Law, and with or without advertising and without any other formality (except as otherwise required by Applicable Law), and such sale, lease or disposition shall be on such terms and conditions as to title, credit or deferred payment and otherwise and as to upset or reserve bid or price as may seem advantageous to the Secured Party or Receiver, and the Secured Party or Receiver shall not be required to accept the highest or any bid or tender at any public sale. If such sale, lease or disposition is made in whole or in part on credit or deferred payment, there need only be applied against the Obligations the actual cash received from time to time. The Secured Party may itself purchase or lease the Collateral, unless prohibited from doing so by Applicable Law. The Secured Party or Receiver may rescind or vary any contract for the sale, lease or other disposition of the Collateral and may resell or re-lease without being answerable for any loss occasioned thereby, and may delay any disposition of the Collateral in whole or in part;

(c) **carrying on business**: carry on or concur in the carrying on, or cease the carrying on, of all or any part of the business or undertaking of the Debtor and receive all proceeds, rents, revenues, profits and any other income thereof, and enter into any contract that it deems reasonable, and may to the exclusion of all others, including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plants and undertakings of or occupied or used by the Debtor and may use any or all of the machinery, equipment, tools and other assets of the Debtor for such time as the Secured Party or Receiver sees fit, free of charge, to carry on the business of the Debtor and, if applicable, to produce or manufacture or complete the production or manufacture of any resources or products, to pack and ship or transport the resources or products, to employ and discharge any

Persons upon such terms and remuneration as it deems appropriate, and generally to have the same rights and powers as the Debtor would have in carrying on such business were it not in default hereunder;

(d) **pay encumbrances**: pay all or any part of any indebtedness of the Debtor secured by a Lien against the Collateral, whether prior to or subordinate to the lien hereof;

(e) **foreclosure**: foreclose upon the Collateral pursuant to Applicable Law;

(f) **deal with Collateral**: obtain, hold, maintain, release to third parties, repair, replace, substitute, protect, preserve, process, prepare or otherwise deal with the Collateral in such manner, upon such terms and conditions and at such time or times as may seem advisable to the Secured Party or Receiver without notice to the Debtor (except as otherwise required by Applicable Law);

(g) **file proofs of claim**: file such proofs of claim and other documents as may be necessary or advisable in order to prove the claim of the Secured Party in any bankruptcy, proposal, winding-up or other proceeding relating to the Debtor or its property;

(h) **commence actions**: commence and proceed with any actions or judicial proceedings seeking such legal and/or equitable remedies as the Secured Party or Receiver deems advisable to protect and enforce its rights hereunder and the Collateral;

(i) **expenses of realization**: charge on its own behalf and pay to others amounts reasonably incurred (including reasonable legal fees and expenses on a solicitor and his own client basis, and Receivers' and accounting fees) in or in connection with any dealing with the Collateral or acts in respect thereof referred to in the preceding paragraphs, and in connection with the protection and enforcement of its rights hereunder (including in connection with advice with regard to any of the foregoing). The Secured Party or Receiver may deduct such amounts from the proceeds of realization or may add such amounts to the Obligations, whereupon the same shall be payable by the Debtor to the Secured Party on demand and shall bear interest at the Prime Rate calculated from the date incurred by the Secured Party or Receiver to the date paid by the Debtor and such amounts and such interest shall be secured by the lien hereof;

(j) **credit**: purchase on credit, borrow money in the Debtor’s name or advance its own money on such terms and at such rates as it may deem reasonable; and

(k) **enforcement**: otherwise enforce this Agreement by any method permitted by Applicable Law.

To enable the Secured Party to exercise the powers granted to it hereunder, the Debtor hereby irrevocably appoints the Secured Party as its attorney and on its behalf to effect any sale, lease or other disposition of the Collateral, and to execute all instruments, deeds, and do all acts, matters and things that may be necessary or advisable in the name of or on behalf of the Debtor or otherwise. The power of attorney hereby granted shall be effective upon the lien hereof becoming enforceable and the Secured Party having determined to enforce the same. The Secured Party shall have full power of substitution, and may provide the Receiver with the power to exercise such rights as attorney hereunder, and may at any time revoke any such substitution.

In exercising any of its powers under this Agreement, the Secured Party, and any Receiver appointed pursuant to Section 7.2, may act through its officers, employees, agents, solicitors or substitute attorneys.

7.2 Private or Court Appointed Receiver

(a) **Private appointment**: The Secured Party may, at any time after the lien hereof has become enforceable and whether or not the Secured Party shall itself or through its officers, employees, agents or solicitors have taken possession of the Collateral or taken any other actions or steps with regard thereto, appoint by instrument in writing a Receiver over all or any portion of the Collateral. Any such Receiver shall have all of the powers, remedies and rights set forth in Section 7.1 hereof, and the powers, remedies and rights of the Secured Party hereunder, in addition to those possessed by a receiver or receiver-manager, as applicable, at law or in equity, unless any of such powers, remedies and rights are expressly limited in the instrument appointing the Receiver or in amendments thereto. The Secured Party may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Secured Party. Any Receiver appointed by the Secured Party need not be appointed, ratified, or supervised in any way by a court, and may be appointed with or without bond or security. The Secured Party may from time to time fix the remuneration of every such Receiver, and direct the payment thereof out of the Collateral or the proceeds thereof in priority to payment of the Obligations.

(b) **Receiver's certificates**: A Receiver appointed pursuant to paragraph (a) may, with the consent in writing of the Secured Party, borrow money for the maintenance, protection or preservation of the Collateral or for the carrying on of the business or undertaking of the Debtor, and any Receiver may issue certificates (in this paragraph called "**receiver's certificates**"), for such amounts as will in the opinion of the Secured Party be sufficient for obtaining upon the security of the Collateral the amounts from time to time required, and such receiver's certificates may be payable either to order or bearer and may be payable at such time or times as the Secured Party may consider expedient, and shall bear such interest as shall therein be provided and the Receiver may sell, deposit, pledge or otherwise dispose of the same in such manner as the Secured Party may consider advisable and may pay such commission on the sale thereof as he may consider reasonable, and the amounts from time to time payable by virtue of such receiver's certificates shall at the option of the Secured Party be entitled to the security of the lien hereof in priority to the Obligations.

(c) **Indemnity**: Any Receiver appointed pursuant to paragraph (a) shall so far as concerns responsibility for its acts be deemed the agent of the Debtor, and the Secured Party shall not be responsible for any misconduct or negligence on the part of any such Receiver. The Debtor shall indemnify and save harmless the Secured Party from and against any and all costs, charges, demands, damages, liabilities, claims and actions whatsoever and howsoever suffered or incurred by the Secured Party as a result of the acts of any such Receiver, save and except those costs charges, demands, damages, liabilities, claims and actions arising out of the wilful misconduct or gross negligence on the part of any such Receiver.

(d) **Court appointment**: The Secured Party may, in its sole discretion, either before or after the private appointment of a Receiver hereunder, institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral, and in such case the Receiver shall have the powers expressed in the order appointing it, as such order may be varied from time to time.

(e) **Power of directors**: Upon the appointment of any Receiver, all powers, functions, rights and privileges of the directors of the Debtor with respect to the Collateral shall cease unless specifically continued by the written consent of the Secured Party.

7.3 <u>Dealing with Security</u>

(a) The Secured Party may grant renewals, extensions of time and other indulgences, take, release and give up security, accept compositions, grant releases and discharges, perfect or fail to perfect any security, release the Collateral to third parties and otherwise deal or fail to deal with the Debtor, debtors of the Debtor, guarantors, sureties and others and with the Collateral and other investment security as the Secured Party may see fit, all without prejudice to the liability of the Debtor to the Secured Party, or the Secured Party's rights and powers under this Agreement.

(b) Nothing in this Agreement shall be construed as requiring the Secured Party to exercise all or any of its possession or realization rights hereunder in respect of all or any particular part of the Collateral (and such rights may be exercised as the Secured Party determines in its sole discretion), and the Secured Party may specifically elect not to take possession or control over any such Collateral while exercising all remedies available to it in respect of any other Collateral. The Secured Party may also, of its own volition, release or discharge from the lien hereof any Collateral that it desires to release to the Debtor, and the Debtor covenants to accept such release and execute any acknowledgments as the Secured Party may require in respect thereof.

(c) In the holding of the Collateral, the Secured Party and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Secured Party and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Secured Party or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

(d) The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral and no such duties shall be implied as arising hereunder.

7.4 Cash Collateral Account

The Secured Party may in the course of enforcing the lien hereof, when in its sole discretion it considers doing so advantageous to it, retain any money in a cash collateral account maintained by it, such cash collateral account to be subject to the lien hereof, and amounts so retained ultimately to be applied (with any accrued interest) to the Obligations.

7.5 Validity of Sale

No Person dealing with the Secured Party or any Receiver shall be concerned to inquire whether the lien hereof has become enforceable or whether the powers which the Secured Party or any Receiver is purporting to exercise have become exercisable or whether any money remains due on the security of the Collateral or as to the necessity or expedience of the stipulations and conditions subject to which any sale, lease or other disposition shall be made or otherwise as to the propriety or regularity of any sale or any other dealing by the Secured Party with the Collateral or to see to the application of any moneys paid to the Secured Party or Receiver. In the absence of fraud on the part of such Person, such dealings shall be deemed to be within the powers hereby conferred and to be valid and effective accordingly.

7.6 Rights and Remedies in Addition

Each and every right, remedy and power conferred by this Article 7 is in supplement of and in addition to and not in substitution for any other right, remedy or power the Secured Party or any Receiver may have from time to time under this Article or elsewhere in this Agreement, or in any other agreement or under Applicable Law in force at the time of the exercise of such right, remedy or power. The Secured Party or Receiver may proceed by way of any action, suit, remedy or other proceeding at law or in equity (including specific performance of any covenant and injunctions against violations of any covenant) and no such remedy for the enforcement of the rights of the Secured Party or Receiver shall be exclusive of or dependent on any other such remedy. Any one or more of such remedies may from time to time be exercised separately or in combination and in particular the power of sale and other realization remedies contained herein may be exercised without the Secured Party entering into possession of or exercising control over the Collateral. Notwithstanding the foregoing, the Secured Party shall not be bound to deal with the Collateral, to exercise any right or remedy as aforesaid, or to preserve rights against other Person.

ARTICLE 8
LIMITATION OF LIABILITY

8.1 Limitation of Liability

(a) Subject to paragraph (c), the Secured Party and any Receiver shall not be liable, accountable or responsible for any loss or damage suffered or incurred by the Debtor as a result of:

(i) the failure by the Secured Party or a Receiver to exercise any rights or remedies provided for herein, or to exercise any right or remedy in lieu of any other right or remedy; or

(ii) the taking and maintaining of possession by the Secured Party or a Receiver of the Collateral pursuant to the terms of this Agreement, or the carrying on of the business of the Debtor as herein provided.

(b) Subject to paragraph (c), the Secured Party and any Receiver shall not be liable, accountable or responsible:

(i) to account as mortgagee in possession or otherwise upon entry into possession hereunder, other than for actual receipts;

(ii) to observe or perform, or to see to the observance or performance by the Debtor of any agreements or obligations to which the Debtor is a party or by which it is bound, whether before or during any period when the Secured Party or a Receiver has entered into possession hereunder;

(iii) for loss or damage to the Collateral while in the possession of the Secured Party or a Receiver, the risk of which is hereby expressly agreed to be on the Debtor;

(iv) subject to Section 7.3(c) and other than chattel paper, securities and instruments in its possession, to keep the Collateral identifiable or separate from other property which it owns or holds, whether fungible or not, while in the possession of the Secured Party or a Receiver; or

(v) in the case of chattel paper, a security or an instrument in the possession of the Secured Party or a Receiver, to take any steps to preserve rights against other Persons.

(c) Notwithstanding any exclusion or limitation herein contained, to the extent that Applicable Law imposes a duty or onus upon a Person or restricts his rights or remedies in relation hereto, and such provisions are under Applicable Law incapable of waiver or variance by the Debtor, the provisions of such Applicable

Law shall govern and the affected provisions hereof shall be deemed to be amended to the extent necessary to give effect to such Applicable Law without in any way affecting any other provision hereof.

ARTICLE 9
EXPENSES AND INDEMNITY

9.1 Expenses

(a) All statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to the Secured Party by the Debtor under this Agreement shall be supplied by the Debtor without cost to the Secured Party.

(b) The Debtor shall pay to the Secured Party all reasonable out-of-pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and consultants' fees and other expenses incurred by the Secured Party from time to time in accordance with this Agreement in the documentation, preparation, negotiation, execution, registration, enforcement, realization and collection of or in respect of this Agreement (including all charges incurred in respect of the Collateral and obtaining any reports or evaluations in respect thereof and all costs and expenses associated with considering the provision of consents, waivers or other acknowledgements hereunder). All such amounts shall become part of the Obligations, and shall be payable by the Debtor on demand, shall bear interest at 2% over the interest rate applicable to Loans plus the Applicable Margin calculated from the date incurred by the Secured Party to the date paid by the Debtor, and such amounts and interest shall be secured by the lien hereof. This provision shall not be construed to limit any other provisions of this Agreement dealing with the charge-back to the Debtor of expenses incurred by the Secured Party.

ARTICLE 10
MISCELLANEOUS

10.1 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 facsimile or other electronic means of communication addressed as follows:

To the Debtor:

[Insert name of applicable debtor]

[Insert address]
Attention: ●
Fax No. ●

To the Secured Party:

[Redacted address]

Attention: **[Redacted]**
Fax No.: **[Redacted]**

or to such other address or facsimile number as any party may from time to time notify the other in accordance with this Section 10.1. Any notice, communication or demand made or given by personal delivery during usual business hours at the place of receipt on a Banking Day shall be deemed to have been given on the day of actual delivery thereof. Any notice, communication or demand made or given by personal delivery after usual business hours on a Banking Day or by facsimile or other electronic means of communication shall be deemed to have been given, on the first Banking Day following the delivery or transmittal thereof.

10.2 Governing Law

(a) THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAWS OF THE PROVINCE OF ALBERTA AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

(b) The Debtor 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 this Agreement and it irrevocably submits to the non-exclusive jurisdiction of such courts, without prejudice to the rights of the Secured Party to take proceedings in any other jurisdictions, whether concurrently or not.

(c) The Debtor agrees that final judgment in any such suit, action or proceeding brought in such courts shall be conclusive and binding upon it and may be enforced against it in the courts of Canada (or any other courts to the jurisdiction of which it or its property is subject) by a suit upon such judgment, provided that it does not waive any right to appeal any such judgment, to seek any stay or otherwise to seek reconsideration or review of any such judgment.

10.3 No Merger

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liability of the Debtor to make payment of, or to satisfy the Obligations, nor shall the acceptance of any payment or alternate security constitute or create any novation, and the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of such covenants.

10.4 No Discharges Unless Specifically Provided

No postponement or partial release or discharge of the lien hereof in respect of the Collateral shall in any way operate or be construed so as to release or discharge the security hereby constituted in respect of the Collateral except as therein specifically provided, or to release or discharge the Debtor from its liability to fully pay and satisfy the Obligations.

10.5 Assignment and Enurement

(a) The Debtor shall not and cannot assign its obligations under this Agreement, take any steps or enter into any transaction of any nature which would have that effect, without the prior written consent of the Secured Party. Subject thereto, all obligations of the Debtor hereunder shall bind the Debtor and its successors and assigns.

(b) The Secured Party may assign this Agreement, and its rights hereunder in whole or in part at any time and from time to time without the consent of the Debtor and this Agreement shall enure to the benefit of the Secured Party and its successors and assigns.

10.6 Time of Essence

Time is of the essence of this Agreement.

10.7 Copy Received

The Debtor acknowledges having received and retained a copy of this Agreement.

10.8 Waiver of Right to Receive Copy of Statements

The Debtor waives any right it now has or hereafter may have to receive from the Secured Party a copy of any financing statement or any financing change statement in which the Debtor is named as a debtor, or a copy of statements used by a personal property registry to confirm registration of financing statements.

10.9 Severability

If one or more of the provisions of this Agreement or any part of any of them is, or is adjudged to be, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, and such invalid, illegal or unenforceable provision or part shall, to the extent permitted at law, be severable.

10.10 Security in Addition

The security hereby constituted is not in substitution for any other security for the Obligations, or for any other agreement between the parties whether or not creating any Lien in the Collateral whether heretofore or hereafter made, and such security and such agreement shall be deemed to be continued and not affected hereby unless expressly provided to the contrary in a writing signed by the Debtor and the Secured Party. The taking of any action or proceedings or refraining from so doing, or any other dealing with any other security for the Obligations or any part thereof shall not release or affect the lien hereof and none of the creation of this Agreement nor the taking of any proceedings hereunder or thereunder for the realization of the security hereby constituted shall release or affect any other security held by the Secured Party for the payment or performance of the Obligations.

10.11 <u>Amendments, Waivers and Consents</u>

This Agreement may only be amended by an agreement in writing among the Debtor and the Agent, and provisions hereof may be waived or matters consented to by the Agent only if the Agent so agrees in writing. Any waiver or consent by the Agent under any provision of this Agreement may be given subject to any conditions thought fit by the Agent. Any waiver or consent shall be effective only in the specific instance and for the purpose for which it is given.

10.12 <u>Further Assurances</u>

(a) Each party shall promptly cure any defect by it in the execution and delivery of this Agreement.

(b) The Debtor, at its expense, shall promptly execute and deliver to the Secured Party, upon request by the Secured Party in writing, all such other and further documents, agreements, legal opinions, certificates and instruments in order to give effect to the covenants and agreements of the Debtor 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.

10.13 <u>Composite Agreement</u>

This Agreement is a composite security agreement covering the property of the Debtor located in the various Provinces of Canada and elsewhere and, as to portions of the property located in such separate jurisdictions, this Agreement shall be a separate security agreement enforceable against the Debtor without regard to the application of this Agreement to portions of the Collateral located in other jurisdictions. All provisions hereof shall be applicable separately to the portions of the property located in each separate jurisdiction with the same effect as if a separate security agreement with respect thereto had been executed and delivered. Upon the reasonable request of the Secured Party, the Debtor shall provide at its expense a separate security agreement covering the portion of the property located in any such jurisdiction or jurisdictions. The Debtor hereby agrees to execute and deliver to the Secured Party all such separate security agreements which may be so requested in form and substance satisfactory to the Secured Party, and at the request of the Secured Party, but at the expense of the Debtor, the Debtor shall record, register and file, and keep recorded, registered and filed, such separate security agreements to the extent required, so as to make the same valid, binding and enforceable obligations of the Debtor and to make effective the Security Interests created hereby and thereby.

10.14 Not Bound To Advance

Neither the execution and delivery nor the registration of this Agreement shall for any reason whatsoever obligate or bind the Lenders or the Swap Lenders to advance any moneys or, having advanced a portion, obligate the Lenders or the Swap Lenders in any way to advance the balance or any portion thereof, but nevertheless the lien hereof shall take effect forthwith upon execution of this Agreement and shall operate as security for the Obligations.

IN WITNESS WHEREOF the Debtor has executed this Agreement.

[Insert Debtor's Name]

By: ____________________________________
Name:
Title:

Schedule "G" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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FORM OF MATERIAL SUBSIDIARY GUARANTEE

[NOTE: IF MATERIAL SUBSIDIARY IS A PARTNERSHIP, OR IF THE GUARANTEE IS PROVIDED BY THE BORROWER, A REVISED FORM OF THIS GUARANTEE WILL BE PROVIDED BY THE AGENT]

This Guarantee is made as of **[date of designation of new Material Subsidiary]**.

TO: Canadian Imperial Bank of Commerce, in its capacity as Agent (as hereinafter defined)

For valuable consideration, receipt whereof is hereby acknowledged, **[name of Material Subsidiary]** (the "**Guarantor**") hereby irrevocably, absolutely and unconditionally:

(a) guarantees to the Agent for and on behalf of itself and the Lenders (as hereinafter defined) the full, prompt and punctual payment and performance of the Obligations (as hereinafter defined) on demand; and

(b) indemnifies and saves harmless the Agent and the Lenders (as hereinafter defined) from and against any and all losses, damages, costs, expenses or liabilities suffered or incurred by the Agent or any Lender (as hereinafter defined) resulting or arising from or relating to any failure of any Other Loan Party to pay in full or fully perform the Obligations as and when due, provided that the amount of such indemnification shall not exceed the amount of such Obligations together with any and all other amounts due and owing hereunder from time to time.

And the Guarantor agrees with the Agent and the Lenders as follows:

1. <u>Definitions</u>. In this Guarantee, including any preamble and recitals and the guarantee provision set forth above, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions (including the singular and plural form and derivatives thereof) shall have the following meanings:

(a) "**Agent**" means Canadian Imperial Bank of Commerce, in its capacity as agent for the Lenders, and any successor thereof appointed pursuant to the Credit Agreement;

(b) "**Borrower**" means CERF Incorporated, its successor and assigns;

(c) "**Credit Agreement**" means the credit agreement dated August 27, 2014 among the Borrower and the financial institutions which are or may become party thereto from time to time, as lenders, and Canadian Imperial Bank of Commerce, as agent for such lenders, as such credit agreement may be amended, amended and restated, modified, replaced, restated or supplemented from time to time;

(d) "**Guarantee**" means this Material Subsidiary Guarantee, as the same may be amended, amended and restated, modified, supplemented, replaced or restated from time to time;

(e) "**Lenders**" has the meaning assigned to that term under the Credit Agreement and for the purposes of this Guarantee, includes the Swap Lenders and providers of Cash Management Facilities, and "**Lender**" means any of them;

(f) "**Loan Documents**" shall have the meaning given to it from time to time in the Credit Agreement, in each case as the same may be amended, amended and restated, modified, replaced or supplemented from time to time;

(g) "**Obligations**" means all obligations, indebtedness, liabilities, covenants, agreements and undertakings of the Other Loan Parties, or any of them, to the Agent and the Lenders, or any of them, arising out of or contemplated by the Credit Agreement, any other Loan Document or any Lender Swap, and whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof, including all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether such Other Loan Parties or any of them be bound alone or with others and whether as principal or surety; and

(h) "**Other Loan Parties**" means collectively, the Borrower and each Material Subsidiary from time to time other than the Guarantor and "**Other Loan Party**" means any of them.

Capitalized terms which are not otherwise defined herein shall have the meanings assigned to them under the Credit Agreement.

2. Acknowledgment of Agent Capacity. This Guarantee is granted to the Agent in its capacity as agent for the Lenders. All of the covenants, representations, warranties, rights, benefits and protections made or given in favour of the Agent hereunder are acknowledged to be for the joint and several benefit of the Agent and each of the Lenders from time to time.

3. Evidence of Accounts. Any account settled or stated between the Agent or any Lender, on the one hand, and any Other Loan Party, on the other hand, shall be accepted by the Guarantor as *prima facie* evidence that the amount thereby appearing due by such Other Loan Party is so due.

4. Waiver of Defences. The liability of the Guarantor under this Guarantee shall be irrevocable, unconditional and absolute, and, without limiting the generality of the foregoing, the obligations of the Guarantor shall not be released, discharged, limited or otherwise affected by, and the Guarantor hereby waives as against the Agent for and on behalf of the Lenders to the fullest extent permitted by Applicable Law, any defence relating to:

(a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Obligation or otherwise unless such extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release shall specifically release the Guarantor from its indebtedness, obligations or liabilities hereunder or any part thereof or is a payment of all the Obligations in full;

(b) any modification or amendment of or supplement to the Obligations, including any increase or decrease in the principal, the rates of interest or other amounts payable in respect thereof;

(c) whether the Lender Swaps shall be in respect of commodity risk, interest rate risk, currency risk or otherwise and whether on a financial or physical basis, and whether speculative or not;

(d) any defence based upon any incapacity, disability or lack or limitation of status or power of any Other Loan Party, the Guarantor or any other Person or of the directors, officers, employees, partners or agents thereof, or that any Other Loan Party, the Guarantor or any other Person may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of moneys or credits in respect of the Obligations;

(e) any change in the existence, structure, constitution, name, control or ownership of any Other Loan Party, the Guarantor or any other Person;

(f) any insolvency, bankruptcy, amalgamation, merger, reorganization, arrangement or other similar proceeding affecting any Other Loan Party, the Guarantor or any other Person or the assets of any Other Loan Party, the Guarantor or any other Person;

(g) any change in the shareholdings or membership of the Guarantor through the retirement of one or more partners or the introduction of one or more partners or otherwise;

(h) the existence of any claim, set-off or other rights which the Guarantor may have at any time against any Other Loan Party, any of the Lenders, the Agent or any other Person, whether in connection with the Obligations or any unrelated transactions;

(i) any release or non-perfection or any invalidity, illegality or unenforceability relating to or against any Other Loan Party, the Guarantor or any other Person, whether relating to any instrument evidencing the Obligations or any other agreement or instrument relating thereto or any part thereof or any provision of Applicable Law purporting to prohibit the payment by any Other Loan Party, the Guarantor or any other Person of any of the Obligations;

(j) any limitation, postponement, prohibition, subordination or other restriction on the rights of the Agent or any Lender to payment of the Obligations or to take any steps in respect thereof, including without limitation any stay of proceedings against any Other Loan Party or any direct or indirect guarantor of the Obligations;

(k) any release, substitution or addition of any co-signer, endorser, other guarantor or any other Person in respect of the Obligations;

(l) any defence arising by reason of any failure of the Agent or any Lender to make any presentment, demand for performance, notice of non-performance, protest, and any other notice, including notice of;

(i) acceptance of this Guarantee;

(ii) partial payment or non-payment of all or any part of the Obligations; and

(iii) the existence, creation, or incurring of new or additional Obligations;

(m) any defence arising by reason of any failure of the Agent or any Lender to proceed against any Other Loan Party or any other Person, to proceed against, apply or exhaust any security held from any Other Loan Party, the Guarantor or any other Person for the Obligations, or to proceed against or to pursue any other remedy in the power of the Agent or any Lender whatsoever;

(n) the benefit of any law which provides that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligations;

(o) any defence arising by reason of any incapacity, lack of authority, or other defence of any Other Loan Party, the Guarantor or any other Person, or by reason of the cessation from any cause whatsoever of the liability of any Other Loan Party, the Guarantor or any other Person with respect to all or any part of the Obligations, or by reason of any act or omission of the Agent, any Lender or others which directly or indirectly results in the discharge or release of any Other Loan Party, the Guarantor or all or any part of the Obligations or any security, or guarantee therefor, whether by operation of law or otherwise;

(p) any defence arising by reason of any failure by the Agent or any Lender to obtain, perfect or maintain a perfected (or any) Security Interest upon any property of any Other Loan Party, the Guarantor or any other Person or by reason of any interest of the Agent or any Lender in any property, whether as owner thereof or the holder of a Security Interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Agent or any Lender of any right to recourse or collateral;

(q) any defence arising by reason of the failure of the Agent or any Lender to marshal any assets;

(r) any defence based upon any failure of the Agent to give to any Other Loan Party, the Guarantor or any other Person notice of any sale or other disposition of any property securing any or all of the Obligations or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of the Agent or any Lender to comply with any provision of Applicable Law in enforcing any Security Interest upon any such property, including any failure by the Agent or any Lender to dispose of any such property in a commercially reasonable manner;

(s) any dealing whatsoever with any Other Loan Party, the Guarantor or other Person or any security, whether negligently or not, or any failure to do so;

(t) any extinguishment of all or any of the Obligations for any reason whatsoever (other than the actual satisfaction thereof); or

(u) any other law, event or circumstance which might otherwise constitute a defence available to, or a discharge of the Guarantor, any other act or omission to act or delay of any kind by any Other Loan Party, the Agent, any Lender, the Guarantor or any other Person or any other circumstance whatsoever, whether similar or dissimilar to the foregoing, which might, but for the provisions of this Section 4, constitute a legal or equitable discharge, limitation or reduction of the obligations of the Guarantor hereunder (other than the payment or satisfaction in full of all of the Obligations).

The foregoing provisions apply (and the foregoing waivers shall be effective) even if the effect is to destroy or diminish the Guarantor's subrogation rights, the Guarantor's right to proceed against any Other Loan Party for reimbursement, the Guarantor's right to recover contribution from any other guarantor or any other right or remedy.

5. <u>Indemnity</u>. The Guarantor shall be liable for and shall indemnify and save the Agent and the Lenders harmless from and against any losses which may arise by virtue of any of the Obligations or any agreement related thereto being or becoming for any reason whatsoever in whole or in part (a) void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law other than by reason of a release by the Agent and the Lenders (collectively an "**Indemnifiable Circumstance**"). For greater certainty, these losses shall include, without limitation, the amount of all obligations which would have been payable by the Other Loan Party but for the existence of an Indemnifiable Circumstance. The Guarantor shall also be liable for and shall indemnify and save the Agent and the Lenders harmless from and against any and all liabilities, costs and expenses (including reasonably legal fees and expenses on a solicitor and his own client full indemnity basis) (x) incurred by the Agent or any Lender in the preparation, registration, administration or enforcement of this Guarantee, (y) with respect to or resulting from any failure or delay by the Guarantor in performing or observing any of its obligations under this Guarantee, and (z) incurred by the Agent or any Lender in performing or observing any of the other covenants of the Guarantor under this Guarantee.

6. <u>No Waiver</u>. No delay on the part of the Agent or any Lender in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No amendment to this Guarantee or waiver of any of the rights of the Agent or any Lender hereunder shall be deemed to be made by the Agent or any Lender unless the same shall be in writing, duly signed on behalf of the Agent and each such waiver, if any, shall apply only with respect to the specific instance involved and for the specific purpose for which given, and shall in no way impair the rights or liabilities of the Agent or the Guarantor hereunder in any other respect at any other time.

7. <u>Deemed Existence</u>. If at any time, all or any part of any payment previously applied by the Agent or any Lender to any Obligation is or must be rescinded or returned by the Agent or any Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Guarantor or any Other Loan Party) such Obligation shall, for the purpose of this Guarantee, to the extent that such payment is rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Agent or any Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, all as though such application by the Agent or any Lender had not been made.

8. <u>Assignment and Postponement</u>. Following the occurrence and during the continuance of an Event of Default, all present and future indebtedness and liability of the Other Loan Parties to the Guarantor is hereby assigned by the Guarantor to the Agent and postponed to the Obligations and all moneys received by the Guarantor in respect thereof will be received in trust for and will be paid over to the Agent upon demand by the Agent. If the Agent or the Lenders receive from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor will not be entitled to claim repayment against any Other Loan Party until the Agent and the Lenders' claims against all Other Loan Parties have been irrevocably and unconditionally paid in full. In case of liquidation, winding-up or bankruptcy of any Other Loan Party (whether voluntary or involuntary) or any composition with creditors or scheme of arrangement, the Agent and the Lenders will have the right to rank for their full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until the claims of the Agent and the Lenders have been irrevocably and unconditionally paid in full and the Guarantor will continue to be liable hereunder for any balance which may be owing to the Agent or the Lenders by the Other Loan Parties. In the event of the valuation by the Agent of any of its security and/or the retention thereof by the Agent, such valuation and/or retention will not, as between the Agent and the Lenders and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction of the Obligations or any part thereof. The foregoing provisions of this Section 8 will not in any way limit or lessen the liability of the Guarantor under any other section of this Guarantee.

9. <u>Other Securities</u>. This Guarantee is in addition to and not in substitution for any other guarantee or any other securities by whomsoever given at any time held by the Agent or any Lender for any present or future Obligations and the Agent or any Lender shall at all times have the right to proceed against or realize upon all or any portion of any other guarantees or securities or any other money or assets to which it may become entitled or

have a claim in such order and in such manner as it in its sole and unfettered discretion may deem fit.

10. Continuing Guarantee. This Guarantee is a continuing guarantee and: (a) shall remain in full force and effect in accordance with its terms until payment in full of all amounts payable under this Guarantee and termination of the Lenders' commitments and obligations under and pursuant to the Loan Documents; and (b) shall enure to the benefit of the Agent, each Lender and their respective successors and assigns, and shall be binding upon the Guarantor, its successors and permitted assigns.

11. Enforcement of Guarantee. The obligations of the Guarantor under this Guarantee shall be enforceable by the Agent upon demand by the Agent for payment of the Obligations in accordance with the terms hereof without the necessity of any action or recourse whatsoever against any Other Loan Party, any security or any other guarantor. The remedies provided in this Guarantee are cumulative and not exclusive of any remedies provided by Applicable Law, the Loan Documents or otherwise.

12. Subrogation. This Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Agent or any Lender, and all dividends, compensations, proceeds of security valued and payments received by the Agent or any Lender from any Other Loan Party, the Guarantor or from others or from any estate shall be regarded for all purposes as payments in gross without right on the part of any Guarantor to claim in reduction of the liability under this Guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Agent or any Lender or proceeds thereof, and the Guarantor shall have no right to be subrogated in any rights of the Agent until the Agent shall have received full, final and indefeasible payment and performance of the Obligations and the Lenders have no further obligation to extend credit or advance monies to or for the benefit of any Other Loan Party.

13. Foreign Currency Obligations. The Guarantor will make payment relative to each Obligation in the currency (the "**Original Currency**") in which the Other Loan Party is required to pay such Obligation. If the Guarantor makes payment relative to any Obligation to the Agent or a Lender in a currency (the "**Other Currency**") other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment will constitute a discharge of the liability of the Guarantor hereunder in respect of such Obligation only to the extent of the amount of the Original Currency which the Agent or such Lender is able to purchase at Calgary, Alberta with the amount it receives on the date of receipt. If the amount of the Original Currency which the Agent or such Lender is able to purchase is less than the amount of such currency originally due to it in respect of the relevant Obligation, the Guarantor will indemnify and save the Agent and the Lenders harmless from and against any loss or damage arising as a result of such deficiency. This indemnity will constitute an obligation separate and independent from the other obligations contained in this Guarantee, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Agent or any Lender and will continue in

full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

14. Guarantee of Payment and Performance. This Guarantee is a guarantee of payment and performance and not of collection and is in addition and without prejudice to any securities of any kind now or hereafter held by the Agent or any Lender.

15. Costs. The Guarantor shall pay to the Agent 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 Agent and any of the Lenders from time to time in the enforcement, realization and collection of or in respect of this Guarantee, and the term "Obligations" herein shall include all such costs and expenses. All of these amounts shall be payable by the Guarantor on demand, shall bear interest at a rate per annum equal to the Prime Rate per annum, calculated from the date incurred by the Agent to the date paid by the Guarantor, compounded monthly on the last day of each month, both before and after default, maturity and judgment.

16. Payment. All payments hereunder with respect to any Obligations shall be made to the Agent on behalf of the Lenders at the Agent's branch in **[Redacted address]**, or at such other branch or agency of the Agent as the Agent shall designate from time to time by notice in writing to the Guarantor.

17. Payment on Stay. If: (a) any Other Loan Party is prevented from making payment of any of the Obligations when it would otherwise be required to do so; or (b) the Agent is prevented from demanding payment of the Obligations because of a stay or other judicial proceeding or any other legal impediment, all Obligations or other amounts otherwise subject to demand, acceleration or payment shall be payable by the Guarantor as provided for hereunder.

18. Waiver of Notice. The Guarantor waives all notices which may be required by any statute, rule of law, contract or otherwise to preserve any rights to the Agent or any Lender against the Guarantor.

19. Taxes. Any and all payments by the Guarantor hereunder shall be made free and clear of and without deduction for any and all present and future taxes, liens, imposts, stamp taxes, deductions, charges or withholdings, and all liabilities with respect thereto and any interest, additions to tax and penalties imposed with respect thereto, but excluding, with respect to the Agent or any Lender, taxes imposed on its income or capital and franchise taxes imposed on it by any taxation authority (hereinafter referred to as "**Taxes**"). If the Guarantor shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to the Agent or any Lender:

(a) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 19) the Agent or such Lender receives an amount equal to the sum it would have received had no such deductions been made; and

(b) the Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with Applicable Law.

20. Covenants. The Guarantor acknowledges receipt of a copy of the Credit Agreement and the other Loan Documents and understands the Obligations of the Loan Parties thereunder. The Guarantor consents and agrees to be bound by any provision in the Credit Agreement which relates to the Guarantor. In addition, the Guarantor covenants and agrees that it shall perform each and every term, covenant, condition and agreement which the Borrower has covenanted in the Credit Agreement to cause the Guarantor to perform, and the Guarantor will comply with each and every term, covenant, condition and agreement which the Borrower has covenanted under the Credit Agreement to cause the Guarantor to comply with, when and as provided for by the terms of the Credit Agreement and the Guarantor will not do anything which would result in a breach of the Credit Agreement.

The Guarantor confirms and makes and repeats on its own behalf in favour of the Agent and the Lenders each of the representations and warranties set forth in the Credit Agreement to the extent such representations and warranties relate to the Guarantor or any matter in respect thereof, and shall be deemed to make, repeat and re-affirm each such representation and warranty on each date on which such representations and warranties are made or deemed to be made or re-made by the Borrower under the Credit Agreement, all to the same extent as if the Guarantor was a party to the Credit Agreement, and all as though such representations and warranties were set out at length herein.

21. Governing Law. This Guarantee shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

22. Severability. If any provision or paragraph of this Guarantee shall be invalid, illegal or unenforceable in any respect or in any jurisdiction, it shall not affect the validity, legality or enforceability of such provision or paragraph in any other jurisdiction or the validity, legality or enforceability of any other provision of this Guarantee.

23. Notices. Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telex, telecopy, rapifax or other electronic means of communication addressed to the respective parties as follows:

the Guarantor at:

[●]

Attention: [●]

Facsimile: [●]

the Agent at:

[Redacted address]

Attention: **[Redacted]**

Facsimile: **[Redacted]**

or to such other address or telex number, telecopy number or rapifax number as any party may from time to time notify the others in accordance with this Section 23. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, or, if made or given by telex or other electronic means of communication, on the first Business Day following the transmittal thereof.

24. Acknowledgment. The Guarantor confirms that its obligations under this Guarantee are not subject to any promise or condition affecting or limiting its liability, and no statement, representation, collateral agreement or promise by the Agent or any Lender or by any officer, employee or agent of it, forms any part of this Guarantee or has induced the making thereof, or shall be deemed in any way to affect the Guarantor's liability hereunder.

25. Appropriation. The Agent shall be at liberty, without in any way prejudicing or affecting its rights hereunder, to appropriate any payment made or monies received to any part of the Obligations, whether then due or to become due, and from time to time to revoke or alter any such appropriation, as the Agent sees fit.

26. Demand for Payment. The Agent shall be entitled to make demand upon the Guarantor at any time during the continuance of an Event of Default and upon any such demand the Agent may treat all Obligations as due and payable and may forthwith collect from the Guarantor all such Obligations. The Guarantor shall make payment to or performance in favor of the Agent, on behalf of the Lenders, of all Obligations forthwith after demand therefore is made upon the Guarantor by the Agent as aforesaid.

IN WITNESS WHEREOF the Guarantor has caused this Guarantee to be signed by the proper officer duly authorized in that behalf as of the date and year first above written.

[NAME OF MATERIAL SUBSIDIARY

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

Schedule "H" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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FORM OF POWER OF ATTORNEY TERMS -BANKERS' ACCEPTANCES

In order to facilitate the acceptance of Bankers' Acceptances pursuant to the terms of the Credit Agreement dated August 27, 2014 among CERF Incorporated, as borrower (the "**Borrower**"), Canadian Imperial Bank of Commerce, as Agent, and the Lenders named therein (as amended, supplemented and restated from time to time, the "**Credit Agreement**"), the Borrower hereby appoints each Lender (hereinafter individually called the "**Bank**"), acting by an authorized signing officer (the "**Attorney**") for the time being of the Bank's Branch of Account, the attorney of the Borrower:

(a) to sign for and on behalf and in the name of the Borrower as drawer, drafts in the Bank's standard form which are "depository bills" under and as defined in the *Depository Bills and Notes Act* (Canada) (the "**DBNA**") ("**Drafts**") drawn on the Bank payable to a "clearing house" under the DBNA or its nominee for deposit by the Bank with the "clearing house" after acceptance thereof by the Bank; and

(b) 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 Bank in accordance with instructions given to the Bank by the Borrower as provided in this power of attorney.

Instructions to the Bank relating to the execution, completion, endorsement, discount, purchase and/or delivery by the Bank on behalf of the Borrower of Drafts which the Borrower wishes to submit to the Bank for acceptance by the Bank shall be communicated by the Agent in writing to the Attorney at the Bank's Branch of Account concurrently with delivery by the Borrower, pursuant to the provisions of: (i) Section 3.4 or 3.8 of the Credit Agreement, a Borrowing Notice by way of Bankers' Acceptances in the form of Schedule "B" to the Credit Agreement; or (ii) Section 3.11 and 3.12 of the Credit Agreement, a Conversion Notice or Rollover Notice in the form of Schedule "C" to the Credit Agreement. The instructions to the Bank shall specify the following information:

(a) a Canadian Dollar amount, which shall be the aggregate face amount of the Drafts to be accepted by the Bank in respect of a particular Borrowing, Conversion or Rollover; and

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

The communication in writing to the Bank of the instructions referred to above shall constitute (a) the authorization and instruction of the Borrower to the Bank to complete and endorse Drafts in accordance with such information as set out above and (b) the request of the

Borrower to the Bank to accept such Drafts and deposit the same with the "clearing house" against payment as set out in the instructions. The Borrower acknowledges that the Bank shall not be obligated to accept any such Drafts except in accordance with the provisions of the Credit Agreement.

The Bank shall be and it is hereby authorized to act on behalf of the Borrower upon and in compliance with instructions communicated to the Bank as provided herein if the Bank reasonably believes them to be genuine.

The Borrower hereby agrees to indemnify the Bank 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 "clearing house"; provided that this indemnity shall not apply to any such loss, liability, expense or claim which results from the negligence or wilful misconduct of the Bank or any of its directors, officers, employees, affiliates or agents.

This power of attorney may be revoked at any time upon not less than fifteen (15) Business Days' written notice served in accordance with Section 14.7 of the Credit Agreement upon the Bank at its Branch of Account, provided that: (i) it may be replaced with another power of attorney forthwith on terms satisfactory to the Bank; 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 Bank at any time upon not less than fifteen (15) Business Days written notice to the Borrower in accordance with Section 14.7 of the Credit Agreement. Any revocation or termination of this power of attorney shall not affect the rights of the Bank 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 Bank and the Borrower are parties.

This power of attorney shall be governed in all respects by the laws of the Province of Alberta and the laws of Canada applicable therein and each of the Borrower and the Bank hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of such jurisdiction in respect of all matters arising out of this power of attorney.

In the event of a conflict between the provisions of this power of attorney and the Credit Agreement, the Credit Agreement shall prevail. Capitalized terms used and not defined herein shall have the meanings given to them in the Credit Agreement.

Schedule "I" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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FORM OF POWER OF ATTORNEY TERMS -BA EQUIVALENT ADVANCES

In order to facilitate the making of BA Equivalent Advances pursuant to the terms of the Credit Agreement dated August 27, 2014 among CERF Incorporated, as borrower (the "**Borrower**"), Canadian Imperial Bank of Commerce, as Agent, and the Lenders named therein (as amended, supplemented and restated from time to time, the "**Credit Agreement**"), the Borrower hereby appoints each Lender (hereinafter individually called the "**Bank**"), acting by an authorized signing officer (the "**Attorney**") for the time being of the Bank's Branch of Account, the attorney of the Borrower:

(a) to sign for and on behalf and in the name of the Borrower as drawer, promissory notes in the Bank's standard form for advances in the nature of BA Equivalent Advances ("**Notes**") payable to the Bank or its order evidencing BA Equivalent Advances made by the Bank to the Borrower pursuant to the Credit Agreement; and

(b) to fill in the amount, date and maturity date of such Notes;

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

Instructions to the Bank relating to the execution, completion, endorsement, discount, purchase and/or delivery by the Bank on behalf of the Borrower of Notes which the Borrower wishes to issue to the Bank shall be communicated by the Agent in writing to the Attorney at the Bank's Branch of Account concurrently with delivery by the Borrower, pursuant to the provisions of: (i) Section 3.4 or 3.8 of the Credit Agreement, a Borrowing Notice by way of Bankers' Acceptances in the form of Schedule "B" to the Credit Agreement; or (ii) Sections 3.11 and 3.12 of the Credit Agreement, a Conversion Notice or Rollover Notice in the form of Schedule "C" to the Credit Agreement. The instructions to the Bank shall specify the following information:

(a) a Canadian Dollar amount, which shall be the aggregate face amount of the Notes in respect of a particular Borrowing, Conversion or Rollover; and

(b) a specified period of time, as provided in the Credit Agreement, which shall be the number of months after the date of such Notes that such Notes are to be payable, and the dates of issue and maturity of such Notes.

The communication in writing to the Bank of the instructions referred to above shall constitute the authorization and instruction of the Borrower to the Bank to complete and, if applicable, endorse Notes in accordance with such information as set out above. The Borrower acknowledges that the Bank shall not be obligated to make any BA Equivalent Advance and thereafter complete and execute, and if applicable, endorse any such Notes except in accordance with the provisions of the Credit Agreement.

The Bank shall be and it is hereby authorized to act on behalf of the Borrower upon and in compliance with instructions communicated to the Bank as provided herein if the Bank reasonably believes them to be genuine.

The Borrower agrees to indemnify the Bank 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; provided that this indemnity shall not apply to any such loss, liability, expense or claim which results from the negligence or wilful misconduct of the Bank or any of its directors, officers, employees, affiliates or agents.

This power of attorney may be revoked at any time upon not less than fifteen (15) Business Days' written notice served in accordance with Section 14.7 of the Credit Agreement upon the Bank at its Branch of Account, provided that: (i) it may be replaced with another power of attorney forthwith on terms satisfactory to the Bank; and (ii) no such revocation shall reduce, limit or otherwise affect the obligations of the Borrower in respect of any Notes 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 Bank at any time upon not less than fifteen (15) Business Days written notice to the Borrower in accordance with Section 14.7 of the Credit Agreement. Any revocation or termination of this power of attorney shall not affect the rights of the Bank 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 Bank and the Borrower are parties.

This power of attorney shall be governed in all respects by the laws of the Province of Alberta and the laws of Canada applicable therein and each of the Borrower and the Bank hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of such jurisdiction in respect of all matters arising out of this power of attorney.

In the event of a conflict between the provisions of this power of attorney and the Credit Agreement, the Credit Agreement shall prevail. Capitalized terms used and not defined herein shall have the meanings given to them in the Credit Agreement.

Schedule "J" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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REAL ESTATE

None

Schedule "K" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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FORM OF BORROWING BASE CERTIFICATE

TO: Canadian Imperial Bank of Commerce ("CIBC"), as Agent

RE: Credit Agreement dated August 27, 2014 among CERF Incorporated (the "**Borrower**"), the Lenders (as defined therein) and Canadian Imperial Bank of Commerce, as Agent (the "**Agent**") (as amended, restated, replaced, supplemented or modified from time to time, the "**Credit Agreement**").

DATE: [●]

This Borrowing Base Certificate is delivered to you pursuant to Section 9.2(b) of the Credit Agreement. Capitalized terms in this Report shall have the meanings ascribed to them in the Credit Agreement. We provide this Borrowing Base Certificate for the purpose of allowing you to determine the Borrowing Base that will be applicable under the Credit Agreement for the month of [●], 20[●] (the "**Reporting Period**"), and we certify that the information herein is correct.

As of the end of the Reporting Period, the Borrowing Base is $______________ and attached hereto are the detailed calculations of the Borrowing Base.

This Borrowing Base Certificate is given by the undersigned in his capacity as an officer of the Borrower and not in his personal capacity and without personal liability.

CERF INCORPORATED

Per:
Name:
Title:

Schedule "L" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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EXISTING SECURITY

General Security Agreement from each of the Loan Parties (other than Winalta Inc.)

Schedule "M" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

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MATERIAL CONTRACTS

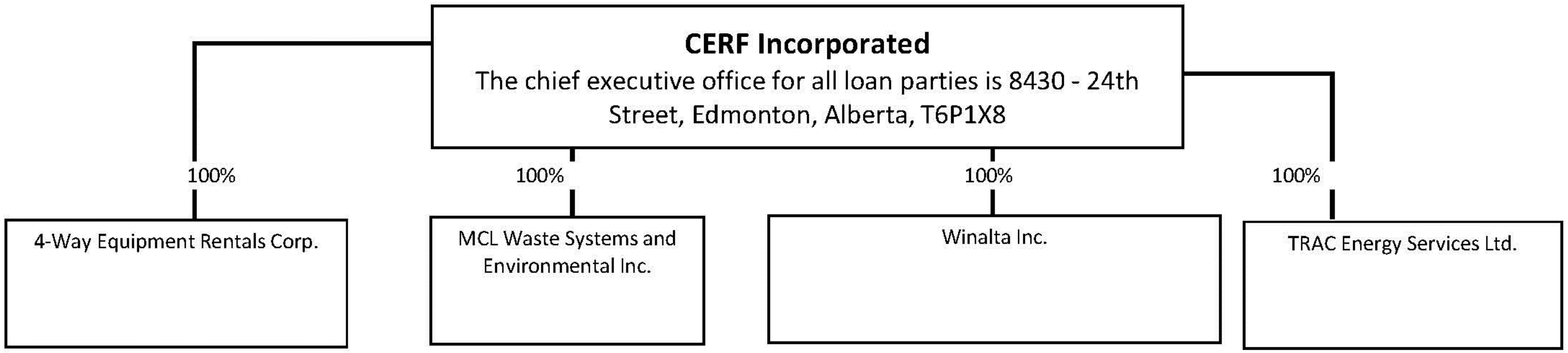
None

Schedule "N" to the Credit Agreement dated August 27, 2014 among CERF INCORPORATED, as Borrower, the Lenders (as defined therein) with CANADIAN IMPERIAL BANK OF COMMERCE, as Agent

ORGANIZATIONAL STRUCTURE AND LOCATIONS

Organizational Structure:

CERF Incorporated Pro Forma Organization Chart



All loan parties operate solely in Alberta with the exception of Winalta Inc. which operates in Alberta, B.C., Saskatchewan and Manitoba.

Locations:

8430 – 24 Street
Edmonton AB
T6P 1X8