EXECUTION VERSION

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

Among

PINNACLE RENEWABLE ENERGY INC.
as Borrower

and

THE LENDERS FROM TIME TO TIME PARTY TO THIS AGREEMENT
as Lenders

and

THE BANK OF NOVA SCOTIA
as Administrative Agent

Co-Lead Arrangers
The Bank of Nova Scotia
Canadian Imperial Bank of Commerce

Joint-Bookrunners
The Bank of Nova Scotia
Canadian Imperial Bank of Commerce

Syndication Agent:
Canadian Imperial Bank of Commerce

Documentation Agent:
Royal Bank of Canada

Dated as of December 13, 2017

Davies Ward Phillips & Vineberg LLP

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This Agreement dated as of December 13, 2017 is made among:

PINNACLE RENEWABLE ENERGY INC., as Borrower

AND:

THE LENDERS FROM TIME TO TIME PARTY TO THIS AGREEMENT, as Lenders

AND:

THE BANK OF NOVA SCOTIA, as Agent

RECITALS

A. WHEREAS the parties hereto are party to a second amended and restated credit agreement dated as of December 16, 2016 (the "**Second Restated Credit Agreement**"), which agreement restated the amended and restated credit agreement dated as of October 3, 2014 (the "**Restated Credit Agreement**") which restated the credit agreement dated as of May 6, 2011 (the "**Original Credit Agreement**");

B. WHEREAS the parties to this Agreement desire to amend and restate the Second Restated Credit Agreement;

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the words and phrases set out in the CBA Model Provisions (as hereinafter defined and used herein) shall have the respective meanings set forth therein. In addition, the following words and phrases shall have the respective meanings set forth below:

"**Acceleration Date**" means the earlier of:

(a) the occurrence of an Insolvency Event in respect of the Borrower or any Guarantor; and

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

"**Acquired Business**" means the entity or assets acquired by the Borrower or a Subsidiary in an Acquisition, whether before or after the date hereof.

“**Acquisition**” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of a controlling interest in the capital stock, partnership interests, membership interests or equity of any Person (other than a Person that is a Subsidiary or the formation of a Subsidiary solely to facilitate a Permitted Acquisition or Permitted New Facility), or (c) an amalgamation or consolidation or any other combination with another Person (other than a Person that is a Subsidiary), ***provided*** that the Borrower or a Person that is or will become a Subsidiary is the surviving or resulting entity.

“**Adjusted EBITDA**” means, for any period (a “**Test Period**”), EBITDA for such Test Period, except that in the event that a Permitted Acquisition is consummated or a Permitted New Facility is initiated within any Test Period, Adjusted EBITDA for such Test Period shall be calculated on a pro forma basis to include (i) the historical EBITDA of the Acquired Business as evidenced by the financial statements required to be delivered to the Agent in connection with the Permitted Acquisition (the “**Historical Financials**”) for the period from the first day of such Test Period to, and including, the last date of the period covered by the Historical Financials (the “**Projection Date**”), (ii) the projected EBITDA of the Acquired Business as evidenced by the financial projections required to be delivered to the Agent in connection with the Permitted Acquisition (the “**Gap Projections**”) for the period from, but not including, the Projection Date to, but not including, the date of the consummation of such Permitted Acquisition (the “**Consummation Date**”), (iii) the actual EBITDA of the Acquired Business for the period from the Consummation Date to, and including, the last day of the Test Period, and (iv) the projected annual EBITDA or the Borrower’s proportionate share thereof of Permitted New Facilities until such time as such Permitted New Facilities have been operating for six months at which point the actual EBITDA or the Borrower’s proportionate share thereof for such Permitted New Facilities shall replace the projected EBITDA on a month to month basis, plus (to the extent not otherwise added back in determining EBITDA) non-recurring, non-capitalized start-up expenses incurred in connection with the acquisition of the Acquired Business or development of the Permitted New Facility, and, in the case of clauses (i), (ii), (iii) and (iv) above, subject to pro forma adjustments that gives effect to any restructurings that the Borrower or any of its Subsidiaries has determined to make and/or made and are expected to have a continuing impact and are factually supportable, which would include synergies, cost savings and operating improvements (the total of such pro forma adjustments are not, in respect of any Test Period, to exceed 15% of total Adjusted EBITDA for such period), only to the extent such adjustments continue to be applicable, net of the amount of actual benefits realized during such period from such adjustments; all of which adjustments, Historical Financials, and Gap Projections are to be acceptable to the Required Lenders acting reasonably in the context of the facts and previous Borrower experience. For clarity, the pro forma impact on the Burns Lake Chipper Project will be included in the calculation of Adjusted EBITDA.

“**Advance**” means an extension of credit by one or more of the Lenders to the Borrower pursuant to this Agreement, including for greater certainty an extension of credit in the form of a Loan, an Overdraft, a Bankers’ Acceptance, a BA Equivalent Loan or a Letter of Credit.

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

“**Agent**” means BNS in its capacity as the administrative agent hereunder, and its successors in such capacity.

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

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

“**Applicable Margin**” means, in respect of any period specified in Section 4.1.4 and in respect of any Availment Option or standby fee, the percentage in the column relating to such Availment Option or standby fee in the following table which corresponds to the Senior Debt to Adjusted EBITDA Ratio in respect of such period described in the first column; subject to adjustment from time to time in accordance with Section 4.1.4:

[redacted]

“**Available Excess Cash Flow**” means (i) that amount of Residual Excess Cash Flow not otherwise used by the “Available Excess Cash Flow” baskets in connection with clause (h) of the definition of Permitted Acquisition, clause (b) of the definition of Permitted Distributions, clause (g) of the definition of Permitted New Facilities, and in Section 6.2.6(f) plus (ii) the amount of Available Excess Cash Flow Carry Forward for the immediately preceding Fiscal Year.

“**Available Excess Cash Flow Carry Forward**” means for any Fiscal Year, that amount of Available Excess Cash Flow not used during the previous Fiscal Year.

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

“**BA Equivalent Loan**” means an Advance in Canadian Dollars made by a Non-BA Lender to the Borrower in respect of which the Borrower has issued a BA Equivalent Note.

“**BA Equivalent Note**” means a non-interest bearing promissory note payable by the Borrower to a Non-BA Lender in the form of Exhibit ”G” attached hereto.

“**BA Lender**” means a Lender identified in Exhibit ”A” attached hereto as a Lender which will accept Bankers’ Acceptances hereunder.

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“**Bankers’ Acceptance**” means a bill of exchange or a blank non-interest bearing depository bill as defined in the *Depository Bills and Notes Act* (Canada) drawn by the Borrower and accepted by a BA Lender in respect of which the Borrower becomes obligated to pay the face amount thereof to the holder (which may be a third party or such BA Lender) upon maturity.

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

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

“**BNS**” means The Bank of Nova Scotia and its successors and permitted assigns.

“**Borrower**” means Pinnacle Renewable Energy Inc., a corporation incorporated pursuant to the *British Columbia Business Corporations Act*, and its successors and permitted assigns.

“**Burns Lake Chipper Project**” means the installation of log chipping equipment at the Borrower’s Burns Lake plant.

“**Business Day**” means:

(a) for the purpose of giving any communication pursuant to Section 12.8 and in the context of U.S. Dollar Base Rate Loans, a day on which the main branches of the Agent in Toronto and New York are open for normal banking business; and

(b) for all other purposes, a day on which the main branch of the Agent in Vancouver and Toronto is open for normal banking business,

but in any event not including a Saturday or Sunday.

“**CBA Model Provisions**” means the model credit agreement provisions attached hereto as Exhibit ”H”.

“**CBCA**” means the *Canada Business Corporations Act*, as amended from time to time.

“**Canadian Dollar Prime-Based Loan**” means a loan made by a Lender to the Borrower in Canadian Dollars in respect of which interest is determined by reference to the Prime Rate, but excluding Advances in the form of Overdrafts.

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

“**Canadian Sanctions List**” means the list of designated persons administered by the Government of Canada under Canadian economic and trade sanctions laws and regulations, in each case, as renewed, extended, amended or replaced.

“**Capital Expenditures**” means, with respect to any Person for any period, the aggregate amount of all expenditures (whether paid in cash or accrued as a liability by such Person during that period for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to property, plant, or equipment (including replacements, capitalized repairs, and improvements) which should be capitalized on the balance sheet of such Person in accordance with GAAP; provided, however, that Capital Expenditures shall not include:

(a) expenditures to the extent they are made with proceeds of the issuance of equity interests or Subordinated Shareholder Loans of the Borrower after the Original Effective Date,

(b) expenditures with proceeds of insurance settlements, condemnation awards and other settlements in respect of lost, destroyed, damaged or condemned assets, equipment or other property to the extent such expenditures are made to replace or repair such lost, destroyed, damaged or condemned assets, equipment or other property or otherwise to acquire, maintain, develop, construct, improve, upgrade or repair assets or properties useful in the business of the Borrower and the Subsidiaries before or within 15 months of receipt of such proceeds (or, if not made within such period of 15 months, were committed to be made during the 9 month period following receipt of such proceeds and were spent within the 24 month period following receipt of such proceeds),

(c) interest capitalized during such period,

(d) expenditures that are accounted for as capital expenditures of such Person and that actually are paid for by a third party (excluding the Borrower or any Subsidiary thereof) and for which neither the Borrower nor any Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such third party or any other Person (whether before, during or after such period),

(e) the book value of any asset owned by such Person prior to or during such period to the extent that such book value is included as a capital expenditure during such period as a result of such Person reusing or beginning to reuse such asset during such period without a corresponding expenditure actually having been made in such period; provided, that (i) any expenditure necessary in order to permit such asset to be reused shall be included as a Capital Expenditure during the period that such expenditure actually is made and (ii) such book value shall have been included in Capital Expenditures when such asset was originally acquired,

(f) the purchase price of equipment purchased during such period to the extent the consideration therefor consists of any combination of (i) used or surplus equipment traded in at the time of such purchase and (ii) the proceeds of a concurrent sale of used or surplus equipment, in each case, in the ordinary course of business,

(g) Investments in respect of a Permitted Acquisition or Permitted New Facility, and

(h) the purchase of property, plant or equipment made within 15 months of the sale of any asset to the extent purchased with the proceeds of such sale (or, if not made within such period of 15 months, to the extent committed to be made during such period).

“**Cash Equivalents**” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the Government of Canada or of any Canadian province (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the Government of Canada or of such Canadian province), in each case maturing within one year from the date of acquisition thereof; and

(b) investments in commercial paper maturing within 365 days from the date of acquisition thereof and rated, at such date of acquisition, at least “Prime 1” (or the then equivalent grade) by Moody’s or “A” (or the then equivalent grade) by S&P or R-1 Low (or the then equivalent) by Dominion Bond Rating Service Limited.

“**Capital Lease**” means a lease of any property or asset which, in accordance with GAAP, is required to be capitalized on the balance sheet of the lessee.

“**Cash Taxes**” in respect of any Test Period means the income taxes set out in the Borrower’s consolidated income statements and paid in cash in such Test Period.

“**CDOR Rate**” means on any day the annual rate of interest which is the rate determined as being the arithmetic average of the quotations of all institutions listed in respect of the rate for Canadian Dollar denominated bankers’ acceptances for the relevant period displayed and identified as such on the “Reuters Screen CDOR Page” (as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time) as of 10:00 a.m. Toronto, Ontario local time on such day and, if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Agent after 10:00 a.m. Toronto, Ontario local time to reflect any error in a posted rate of interest or in the posted average annual rate of interest with notice of such adjustment in reasonable detail evidencing the basis for such determination being concurrently provided to the Borrower). If such rates are not available on the Reuters Screen CDOR Page on any particular day, then the CDOR Rate on that day shall be calculated as the arithmetic mean of the rates applicable to Canadian Dollar denominated bankers’ acceptances for the relevant period publicly quoted for customers in Canada by those Lenders which are banks listed in Schedule I of the *Bank Act* (Canada) as of 10:00 a.m. Toronto, Ontario local time on such day; or if such day is not a Business Day, then on the immediately preceding Business Day. The CDOR Rate shall at no time be less than 0%.

“**Change of Control**” means (x) prior to completion of an IPO, in any case other than (y) below, any of (a) the failure of one or more ONCAP Entities and their Affiliates to own, directly or indirectly, 50.1% or more of the voting equity interests of PRHI, or (b) the failure of PRHI to own, directly or indirectly, 100% of the outstanding capital stock or other equity interests of the Borrower at any time, and (y) should PRHI or the Borrower amalgamate with a Person not at arm’s length in accordance with this Agreement, the failure of one or more ONCAP Entities and their Affiliates to own, directly or indirectly, 30.1% or more of the voting equity interests of the applicable Person. Following the completion of an IPO, “Change of Control” shall mean the occurrence of any Person or group of Persons (other than the ONCAP Entities and their Affiliates) acquiring, directly or indirectly, greater than 50% of the voting equity interests of the Borrower.

“**CIBC**” means Canadian Imperial Bank of Commerce and its successors and permitted assigns.

“**Class F Preferred Shares**” means the Class F Preferred shares held by PRHI in the capital of the Borrower.

“**Class G Preferred Shares**” means the Class G Preferred shares held by PRHI in the capital of the Borrower.

“**Class H Preferred Shares**” means the Class H Preferred shares to be held by PRHI in the capital of the Borrower.

“**Collateral**” means all property, assets and undertaking of the Borrower and Guarantors now or hereafter encumbered or intended to be encumbered by the Security, together with all proceeds of the foregoing.

“**Commitment**” means, in respect of any Lender, such Lender’s commitment to make Advances to the Borrower under all Facilities or under any Facility, as the context requires as set forth in Exhibit ”A”.

“**Commitment Increase Notice**” is defined in Section 4.13.

“**Commodity Hedging Agreements**” means any commodity swaps, commodity options or forward commodity contracts entered into between the Borrower and any Person in accordance with Section 6.2.16 from time to time for the purpose of hedging commodity pricing risk.

“**Compliance Certificate**” means a certificate delivered by the Borrower to the Agent in the form of Exhibit ”F”.

“**Consolidated Net Income**” means with reference to any Person and any Test Period, the aggregate of the net income (loss) of such Person and its Subsidiaries for such period, on a consolidated basis; provided, however, that, without duplication,

(i) extraordinary, unusual and nonrecurring gains or losses or income or expenses or charges (including but not limited to charges or losses (A) on sales or dispositions of assets outside of the ordinary course of business and write downs or impairments of assets, (B) incurred in connection with discontinuing operations and the disposal of related assets, and (C) attributable to the early extinguishment of indebtedness or derivative instruments) shall be excluded;

(ii) the cumulative effect of a change in accounting principles during such period shall be excluded;

(iii) the effects of purchase accounting adjustments shall be excluded;

(iv) the non-cash portion of “straight-line” rent expense shall be excluded, and

(v) the cash portion of “straight-line” rent expense which exceeds the amount expensed in respect of such rent expense shall be included.

For greater clarity, net income (loss) reflecting the Borrower’s equity interests in partnerships and joint ventures shall be included in the definition of Consolidated Net Income.

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

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

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

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

“**Currency Hedging Agreement**” means any agreement that does not contravene Section 6.2.14 of this Agreement entered into between the Borrower and any Person from time to time for the purpose of hedging currency risk, including currency exchange agreements and foreign exchange forward contracts.

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

“**Default Rate**” means, while an Event of Default exists, the interest rate applicable to all unpaid principal amounts shall be the applicable interest rate plus 2.0% per annum; provided that in the absence of acceleration, application of the Default Rate shall be made at the election of the Agent, acting at the request of or with the consent of the Required Lenders.

“**Delayed Draw Term Facility**” is defined in Section 3.1.

“**Delayed Draw Term Facility Limit**” means $130,000,000 or the Equivalent Amount in U.S. $.

“**Delayed Draw Term Loans**” means Loans under the Delayed Draw Term Facility.

“**Distribution**” means any amount paid to or on behalf of the employees, directors, officers, shareholders, partners or unitholders of the Borrower, or to any Related Person thereto, by way of salary, bonus, commission, management fees, directors’ fees, dividends, redemption of shares, distribution of profits, interest on Subordinated Debt or otherwise, and whether payments are made to such Persons in their capacity as shareholders, partners, unitholders, directors, officers, employees, owners or creditors of the Borrower or otherwise, or any other direct or indirect payment in respect of the earnings or capital of the Borrower; provided however that the payment of (i) directors’ fees to the directors of the Borrower, (ii) salaries, bonuses and commissions from time to time to officers and employees of the Borrower and (iii) expense reimbursement for officers, employees and directors of the Borrower, in the ordinary course of business at levels not in excess of normal industry remuneration shall not be considered Distributions.

“**Drawdown Request**” means a notice in the form of Exhibit ”B” given by the Borrower to the Agent for the purpose of requesting an Advance.

"**EBITDA**" means, with reference to any Person and any Test Period, an amount equal to Consolidated Net Income of such Person for such period plus

(a) without duplication, the following (to the extent the amounts in clauses (i) through (x) were deducted in calculating Consolidated Net Income for such period, including for greater clarity amounts related to Borrower's equity interest in partnerships and joint ventures):

(i) Interest Expense, including all Class F Preferred Shares, Class G Preferred Shares and Class H Preferred Shares payments and accruals and interest on Subordinated Shareholder Loans;

(ii) tax expense (including, without limitation, any federal, provincial, local and foreign income, capital and franchise taxes and similar taxes);

(iii) depreciation and amortization expense;

(iv) other non-cash expenses and charges reducing such Consolidated Net Income (excluding reserves for future cash expenditures);

(v) non-recurring expenses incurred in connection with the transaction and the related financings and Permitted Acquisitions and Permitted New Facilities;

(vi) unrealized losses resulting from mark to market accounting for hedging activities;

(vii) business optimization expenses and other restructuring charges or reserves; provided, that with respect to each business optimization expense or other restructuring charge or reserve, the Borrower shall have delivered to the Agent an officer's certificate specifying and quantifying such expense, charge or reserve;

(viii) the amount of management or other fees and related expenses paid to the Sponsor or any affiliate thereof (or any accruals related to such fees and related expenses) during such period;

(ix) start-up or restart costs for capital projects, severance costs, pre-engineering costs on planned capital projects, and other costs associated with one-time items;

(x) non-cash expenses resulting from stock option plans, employee benefit plans or post-employment benefit plans, or grants or sales of stock, stock appreciation or similar rights;

minus

(b) without duplication, the following (to the extent included in calculating Consolidated Net Income for such period);

(i) income, capital, franchise and similar tax credits;

(ii) non-cash charges previously added back to Consolidated Net Income in determining EBITDA to the extent such non-cash charges have become cash expenditures during such period;

(iii) unrealized gains resulting from mark to market accounting for hedging activities; and

(iv) any other non-cash items increasing such Consolidated Net Income (other than any such non-cash items to the extent that it will result in the receipt of cash payments in any future period).

For greater clarity, EBITDA reflecting the Borrower's equity interests in partnerships and joint ventures shall be included in the definition of EBITDA.

Following the occurrence of an IPO, the following items referenced in subsection (a) above shall cease to be added back to EBITDA: (x) Interest Expense relating to payments on Class F Preferred Shares, Class G Preferred Shares and Class H Preferred Shares and accruals and interest on Subordinated Shareholder Loans; and (y) management or other fees and related expenses paid to the Sponsor or any affiliate thereof (or any accruals related to such fees and related expenses).

Additionally, following the occurrence of an IPO, customary public company expenses in an amount not to exceed $2,000,000 in any Fiscal Year shall be added back to EBITDA for each Fiscal Quarter actually incurred.

"**EEA Financial Institution**" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"**EEA Resolution Authority**" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Line of Business**" means any business engaged in as of the date of this Agreement by the Borrower or any of its Subsidiaries, and any business reasonably related thereto.

"**Entwistle Project**" means the greenfield pellet plant at Entwistle, Alberta to be constructed and operated by the Borrower.

"**Equivalent Amount**" means, in relation to an amount in one currency, the amount in another currency that could be purchased by the amount in the first currency determined by reference to the applicable Exchange Rate at the time of such determination.

"**EU Bail-In Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Event of Default**" is defined in Section 9.1.

"**Excess Cash Flow**" means, in respect of any Fiscal Year of the Borrower, an amount equal to (a) EBITDA for such period;

minus (b) the sum of all scheduled payments of principal on Funded Debt for the applicable period (including the principal component of payments due on Capital Leases during the applicable period);

minus (c) cash Interest Expense for such period;

minus (d) amounts paid in cash in respect of tax expense (including, without limitation, any federal, provincial, local and foreign income, capital and franchise taxes and similar taxes) with respect to such period;

minus (e) increases in Working Capital for such period;

plus (f) decreases in Working Capital for such period;

minus (g) increase in prepayments from customers for future pellet deliveries for such period;

minus (h) optional prepayments of Funded Debt (other than the Facilities) for such period except in each case to the extent financed with the proceeds of other debt;

minus (i) all other cash charges paid during such period that were added back in the determination of EBITDA for such period;

minus (j) to the extent consisting of payments of cash during such period and except to the extent financed with the proceeds of debt, additional equity or any funds included in Available Excess Cash Flow pursuant to paragraph (ii) of the definition thereof (subject to a minimum amount of $0) (A) Capital Expenditures and any capital expenditures not captured as part of Capital Expenditures, (B) Permitted Acquisitions, Permitted New Facilities and other permitted Investments or acquisitions;

minus (k) Capital Expenditures or amounts payable in respect of Permitted Acquisitions and/or Permitted New Facilities that the Borrower or any Subsidiary shall, during such period, become obligated to make in cash, that are not made during such period but are required to be made within 180 days of the end of such period; provided, that (i) the Borrower shall deliver a certificate to the Agent not later than 180 days after the end of such applicable period, signed by an officer of the Borrower and certifying that such Capital Expenditures were made or amounts payable in respect of Permitted Acquisitions and/or Permitted New Facilities were paid during the 180 days following the applicable period, and (ii) any amount so deducted shall not be deducted again in a subsequent applicable period;

minus (l) adjustments to EBITDA pursuant to paragraph (ix) of the definition of EBITDA to the extent paid in cash;

minus (m) the amount of management or other fees and related expenses paid in cash to the Sponsor or any affiliate thereof during such period;

minus (n) the portion of the Borrower's share of EBITDA of any partnership or joint venture during such period not received in cash;

minus (o) earn out payments paid in cash during such period.

Following the occurrence of an IPO, the following items will be deducted from the determination of Excess Cash Flow: (x) public company expenses added back to EBITDA (to the extent paid in cash), and (y) cash dividends made by the Borrower, in each case to the extent permitted under this Agreement.

"**Existing L/Cs**" means the Letters of Credit issued by BMO and outstanding on the Second Closing Date identified on Exhibit L.

"**Exchange Rate**" in connection with any amount of one currency to be converted into another currency pursuant to this Agreement for any reason, or vice-versa, means the Bank of Canada average exchange rate at the close of business on the previous Business Day for converting the first currency into such other currency or vice-versa, as the case may be, on the date on which such conversion is required.

"**Facility Joint Venture**" means a non-wholly owned Subsidiary or partnership formed with a third party to develop a Permitted New Facility.

"**Facilities**" means the Revolving Facility, the Term Facility and the Delayed Draw Term Facility; and "**Facility**" means any of them as the context requires.

"**Federal Funds Rate**" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the per annum interest rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers as published in respect of such day on the next succeeding Business Day by the Federal Reserve Bank of New York or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Agent from three Federal Funds brokers of recognized standing selected by it.

"**Financial Covenant Cure Amount**" has the meaning ascribed to such term in Section 6.5(b).

"**Financial Covenant Default**" has the meaning ascribed to such term in Section 6.5.

"**First-Ranking Security Interest**" in respect of any Collateral means a Lien in such Collateral which is registered or in respect of which notice has been filed where necessary or desirable to record and perfect the charges contained therein and which ranks in priority to all other Liens in such Collateral except for any Permitted Liens which may have priority in accordance with Applicable Law.

"**Fiscal Quarter**" means a fiscal quarter of the Borrower, ending on the last Friday of March, June, September and December.

“**Fiscal Year**” means a fiscal year of the Borrower, or any Guarantor, as the context may require ending on the last Friday of December, in each year.

“**Fixed Charge Coverage Ratio**” means, in respect of any Fiscal Quarter, the ratio of

(a) EBITDA in the four fiscal quarters of the Borrower then ended, less the sum of Maintenance Capital Expenditures made and all Cash Taxes and all Distributions to PRHI to allow it to pay dividends on its Equity Interests paid during such period, to

(b) scheduled cash principal and interest payments (excluding in all cases any “paid in kind” interest paid or to be paid under the Subordinated Shareholder Loans), made or required to have been made by the Borrower or its Subsidiaries (or, as to the Borrower, its proportionate share of any such payments required pursuant to any Facility Joint Ventures) on account of Senior Debt, all as determined on a consolidated, rolling four quarter basis in accordance with GAAP, for the same four fiscal quarters then ended.

“**Funded Debt**” in respect of any Person means obligations of such Person which are considered to constitute debt in accordance with GAAP, including indebtedness for borrowed money (in the case of the Borrower specifically including the Outstanding Advances), Subordinated Debt, obligations secured by Purchase-Money Security Interests, capitalized interest, and the redemption price of any securities issued by such Person having attributes substantially similar to debt where the conditions requiring such securities to be redeemed have been satisfied (such as securities which, at the applicable time, are redeemable at the option of the holder); but excluding accounts payable, short term non-interest bearing liabilities and future income taxes (both current and long-term).

“**GAAP**” means generally accepted accounting principles in Canada as approved by the Canadian Institute of Chartered Accountants in effect from time to time; and for greater certainty includes IFRS and any other international accounting standards adopted by the Canadian Institute of Chartered Accountants in replacement for generally accepted accounting principles.

“**Governing Law**” means the Province of Ontario.

“**Governmental Authority**” means any:

(a) federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign;

(b) any subdivision or authority of any of the foregoing; or

(c) any quasi-governmental, judicial or administrative body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

“**Group**” means:

(a) in the case of any entity who is an individual, (i) such entity, and (ii) all trusts solely for the benefit of such entity that are controlled solely by such entity;

(b) in the case of any entity that is a partnership, (i) such entity, (ii) its limited, special and general partners, and (iii) all Affiliates of such entity; and

(c) in the case of any entity that is a corporation or a limited liability company, (i) such entity, (ii) its stockholders or members, as the case may be, and (iii) all Affiliates of such entity.

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

"**Guarantors**" means PRHI and all current and future direct and indirect wholly-owned Subsidiaries of the Borrower.

"**Hazardous Materials**" means any contaminant, pollutant, waste or substance that is likely to cause immediately or at some future time harm or degradation to the surrounding environment or risk to human health; and without restricting the generality of the foregoing, including any pollutant, contaminant, waste, hazardous waste or dangerous goods that is regulated by any Requirements of Environmental Law or that is designated, classified, listed or defined as hazardous, toxic, radioactive or dangerous or as a contaminant, pollutant or waste by any Requirements of Environmental Law.

"**Hedging Agreements**" means Interest Rate Hedging Agreements, Currency Hedging Agreements and Commodity Hedging Agreements.

"**Hedging Liability**" means the liability of the Borrower to any of the Lenders, or any Affiliates of such Lenders, in respect of any Hedging Agreement as the Borrower may from time to time enter into with any one or more of the Lenders party to this Agreement or their Affiliates in respect of the Obligations, provided that a liability shall constitute a "**Hedging Liability**" if the agreement under which it arose relates to the Obligations and was entered into with a Person who was a Lender or an Affiliate of a Lender at the time such agreement was entered into, regardless of whether such Lender or Affiliate ceased to be a Lender or an Affiliate thereafter.

"**HPLP**" mean Houston Pellet Limited Partnership and its successors and permitted assigns.

"**HPLP Limited Partnership Agreement**" means the Limited Partnership Agreement among the Borrower, Houston Pellet Inc., Canadian Forest Products Ltd., Pinnacle Pellet Houston Inc. and Moricetown Indian Band, dated May 1, 2011.

"**IFRS**" means International Financial Reporting Standards established by the International Accounting Standards Board.

"**Indemnitees**" means the Lenders, the Agent and their respective successors and assigns, any agent of any of them (specifically including a receiver or receiver-manager) and the respective officers, directors and employees of the foregoing.

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

(a) such Person commits an act of bankruptcy or becomes insolvent (as such terms are used in the BIA); or makes an assignment for the benefit of creditors, files a petition in bankruptcy, makes a proposal or commences a proceeding under Insolvency Legislation; or petitions or applies to any tribunal for, or consents to, the appointment of any receiver, trustee or similar liquidator in respect of all or a substantial part of its property; or admits the material allegations of a petition or application filed with respect to it in any proceeding commenced in respect of it under Insolvency Legislation; or takes any corporate action for the purpose of effecting any of the foregoing; or

(b) any proceeding or filing is commenced against such Person seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any Insolvency Legislation, or seeking appointment of a receiver, trustee, custodian or other similar official for it or all or a substantial part of its property or assets; unless

    (i) such Person is diligently defending such proceeding in good faith and on reasonable grounds as determined by the Required Lenders acting reasonably unless the same shall continue undismissed, or unstayed and in effect, for any period of 60 consecutive days; and

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

"**Insolvency Legislation**" means legislation in any applicable jurisdiction relating to reorganization, arrangement, compromise or re-adjustment of debt, dissolution or winding-up, or any similar legislation, and specifically includes for greater certainty the BIA, the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and the *Bankruptcy Code* (United States).

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

"**Interest Expense**" means, with respect to any Person for any period, the sum of (without duplication) (a) cash interest expense of such Person for such period on a consolidated basis, including (i) the amortization of debt discounts, (ii) the amortization of all fees (including fees with respect to swap agreements) payable in connection with the incurrence of debt to the extent included in interest expense, (iii) commitment fees in respect of undrawn debt, and (iv) the portion of any payments or accruals with respect to Capital Lease obligations allocable to interest expense, and (b) capitalized interest of such Person. For purposes of the foregoing, cash interest expense shall be determined after giving effect to any net payments made or received and costs incurred by the Borrower and its Subsidiaries with respect to swap agreements, and interest on a Capital Lease obligation shall be deemed to accrue at an interest rate reasonably determined by the Borrower to be the rate of interest implicit in such Capital Lease in accordance with GAAP.

"**Interest Rate Hedging Agreement**" means any agreement that does not contravene Section 6.2.15 of this Agreement entered into between the Borrower and any Person from time to time for the purpose of hedging interest rate risk, including interest rate exchange agreements (commonly known as "interest rate swaps") and forward rate agreements; and for greater certainty, including interest rate exchange agreements in U.S. Dollars (commonly known as "cross-currency swaps").

"**Interim Financial Statements**" in respect of any Fiscal Quarter means, in respect of any Person, the unaudited financial statements of such Person on a consolidated basis in respect of such Fiscal Quarter (and also on a year-to-date basis in respect of such Fiscal Quarter and all previous Fiscal Quarters in the same Fiscal Year).

"**Investments**" has the meaning ascribed to such term in Section 6.2.6.

"**IPO**" means the issuance or sale of the Borrower's or any direct or any indirect holding company of the Borrower's equity interests in a public offering where equity interests are freely and publicly traded on a recognized North American stock exchange.

"**Issuing Bank**" means BNS and BMO with respect to the Existing L/C's.

"**Land**" means real property (including a leasehold interest in land) and all buildings, improvements, fixtures and plant situated thereon.

"**Lavington Agreements**" means the Lavington Limited Partnership Agreement and the Lavington Shareholders' Agreement.

"**Lavington Limited Partners**" means collectively Tolko and the Borrower.

"Lavington Limited Partnership" means Lavington Pellet Limited Partnership, a limited partnership constituted pursuant to the laws of British Columbia, by its general partner Lavington Pellet Inc. and each of their successors and permitted assigns.

"Lavington Limited Partnership Agreement" means the limited partnership agreement dated December 24, 2014 among the Borrower, Lavington Pellet Inc. and Tolko, as amended restated or replaced from time to time in accordance with this Agreement.

"**Lavington Project**" means the greenfield pellet plant at Lavington, British Columbia constructed and operated by the Lavington Limited Partners pursuant to the Lavington Agreements.

"**Lavington Shareholders' Agreement**" means the shareholders' agreement dated December 24, 2014 among the Borrower, Lavington Pellet Inc. and Tolko, as amended restated or replaced from time to time in accordance with this Agreement.

“**Lavington Tri-Party Agreement**” means the agreement dated December 24, 2014 between the Lavington Limited Partners and Bank of Montreal, as administrative agent, as assigned to the Agent, with respect to the Agent’s rights regarding the Lavington Agreements, pursuant to which among other things, (i) the Lavington Limited Partners acknowledge the Agent’s pledge of the Borrower’s equity interest in the Lavington Limited Partnership and Lavington Pellet Inc.; (ii) the Agent agrees that it shall recognize the terms of the Lavington Agreements in the event of a realization on such equity interest; and (iii) the Lavington Limited Partners acknowledging that in the event that the Agent realizes on its equity interest in the Lavington Project, the Agent shall benefit from all the rights afforded to the Borrower under the Lavington Agreements.

“**Laws**” means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of such laws, including general principles of common and civil law and equity or policies or guidelines, to the extent such policies or guidelines have the force of law, binding on the Person referred to in the context in which such word is used; and “Law” means any of the foregoing.

“**Leased Properties**” means all Land leased by the Borrower or any Guarantor as tenant from time to time, specifically including as at the date of this Agreement the Land described in Schedule 5.1.10 attached hereto; and “**Leased Property**” means any of the Leased Properties as the context requires.

“**Lender Increase Notice**” is defined in Section 4.13.

“**Lenders**” means the lenders identified in Exhibit ”A” attached hereto and any other Persons which may from time to time become lenders pursuant to this Agreement; and their respective successors and permitted assigns; and “**Lender**” means any of them as the context requires.

“**Lender-Related Distress Event**” means, with respect to any Lender or any Person that directly or indirectly controls such Lender (each a “**Distressed Person**”), a voluntary or involuntary case with respect to such Distressed Person under any Insolvency Legislation or a custodian, conservator, receiver or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person’s assets, or such Distressed Person is subject to a forced liquidation, merger, sale or other change of control supported in whole or in part by guaranties or other support (including, without limitation, the nationalization or assumption of ownership or operating control by the government of Canada, the United States or other Governmental Authority), or such Distressed Person makes a general assignment for the benefit of its creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Distressed Person or its assets to be, insolvent, bankrupt, or deficient in meeting any capital adequacy or liquidity standard of any such governmental authority or such Distressed Person becomes the subject of any Bail-In Action. For purposes of this definition, control of a Person shall have the same meaning as in the definition of “**Affiliate**”.

“**Lending Office**” in respect of any Lender means the office of such Lender designated by it from time to time as the office from which it will make Advances hereunder.

“**Letter of Credit**” means a stand-by letter of credit or a letter of guarantee or documentary letter of credit issued by the Issuing Bank under the Revolving Facility at the request of and on behalf of the Borrower.

“**LIBOR Rate**” means, with respect to each LIBOR Interest Period pertaining to any LIBOR Loan, the rate per annum determined by the Agent at approximately 11:00 a.m. (London time), on the date that is two (2) Business Days prior to the commencement of such LIBOR Interest Period by reference to the rate set by ICE Benchmark Administration (or any display substituted therefor or any successor thereto) for deposits in US Dollars (as set forth by any service selected by the Agent that has been nominated by ICE Benchmark Administration (or any display substituted therefor or any successor thereto) as an authorized information vendor for the purpose of displaying such rates) for a period equal to such LIBOR Interest Period and in an amount comparable to the amount of the LIBOR Loan to be outstanding during such LIBOR Interest Period; provided, however, that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the “LIBOR Rate” shall be the interest rate per annum determined by the Agent to be the average of the rates per annum at which deposits in US Dollars are offered for such relevant LIBOR Interest Period to major banks in the London interbank market in London, England by the Agent at approximately 11:00 a.m. (London time) on the date that is two (2) Business Days prior to the beginning of such Interest Period for a period comparable to the LIBOR Interest Period and in an amount comparable to the amount of the LIBOR Loan to be outstanding during such LIBOR Interest Period. The LIBOR Rate shall at no time be less than 0%.

“**LIBOR Business Day**” means a day on which the main branches of the Agent in Toronto, New York and London, England are all open for normal banking business, but not including a Saturday or Sunday.

“**LIBOR Interest Period**” means, with respect to each LIBOR Loan, the initial period (subject to availability) of approximately one, two, three, six or twelve months or such other periods as selected by the Borrower and agreed to by the Agent commencing on and including the date of any Advance, Conversion Date or Rollover Date, as the case may be, applicable to such LIBOR Loan and ending on and including the last day of such initial period, and thereafter, each successive period (subject to availability) of approximately one, two, three, six or twelve months (or such other periods as selected by the Borrower and agreed to by the Agent) commencing on and including the last day of the prior LIBOR Interest Period; provided however that:

(a) in the case of a Rollover, the last day of each LIBOR Interest Period shall also be the first day of the next LIBOR Interest Period;

(b) the last day of each LIBOR Interest Period shall be a Business Day and if not, the Borrower shall be deemed to have selected a LIBOR Interest Period the last day of which is the first Business Day following the last day of the LIBOR Interest Period selected by the Borrower;

(c) if the Borrower selects a LIBOR Interest Period for a period longer than three months interest shall be payable on the date falling three months after the beginning of such LIBOR Interest Period and on each three month anniversary date thereafter; and

(d) notwithstanding any of the foregoing, the last day of each LIBOR Interest Period shall be on or before the maturity date of the applicable Facility.

"**LIBOR Loan**" means an Advance made by a Lender to the Borrower in U.S. Dollars in accordance with the provisions hereof, bearing interest by reference to the U.S. Dollar LIBOR Rate.

"**LIBOR Market**" means the London interbank Eurodollar offering market.

"**LIBOR Period**" means, in respect of a LIBOR Loan, the period commencing on the date of the Advance of such LIBOR Loan and ending on the scheduled maturity date of such LIBOR Loan.

"**Lien**" means:

(a) a lien, charge, mortgage, pledge, security interest or conditional sale agreement;

(b) an assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation;

(c) a garnishment;

(d) any other encumbrance of any kind that secures payment or performance of an obligation; and

(e) any commitment or agreement to enter into or grant any of the foregoing.

"**Loan**" means a Canadian Dollar Prime-Based Loan, a U.S. Dollar Base Rate Loan or a LIBOR Loan.

"**Loan Documents**" means this Agreement, the Security and all other agreements, documents, instruments and assurances now or hereafter required or contemplated herein to be provided by the Borrower and other Persons to the Agent and the Lenders.

"**Maintenance Capital Expenditures**" means Capital Expenditures of the Borrower made solely with respect to maintenance of its property or the property of any of its Subsidiaries.

"**Material Adverse Change**" means any event, circumstance, change, development, condition, occurrence or effect that, individually or in the aggregate with all other events, circumstances, changes, developments, conditions, occurrences or effects is materially adverse to (a) the business, assets, liabilities, condition (financial or otherwise) or results of operations of the Borrower, its Subsidiaries and any other Person which the Borrower controls, taken as a whole, or (b) the ability of the Borrower to perform its obligations under this Agreement, or materially impair the ability of the Agent or the Required Lenders to enforce their rights and remedies under this Agreement or the Security.

"**Material Agreement**" means, in respect of the Borrower, an agreement made between the Borrower or its predecessors and another Person which if terminated (other than at its scheduled maturity) would result, or would have a reasonable likelihood of resulting, in a Default, an Event of Default or a Material Adverse Change, specifically including, as at the date of this Agreement, each agreement listed in Schedule 5.1.14.

"**Material Permit**" means, in respect of the Borrower, a licence, permit, approval, registration or qualification granted to or held by the Borrower which if terminated and not replaced would result, or would have a reasonable likelihood of resulting, in a Default, an Event of Default or a Material Adverse Change; specifically including, as at the date of this Agreement, each licence, permit, approval, registration or qualification listed in Schedule 5.1.8.

"**Maturity Date**" means December 13, 2022.

"**Minor Title Defects**" in respect of any parcel of Land means encroachments, restrictions, easements, rights-of-way, servitudes and defects or irregularities in the title to such Land which are of a minor nature and which, in the aggregate, will not materially impair the use of such Land for the purposes for which such Land is held by the owner thereof.

"**New Facility**" has the meaning specified in the definition of "Permitted New Facilities".

"**Non-BA Lender**" means a Lender identified in Exhibit "A" attached hereto as a Lender which will make BA Equivalent Loans instead of accepting Bankers' Acceptances hereunder.

"**Non-Funding Lender**" means any Lender (i) that has failed to fund any payment or Advances required to be made by it hereunder or to purchase all participations required to be purchased by it hereunder and under the Loan Documents, or (ii) that has given verbal or written notice to the Borrower, the Agent or any Lender or has otherwise publicly announced that it believes that it will be unable to fund advances under credit arrangements to which it is a party, or (iii) with respect to which one or more Lender-Related Distress Events has occurred, or (iv) with respect to which the Agent or the Issuing Bank has knowledge that such Lender has defaulted in fulfilling its obligations (whether as an agent, lender or letter of credit issuer) under one or more other syndicated credit facilities, or (v) with respect to which the Agent has concluded, acting reasonably, and has advised the Lenders in writing that it is of the view that, there is a reasonable chance that such Lender shall become a "Non-Funding Lender" pursuant to any of (i), (ii) or (iii) above and that such Lender has been deemed a "Non-Funding Lender".

"**Non-Recourse LC's**" means Letters of Credit that are unconditionally and fully backed by Export Development Canada on a non-recourse basis.

"**Obligations**" means, at any time all direct and indirect, contingent and absolute obligations and liabilities of the Credit Parties to the Agent and the Lenders under or in connection with this Agreement and the Security at such time, specifically including the Outstanding Advances, all accrued and unpaid interest thereon, all obligations and liability under Service Agreements all Hedging Liabilities under all Hedging Agreements, all indemnity obligations arising hereunder, all fees payable in connection with prepayments, all breakage fees payable pursuant to Section 4.15 and all other fees, expenses and other amounts payable pursuant to this Agreement and the Security (specifically including fees relating to the Facilities as may be agreed in writing from time to time between a Borrower and any Lender); except that if otherwise specified or required by the context, "Obligations" shall mean any portion of the foregoing.

"**OFAC**" means The Office of Foreign Assets Control of the US Department of the Treasury.

"**OFAC Sanctions Programs**" means all laws, regulations, and Executive Orders administered by OFAC and all economic and trade sanction programs administered by OFAC or the US Department of State, any and all similar United States federal laws, regulations or Executive Orders, and any similar laws, regulations or orders adopted by any State within the United States.

"**OFAC SDN List**" means the list of Specially Designated Nationals and Blocked Persons administered by OFAC, in each case, as renewed, extended, amended or replaced.

"**ONCAP**" means ONCAP II-A L.P., ONCAP (US) II L.P., ONCAP (US) II-A L.P., Onex Parallel Investment (ONCAP) L.P. and Biomass EI Ltd.

"**ONCAP Entities**" means ONCAP and each member of ONCAP's Group that holds shares of the common stock of PRHI.

"**Original Effective Date**" means October 3, 2014.

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

(a) in the case of Canadian Dollar Prime-Based Loans, the principal amount thereof;

(b) in the case of Bankers' Acceptances, BA Equivalent Notes and Letters of Credit, the face amount thereof; and

(c) in the case of U.S. Dollar Base Rate Loans and LIBOR Loans, the Equivalent Amount of the principal amount thereof expressed in Canadian Dollars.

"**Overdraft**" means indebtedness of the Borrower to BNS arising under the Swingline Facility in connection with all amounts debited to all overdraft accounts established by the Borrower with BNS (in Canadian Dollars or U.S. Dollars, as the case may be), including without limitation all cheques, transfers, withdrawals, interest, costs, charges and fees debited to such accounts.

"**Pension Plan**" means:

(a) a "pension plan" or "plan" which is subject to the funding requirements of applicable pension benefits legislation in any jurisdiction of Canada and is applicable to employees of the Borrower or any Subsidiary resident in Canada; or

(b) any pension benefit plan or similar arrangement applicable to employees of the Borrower or any Subsidiary.

"**Permitted Acquisition**" means any Acquisition with respect to which all of the following conditions shall have been satisfied:

(a) the Acquired Business is in an Eligible Line of Business.

(b) the Acquisition shall not be hostile;

(c) the Borrower shall have notified the Agent prior to any such Acquisition with a capital cost exceeding $2,000,000 and have furnished to the Agent at such time reasonable details as to such Acquisition, including but not limited to (i) historical financial information of the Acquired Business (which for the avoidance of doubt, shall not be required to be audited) for the two fiscal year period immediately preceding such Acquisition or such shorter period reasonably acceptable to the Agent; and (ii) three year pro forma financial forecasts of the Acquired Business on a stand-alone basis (the "**Stand-Alone Projections**") as well as of the Borrower on a consolidated basis after giving effect to the Acquisition and covenant compliance calculations demonstrating satisfaction of the condition described in clause (f) below. For greater certainty, the Borrower will not be required to notify the Agent and provide information on an Acquisition that has a capital cost of less than $2,000,000;

(d) the Stand Alone Projections (if any) shall reflect positive projected EBITDA of the Acquired Business (as adjusted to eliminate non-recurring, non-capitalized start-up expenses to be incurred to convert such Acquired Business to the Borrower's image and standards proposed by the Borrower and reasonably acceptable to the Agent) beginning no later than in the third year following the consummation of the Acquisition;

(e) if a new wholly-owned Subsidiary or other entity is formed or acquired as a result of or in connection with the Acquisition, the Borrower shall have complied with the requirements of Article 7 hereof in connection therewith. If the Acquisition will result in the creation of a non-wholly-owned Subsidiary, partnership or other Person, prior to or concurrently with the completion of such Acquisition the Borrower shall:

(i) provide the Agent with a copy of the shareholder agreement, partnership agreement, joint venture agreement or such other similar document governing the operation of such Person, which shall (a) be on commercially reasonable terms; and (b) not include any provisions which would prevent the Agent from taking or enforcing on the security contemplated under (iii) below;

(ii) provide the Agent with a first-ranking pledge of its equity interest in such non-wholly owned Person, including in the case of a limited partnership, its equity interest in the general partner of such limited partnership, subject to the terms of the applicable shareholder agreement, partnership agreement, joint venture agreement or such other agreement as may be applicable;

(iii) if required to permit the pledge of such equity interests to the Agent and any subsequent transfer of such equity interests in accordance with the provisions of the applicable shareholder agreement, partnership agreement, joint venture agreement or such other agreement as may be applicable, an acknowledgement of such pledge by the other holders of the equity of such non-wholly-owned Person;

(f) after giving effect to the Acquisition and any Advance in connection therewith, no Default or Event of Default shall exist, including with respect to the financial covenants contained in Section 6.3 hereof on a pro forma basis as of the end of and for the most recently completed four Fiscal Quarter period occurring prior to the closing of the Acquisition for which financial statements are available;

(g) after giving effect to the Acquisition and any Advance in connection therewith, the Borrower shall have not less than $7,500,000 of unused Revolving Credit Commitments; and

(h) the total consideration payable by the Borrower in connection with an Acquisition shall not exceed (A) $70,000,000 and (B) when aggregated with the total consideration paid in connection with all other Acquisitions or New Facilities consummated by the Borrower or any of its Subsidiaries during the term of this Agreement (commencing from the Third Closing Date), $150,000,000. Total consideration for this purpose shall (i) exclude any Available Excess Cash Flow used and any additional equity or Subordinated Shareholder Loans provided to aid in financing such Acquisition, (ii) exclude any amount funded with the Delayed Draw Term Facility, and (iii) include the probability-weighted present value of any earn-outs payable in connection with an Acquisition.

"**Permitted Distribution**" means:

(a) Distributions in an amount not to exceed $500,000 in any Fiscal Year and $2,000,000 in the aggregate over the term of the Agreement (commencing on the Third Closing Date);

(b) Distributions made with Available Excess Cash Flow; provided that the Senior Debt to Adjusted EBITDA Ratio does not exceed 2.75 to 1.00; such payments to be made on an annual basis after the delivery of the Borrower's audited financial statements for such Fiscal Year end with the exception of any unused Available Excess Cash Flow Carry Forward;

(c) Distributions from the Borrower to PRHI so that PRHI can repurchase equity (whether by right or by obligation) in an amount not to exceed $1,500,000 in each Fiscal Year from management (plus proceeds of any key man-life insurance policies), with unused amounts carried over to future years;

(d) payments by the Borrower of management fees to the Sponsor during any Fiscal Year of the Borrower in an aggregate amount that is the greater of

(i) $500,000; and

(ii) an amount equal to 2% of Adjusted EBITDA for such Fiscal Year, such amount not to exceed $750,000 per annum,

provided that if a payment is not permitted due to the occurrence or continuance of a Default or an Event of Default, such payment (a "**Catch-Up Payment**") may be made once:

(i) such Default or Event of Default is cured; and

(ii) the making of such Catch-Up Payment would not cause a Default or Event of Default;

(e) Distributions in respect of Subordinated Debt permitted under Section 6.2.7;

(f) scheduled interest and principal payments on vendor take-back debt incurred pursuant to paragraph (b) of the definition of Permitted Funded Debt and payments on earn-outs incurred pursuant to paragraph (l) of the definition of Permitted Funded Debt;

(g) scheduled dividends on Class H Preferred Shares at a rate of 4.5% per annum;

(h) cash interest payments on the 2013 Promissory Note in an amount up to 5% per year;

(i) redemptions of any Class H Preferred Shares in the capital of the Borrower in an aggregate amount not to exceed \$6,000,000 over the term of the Agreement provided that the Senior Debt to Adjusted EBITDA Ratio calculated at the date of any such redemption does not exceed 3.50 to 1.00 on a *pro forma* basis.

Following completion of an IPO, the following additional items will constitute "Permitted Distributions": (x) Distributions to PRHI to allow PRHI to pay dividends on its equity interests; (y) Distributions contemplated in subsection (b) above with no requirement that the Senior Debt to Adjusted EBITDA Ratio be satisfied; (z) Distributions by the Borrower to PRHI to allow PRHI to pay ordinary course public company expenses; (xx) Distributions by the Borrower to its officers and directors in respect to equity-linked compensation in amounts comparable to other public companies in similar industries.

Additionally, following the completion of an IPO, items (a), (c), (d), (e), (g), (h) and (i) shall thereafter cease to be Permitted Distributions.

A Distribution (other than a Distribution with respect to proceeds of key man life insurance policies) will not be permitted if at the time of the Distribution a Default or Event of Default has occurred and is continuing or if an Event of Default would result therefrom.

"**Permitted Funded Debt**" means, without duplication:

(a) debt in an amount not to exceed an aggregate of \$7,500,000 at any one time outstanding;

(b) Subordinated Debt in the form of vendor take back promissory notes in an amount not to exceed an aggregate of \$7,500,000 at any one time outstanding;

(c) debt of Acquired Businesses, where such debt was not created in contemplation of such Acquisition, in an amount not to exceed an aggregate of \$3,000,000 at any one time outstanding;

(d) Permitted Purchase-Money Security Interests in an amount not to exceed \$15,000,000 at any one time outstanding;

(e) debt of foreign Subsidiaries in an amount not to exceed an aggregate of \$1,000,000 at any one time outstanding;

(f) Permitted Intercompany Loans;

(g) Subordinated Shareholder Loans and unsecured debt used to repurchase equity of management in each case postponed and subordinated in right of payment pursuant to subordination provisions substantially similar to the subordination agreements previously delivered to the Agent or otherwise reasonably approved by the Required Lenders provided that following an IPO all of the foregoing debt shall thereafter cease to be permitted;

(h) debt relating to interest rate, foreign exchange, and commodity Hedging Agreements with the Lenders or their Affiliates;

(i) debt relating to any obligations arising from time to time under (i) the Class F Preferred Shares, (ii) the Class G Preferred Shares, (iii) the Class H Preferred Shares, and (iv) the Promissory Note dated as of May 6, 2011, issued by the Borrower to PRHI in the original principal amount of $60,500,000; and (v) the 2013 Promissory Note, and in the case of (iv) and (v) any refinancing thereof, in each case as long as such debt is Subordinated Debt;

(j) debt arising under Section 19.1 of the HPLP Limited Partnership Agreement in connection with Borrower's obligations to guarantee the obligations of Pinnacle Pellet Houston Inc. to make certain capital contributions to Houston Pellet Limited Partnership pursuant to Sections 6.5 and 6.7 of the HPLP Limited Partnership Agreement;

(k) earn-outs with respect to Permitted Acquisitions provided that such earn-outs may not be paid if there is a Default or Event of Default which has occurred and is continuing;

(l) Yen denominated debt in an amount not to exceed the Yen Equivalent Amount of Cdn $15,000,000 at any one time outstanding; and

(m) debt relating to construction or performance bonds;

The foregoing debt allowances shall be interpreted expansively and not restrictively. Any debt falling under more than one clause above shall be applied to the Permitted Funded Debt limit of only one such category of Permitted Funded Debt.

"**Permitted Intercompany Loan**" means a loan made by any Credit Party to another Credit Party, provided that the Agent holds a First-Ranking Security Interest in all property and assets of both said Credit Parties.

"**Permitted Liens**" means:

(a) Statutory Liens in respect of any amount which is not at the time due;

(b) Statutory Liens in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Required Lenders;

(c) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any Land or any interest therein;

(d) servicing agreements, development agreements, site plan agreements and other agreements with Governmental Authorities pertaining to the use or development of any Land, provided same are complied with in all material respects;

(e) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of Land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with in all material respects;

(f) Liens or rights of distress reserved in or exercisable under any lease for rent not at the time overdue or for compliance with the terms of such lease not at the time in default; and security deposits given under leases not in excess of six months' rent;

(g) Liens or rights reserved to or exercisable by or any obligations or duties affecting any Land due to any public utility or to any Governmental Authority, under or with respect to any franchise, temporary grant, licence or permit in good standing and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on Land under government permits, leases or other grants in good standing; provided such facilities, temporary grants, licences and permits have been complied with in all material respects and are in good standing and such Liens, rights, obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held;

(h) Liens incurred or deposits made in connection with contracts, bids, tenders or expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, and warehousemen's, storers', repairers', carriers' and other similar Liens and deposits;

(i) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, municipality, government or other authority in the ordinary course of business and not at the time overdue;

(j) Liens and privileges arising out of judgments or awards in respect of which: an appeal or proceeding for review has been commenced; a stay of execution pending such appeal or proceedings for review has been obtained; and reserves have been established as reasonably required by the Required Lenders;

(k) Lien arising in connection with the construction or improvement of any Land or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue or, if overdue, the validity of which is being contested in good faith, notice of such Lien has been given to the Agent and reserves have been established as reasonably required by the Required Lenders;

(l) Minor Title Defects;

(m) the Specific Permitted Liens;

(n) the Security;

(o) Liens securing Subordinated Debt; and

(p) the Liens disclosed in Schedule 1.1,

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

"**Permitted New Facilities**" or "**Permitted New Facility**" means any New Facility with respect to which all of the following conditions shall have been satisfied:

(a) the New Facility is in an Eligible Line of Business;

(b) the Borrower shall have notified the Agent prior to the development of any such new facility (which could include expansion of existing facilities) with a total capital cost exceeding $2,000,000 ("**New Facility**") and have furnished to the Agent at such time reasonable details as to such New Facility, including but not limited to three year pro forma financial forecasts of the New Facility on a stand-alone basis (the "**New Facility Projections**") as well as of the Borrower on a consolidated basis after giving effect to the New Facility and covenant compliance calculations demonstrating satisfaction of the condition described in clause (e) below. For greater certainty, the Borrower will not be required to notify the Agent and provide information on any expansion or development of a facility that has a capital cost of less than $2,000,000, provided that this threshold can only be relied upon for a maximum amount of $8,000,000 over the term of this Agreement following the Third Closing Date;

(c) the New Facility Projections (if any) shall reflect positive projected EBITDA of the New Facility (as adjusted to eliminate non-recurring, non-capitalized start-up expenses to be incurred and reasonably acceptable to the Agent) beginning no later than the third year following the commencement of a New Facility project;

(d) if a new wholly-owned Subsidiary or other entity is formed or acquired as a result of, for the purposes of, or in connection with the New Facility, the Borrower shall have complied with the requirements of Article 7 hereof in connection therewith. If the New Facility will result in the creation of a non-wholly-owned Subsidiary, partnership or other Person, prior to or concurrently with the initiation of such New Facility the Borrower shall:

    (i) provide the Agent with a copy of the shareholder agreement, partnership agreement, joint venture agreement or such other similar document governing the operation of such Person, which shall (a) be on commercially reasonable terms; and (b) not include any provisions which would prevent the Agent from taking or enforcing on the security contemplated under (iii) below;

    (ii) provide the Agent with a first-ranking pledge of its equity interest in such non-wholly owned Person, including in the case of a limited partnership, its equity interest in the general partner of such limited partnership, subject to the terms of the applicable shareholder agreement, partnership agreement, joint venture agreement or such other agreement as may be applicable;

    (iii) if required to permit the pledge of such equity interests to the Agent and any subsequent transfer of such equity interests in accordance with the provisions of the applicable shareholder agreement, partnership agreement, joint venture agreement or such other agreement as may be applicable, an acknowledgement of such pledge by the other holders of the equity of such non-wholly-owned Person;

(e) after giving effect to the New Facility and all budgeted Advances to be made in connection therewith, (as determined by the Borrower, acting reasonably) calculated on pro forma basis, no Default or Event of Default shall exist, including with respect to the financial covenants contained in Section 6.3 hereof on a pro forma basis as of the end of and for the most recently completed four fiscal quarter period occurring prior to such Advance;

(f) after giving effect to the New Facility and any Advance in connection therewith, the Borrower shall have not less than $7,500,000 of unused Revolving Facility Commitments;

(g) the total consideration payable (or in the case of a Facility Joint Venture, investment made) by the Borrower in connection with such New Facility shall not exceed (A) $70,000,000 and (B) when aggregated with the total consideration paid in connection with all other Acquisitions (calculated in accordance with clause (h) of "**Permitted Acquisitions**") or New Facilities consummated by the Borrower or any of its Subsidiaries during the term of this Agreement (commencing from the Third Closing Date), $150,000,000. Total consideration for this purpose shall exclude (i) any Available Excess Cash Flow used and any additional equity or Subordinated Shareholder Loans provided to aid in financing such New Facilities and (ii) any amount funded with the Delayed Draw Term Facility.

"**Permitted Purchase-Money Security Interests**" means Purchase-Money Security Interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the maximum aggregate liability of the Borrower and Subsidiary Guarantors thereunder is not in excess of $15,000,000 at any time.

"**Person**" includes an individual, corporation, partnership, trust, unincorporated association, Governmental Authority or any combination of the above.

"**PRHI**" means Pinnacle Renewable Holdings, Inc. and its successors and permitted assigns.

"**Prime Rate**" means the greater of the following:

(a) the rate of interest announced from time to time by BNS as its reference rate then in effect for determining rates of interest on Canadian dollar loans to its customers in Canada and designated as its prime rate; and

(b) the 30-day CDOR Rate plus 1% per annum.

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

(a) any realization thereof, whether occurring as a result of enforcement or otherwise;

(b) any sale, expropriation, loss or damage or other disposition of the Collateral or any portion thereof; and

(c) the dissolution, liquidation, bankruptcy or winding-up of the Borrower or any other distribution of its assets to creditors, and all other amounts which are expressly deemed to constitute "**Proceeds of Realization**" in this Agreement.

"**Proportionate Share**" means:

(a) in the context of any Lender's obligation to make Advances under all Facilities, such Lender's Commitment to make Advances under all Facilities divided by the aggregate amount of all Lenders' Commitments to make Advances under all Facilities;

(b) in the context of any Lender's obligation to make Advances under a Facility, such Lender's Commitment (excluding, as the case may be, the applicable Swingline Limit) to make Advances under such Facility divided by the aggregate amount of all Lenders' Commitments (excluding, as the case may be, the applicable Swingline Limit) to make Advances under such Facility;

(c) in the context of any Lender's entitlement to receive a portion of the standby fee in respect of Revolving Facility, such Lender's Commitment to make Advances under the Revolving Facility divided by the aggregate amount of all Lenders' Commitments to make Advances under the Revolving Facility;

(d) in the context of any Lender's entitlement to receive payments of principal, interest or fees under all Facilities (other than a portion of the standby fee under the Revolving Facility), the Outstanding Advances due to such Lender under all Facilities divided by the aggregate amount of the Outstanding Advances due to all Lenders under all Facilities;

(e) in the context of any Lender's entitlement to receive payments of principal, interest or fees under a Facility (other than a portion of the standby fee under the Revolving Facility), the Outstanding Advances due to such Lender under such Facility divided by the aggregate amount of the Outstanding Advances due to all Lenders under such Facility; and

(f) in the context of any Lender's entitlement to receive payments of principal, interest or fees under Delayed Draw Term Facility, such Lender's Commitment under Delayed Draw Term Facility divided by the aggregate of all Lenders' Commitments under Delayed Draw Term Facility.

"**Proposed New Lender**" has the meaning ascribed to such term in Section 4.13.

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

(a) a Capital Lease; or

(b) a Lien on any property or asset which is created, issued or assumed to secure the unpaid purchase price thereof, provided that such Lien is restricted to such property or asset and secures an amount not in excess of the purchase price thereof and any interest and fees payable in respect thereof.

"**Related Person**" means, in relation to any Person, a subsidiary, affiliate, associate or employee of such Person, or an associate of such employee (the terms "subsidiary", "affiliate" and "associate" having the respective meanings ascribed thereto in the CBCA).

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

“**Repayment Notice**” means a notice delivered by the Borrower to the Agent committing it to make a Repayment, in the form of Exhibit ”E”.

“**Required Lenders**” means, with the exception of those matters set out in Section 10.1 which require the agreement of all Lenders, any two or more Lenders which have issued Commitments hereunder representing 50.1% or more of the total amount of credit available under the Facilities.

“**Requirements of Environmental Law**” means:

(a) obligations under common law;

(b) requirements imposed by or pursuant to statutes, regulations and by-laws whether presently or hereafter in force;

(c) directives, policies and guidelines issued or relied upon by any Governmental Authority to the extent such directives policies or guidelines have the force of law;

(d) permits, licenses, certificates and approvals issued by Governmental Authorities which are required in connection with air emissions, discharges to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials; and

(e) requirements imposed under any clean-up, compliance or other order made by a Governmental Authority pursuant to any of the foregoing,

in each and every case relating to environmental, health or safety matters including all such obligations and requirements which relate to:

(i) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; and

(ii) exposure to Hazardous Materials.

“**Residual Excess Cash Flow**” means, with respect to any Fiscal Year of the Borrower, that part of such Excess Cash Flow which is not required to be applied by the Borrower as a mandatory prepayment out of Excess Cash Flow of the Facilities.

“**Revolving Facility**” is defined in Section 2.1.

“**Revolving Facility Limit**” means $50,000,000 or the Equivalent Amount in U.S. $ or any combination thereof.

“**Revolving Facility Loan**” means a Loan under the Revolving Facility.

“**Rollover**” means the renewal of an Availment Option upon its maturity in the same form.

“**Rollover Notice**” means a notice substantially in the form of Exhibit ”C” given by the Borrower to the Agent for the purpose of requesting a Rollover.

“**Sanctioned Entity**” means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC, the US Department of State or any equivalent agency or body in Canada.

“**Sanctioned Person**” means a person named on the list of Specially Designated Nationals maintained by OFAC.

“**Sanction(s)**” means any international economic sanction administered or enforced by the United States Government (including without limitation, OFAC and the U.S. Department of State), Canada, the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

“**Sanctions Authority**” means Canada or its governmental institutions, agencies and subdivisions.

“**Sanctions List Event**” has the meaning set forth in Section 6.1.14.

“**Second Closing Date**” means December 16, 2016.

“**Security**” means all Guarantees, security agreements, mortgages, debentures and other documents required to be provided to the Agent or the Lenders pursuant to Article 7 and all other documents and agreements delivered by the Borrower and other Persons to the Agent for the benefit of the Lenders from time to time as security for the payment and performance of the Obligations, and the security interests, assignments and Liens constituted by the foregoing.

“**Senior Debt**” means (a) funded indebtedness for borrowed money secured by a first charge over the assets of the Borrower and the Guarantor Subsidiaries minus (b) the amount of cash or cash equivalents held by the Borrower or a Guarantor, subject to confirmation that such amount is unrestricted and is held in cash in accounts of the Borrower or its Guarantor Subsidiaries which are subject to deposit account control agreements in favor of the Agent, plus the Borrower’s pro rata share of cash held at its majority owned Subsidiary Lavington Limited Partnership and further subject to a cap of $10,000,000 in aggregate. For clarity, Senior Debt shall include, but not be limited to, amounts outstanding under the Facilities (excluding Non-Recourse LC’s in an aggregate amount not greater than $1,000,000) capital leases, and the Borrower’s proportionate share of indebtedness for borrowed money of any joint venture. Senior Debt shall exclude those items set out in clauses (b), (f), (g), (h) (i), (j), (k) and (m) contained in the definition of Permitted Funded Debt. To the extent a Permitted New Facility funded by the Delayed Draw Term Facility has been commenced and has been included in Adjusted EBITDA, the total amount of unspent budgeted Capital Expenditures anticipated to be funded by the Borrower (or in the case of a Facility Joint Venture, the portion of such unspent Capital Expenditures to be funded by contributions by the Borrower) with Senior Debt shall also be included in this definition until such time as such Permitted New Facility funded by the Delayed Draw Term Facility has been operating for six months, at which point the actual debt shall replace the budgeted amount.

"**Senior Debt to Adjusted EBITDA Ratio**" means, in respect of any Fiscal Quarter, the ratio of Senior Debt at the end of such Fiscal Quarter to Adjusted EBITDA in the fiscal period comprised of such Fiscal Quarter and the immediately preceding three Fiscal Quarters.

"**Service Agreements**" means agreements made between the Borrower and a Lender in respect of cash management, payroll, credit card programs or other banking services (and including any indemnity or reimbursement agreements in connection therewith); and "**Service Agreement**" means any one of them as required by the context.

"**Smithers Partnership**" means Smithers Pellet Limited Partnership, being the entity proceeding with the Smithers Project.

"**Smithers Project**" means the brownfield conversion of a former particleboard plant to a pellet manufacturing facility at Smithers, British Columbia to be constructed and operated by the Smithers Partnership.

"**Specific Permitted Liens**" means:

(a) Liens in an aggregate amount not to exceed $7,500,000 at any one time outstanding;

(b) Liens securing debt of Acquired Businesses, where such debt and Liens were not created in contemplation of such Acquisition, in an amount not to exceed an aggregate of $3,000,000 at any one time outstanding;

(c) Liens securing Subordinated Debt in the form of vendor take back promissory notes or earn-outs with respect to Permitted Acquisitions, but only on the assets acquired and subject to subordination arrangements satisfactory to the Required Lenders, in an amount not to exceed an aggregate of $7,500,000 at any one time outstanding;

(d) Liens securing Permitted Purchase-Money Security Interests in an amount not to exceed $15,000,000 at any one time outstanding;

(e) Liens related to interest rate, foreign exchange and commodity Hedging Agreements with existing Lenders; and

(f) Liens relating to any outstanding construction or performance bond or bonds issued in lieu of Letters of Credit either unsecured or secured by security ranking subsequent to all security held by the Agent.

"**Sponsor**" means ONCAP Management Partners, L.P.

"**Statutory Lien**" means a Lien in respect of any property or assets of a Credit Party created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including without limitation a Lien for the purpose of securing such Credit Party's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time.

"**Subordinated Debt**" means any indebtedness of any Credit Party to any Person (other than a Permitted Intercompany Loan), in respect of which the holder thereof has entered into a subordination and postponement agreement in favour of the Agent and the Lenders, in form and substance satisfactory to the Agent and registered in all places where necessary or desirable to protect the priority of the Security, which shall provide (among other things) that:

(a) the holder of such indebtedness may not receive payments on account of principal or interest thereon (except to the extent, if any, expressly permitted therein or hereby);

(b) any security held in respect of such indebtedness is subordinated to the Security; and

(c) the holder of such indebtedness may not take any enforcement action in respect of any such security without the prior written consent of the Agent (except to the extent, if any, expressly permitted therein).

"**Subordinated Shareholder Loans**" means the 2013 Promissory Note and any other unsecured Subordinated Debt of the Borrower owing to PRHI or from PRHI shareholders of PRHI and their Affiliates. As of the Third Closing Date, all Subordinated Shareholder Loans are set forth in Exhibit K.

"**Subsidiary**" means a business entity which is controlled by another business entity (as used herein, "business entity" includes a corporation, company, partnership, limited partnership, trust or joint venture). Unless otherwise noted herein, the term "**Subsidiary**" means all current and future direct and indirect Subsidiaries of the Borrower (excluding, for greater certainty, all joint ventures in which the Borrower owns less than 50% of the economic interests).

"**Sundre Project**" means the proposed greenfield pellet plant to be constructed and operated as a Facility Joint Venture at Sundre, Alberta.

"**Swingline**" is defined in Section 2.8.

"**Swingline Commitment**" means $7,500,000 or such other amount as may be agreed from time to time by the Borrower and the Swingline Lender.

"**Swingline Facility**" has the meaning set forth in Section 2.8.1.

"**Swingline Lender**" means BNS.

"**Swingline Loan**" has the meaning set forth in Section 2.8.2.

"**Term Facility**" is defined in Section 3.1.

"**Term Facility Limit**" means $200,000,000 or the Equivalent Amount in U.S. $ or any combination thereof or such lesser amount as provided herein.

"**Term Loans**" means Loans under the Term Facility.

"**Third Closing Date**" means December 13, 2017.

"**Tolko**" means Tolko Industries Ltd. and its affiliates, successors and assigns.

"**U.S. Base Rate**" means the greater of the following:

(a) the rate of interest announced from time to time by BNS as its reference rate then in effect for determining rates of interest on U.S. dollar loans to its customers in Canada and designated as its U.S. base rate; and

(b) the Federal Funds Rate plus one percent (1.0%) per annum.

"**U.S. Dollar Base Rate Loan**" means an Advance made by a Lender in Canada to the Borrower by way of a direct loan in U.S. Dollars, but excluding Advances in the form of a LIBOR Loan.

"**U.S. Dollar LIBOR Rate**" means, at any time, the LIBOR Rate applicable to LIBOR Loans denominated in U.S. Dollars determined at such time.

"**U.S. Dollars**" or "**U.S. $**" means the lawful money of the United States.

"**Working Capital**" shall mean, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis (a) current assets (excluding cash and cash equivalents, deferred taxes and accrued interest) minus (b) current liabilities (excluding the current portion of long term indebtedness, deferred taxes and accrued interest); provided that increases or decreases in Working Capital shall be calculated without regard to any changes in current assets or current liabilities as a result of (1) any reclassification in accordance with GAAP of assets or liabilities, as applicable, between current and noncurrent or (2) the effects of purchase accounting.

"**Write-Down and Conversion Powers**" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

"**Year-end Financial Statements**" in respect of any Person means the audited consolidated financial statements of such Person prepared in accordance with GAAP, including the notes thereto, in respect of its most recently completed Fiscal Year.

"**Yen**" means the lawful currency of Japan.

"**2013 Promissory Note**" means the promissory note dated as of November 29, 2013 issued by the Borrower to PRHI in the original principal amount of $15,000,000 as increased by the accrual of interest.

1.2 Accounting Principles

If, after the date of this Agreement, there shall occur any change in GAAP (including without limitation, any change by reason of any change in the rules, regulations, pronouncements, opinions or other requirements of the Canadian Institute of Chartered Accountants (or any successor thereto or agency with similar function), from those used in the preparation of the financial statements referred to in Section 6.4 hereof and such change shall result in a change in the method of calculation of any financial covenants, standard or term found in this Agreement, either the Borrower or the Required Lenders may by notice to the Agent and the Borrower, respectively, require that the Lenders and the Borrower negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Borrower and its Subsidiaries shall be the same as if such change had not been made. No delay by the Borrower or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.2, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

Notwithstanding anything to the contrary contained in the foregoing paragraph or the definition of Capital Lease Obligations, in the event of an accounting change requiring all leases to be capitalized, only those leases (assuming for purposes hereof that they were in existence on the date hereof) that would constitute Capital Lease Obligations on the date hereof shall be considered Capital Lease Obligations and all calculations and deliverables under this Agreement or any other Loan Document shall be made in accordance therewith (provided that all financial statements delivered to the Agent in accordance with the terms of this Agreement after the date of such accounting change shall contain a schedule showing the adjustments necessary to reconcile such financial statements with applicable accounting principles as in effect immediately prior to such accounting change).

1.3 Currency References

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

1.4 References to Statutes

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

1.5 Extended Meanings

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

1.6 Knowledge

The phrase “to the best of its knowledge”, “to its knowledge” or similar phrase, as used in this Agreement means that no information, which gives the Borrower current, actual knowledge of the inaccuracy of such statement, has come to the Borrower’s attention after such inquiry and investigation as the Borrower determines is reasonably required in the circumstances to determine the accuracy of such statement.

1.7 Exhibits and Schedules

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

Exhibit “A”	-	Lenders and Lenders’ Commitments
Exhibit “B”	-	Drawdown Request
Exhibit “C”	-	Rollover Notice
Exhibit “D”	-	Conversion Notice
Exhibit “E”	-	Repayment Notice
Exhibit “F”	-	Compliance Certificate
Exhibit “G”	-	Form of BA Equivalent Note
Exhibit “H”	-	CBA Model Provisions, including Exhibits attached thereto:
		Exhibit A - Form of Assignment and Assumption Agreement
		Exhibit B - Information to be given to Loan Pricing Corporation
Exhibit “I”	-	Form of Commitment and Acceptance
Exhibit “J”	-	Cash Flow Agreement
Exhibit “K”	-	Subordinated Shareholder Loans
Exhibit “L”	-	Existing L/Cs
Schedule 5.1.2	-	Companies Information
Schedule 5.1.3	-	Subsidiaries
Schedule 5.1.4	-	Pending Corporate Changes
Schedule 5.1.5	-	Consents and Approvals Required
Schedule 5.1.8	-	Material Permits
Schedule 5.1.10	-	Leased Properties
Schedule 5.1.11	-	Intellectual Property
Schedule 5.1.12	-	Insurance Policies
Schedule 5.1.13	-	Material Agreements
Schedule 5.1.14	-	Labour Matters
Schedule 5.1.15	-	Environmental Matters
Schedule 5.1.16	-	Litigation
Schedule 5.1.17	-	Pension Plans
Schedule 5.1.18	-	Material Adverse Change
Schedule 5.1.21	-	Taxes

ARTICLE 2
REVOLVING FACILITY

2.1 Establishment of Revolving Facility

Subject to the terms and conditions in this Agreement, each Lender hereby establishes a committed, revolving credit facility for the Borrower in the maximum principal amount indicated opposite such Lender’s name in Exhibit ”A” under the heading “Revolving Facility Commitments”. The said credit facilities in the maximum aggregate principal amount of the Revolving Facility Limit are established by the said Lenders severally and not jointly, and are hereinafter collectively referred to as the “**Revolving Facility**”. Each Advance by a Lender under the Revolving Facility shall be made by such Lender in its Proportionate Share of the Revolving Facility. All Advances outstanding pursuant to the Revolving Facility immediately prior to the Third Closing Date shall continue to be due and owing on the execution of this Agreement on the Third Closing Date.

2.2 Purpose

Advances under the Revolving Facility shall be used by the Borrower to fund working capital needs, to finance Capital Expenditures, to fund Permitted Acquisitions and Permitted New Facilities and for general corporate purposes. The Borrower may obtain an Advance on the Third Closing Date in an amount not to exceed $25,000,000.

2.3 Revolving Nature

The Revolving Facility shall be a revolving facility. For greater certainty, the Borrower shall, subject to the terms of this Agreement, be entitled to obtain Advances under the Revolving Facility from time to time and repay all or any portion of the Outstanding Advances under the Revolving Facility from time to time; provided that the Outstanding Advances under the Revolving Facility at any time shall not exceed the Revolving Facility Limit in effect at such time. If at any time the Outstanding Advances under the Revolving Facility exceed the Revolving Facility Limit then in effect, the Borrower shall, within two Business Days of receipt of a written notice from the Agent, pay to the Agent the principal amount required to reduce the Outstanding Advances under the Revolving Facility to an amount not greater than the Revolving Facility Limit then in effect.

2.4 Repayment

The Obligations under the Revolving Facility shall become due and payable on the earlier of: (i) the Acceleration Date; and (ii) the Maturity Date.

2.5 Availment Options

2.5.1 Subject to the restrictions contained in this Article 2 and elsewhere in this Agreement (and in particular, Sections 4.4 and 4.5), the Borrower may receive Advances under the Revolving Facility by any one or more of the following Availment Options (or any combination thereof) in minimum amounts and multiples as provided in Section 4.5:

(a) Prime Rate Advances (subject to Section 2.8); or

(b) U.S. Base Rate Advances (subject to Section 2.8); or

(c) Bankers' Acceptances from the BA Lenders in Canadian Dollars only with a maturity of 28 to 365 days (inclusive), subject to availability; or

(d) BA Equivalent Loans from the Non-BA Lenders in Canadian Dollars only with a maturity of 28 to 365 days (inclusive), subject to availability; or

(e) LIBOR Loans in U.S. Dollars, with a LIBOR Period of one, two, three, six or twelve months, subject to availability; or

(f) Letters of Credit, subject to Sections 2.7 and 2.8.

2.5.2 Bankers' Acceptances, BA Equivalent Loans, LIBOR Loans and Letters of Credit under the Revolving Facility will not be issued with a maturity date later than the Maturity Date.

2.5.3 The Borrower may convert Outstanding Advances under the Revolving Facility in the form of any above Availment Option applicable to it into another form of Availment Option in the same currency, subject to and in accordance with the terms and conditions of this Agreement (but for greater certainty, Bankers' Acceptances, BA Equivalent Loans, LIBOR Loans and Letters of Credit may not be converted into another Availment Option prior to the maturity thereof).

2.6 Interest and Fees

2.6.1 In respect of Advances under the Revolving Facility, the Borrower agrees to pay the following:

(a) interest on Overdrafts in Canadian Dollars and interest on Canadian Dollar Prime-Based Loans at the Prime Rate plus the Applicable Margin per annum, payable monthly in arrears on the last day of each and every month;

(b) in respect of each Bankers' Acceptance, a stamping fee equal to the Applicable Margin multiplied by the face amount of the Bankers' Acceptance with the product thereof further multiplied by the number of days to maturity of the Bankers' Acceptance and divided by 365, payable at the time of acceptance (and for greater certainty, in addition to paying the said stamping fee, the Borrower acknowledges that the proceeds received upon the issuance of such Bankers' Acceptance will be less than the face amount payable to the holder of such Bankers' Acceptance on the maturity thereof, as more particularly provided in Section 4.10);

(c) in respect of each BA Equivalent Note, a stamping fee equal to the Applicable Margin multiplied by the face amount of the BA Equivalent Note with the product thereof further multiplied by the number of days to maturity of the BA Equivalent Note and divided by 365, payable at the time of issuance (and for greater certainty, in addition to paying the said stamping fee, the Borrower acknowledges that the proceeds received upon the issuance of such BA Equivalent Note will be less than the face amount payable to the holder of such BA Equivalent Note on the maturity thereof, as more particularly provided in Section 4.11);

(d) interest on Overdrafts in U.S. Dollars and interest on U.S. Dollar Base Rate Loans at the U.S. Base Rate plus the Applicable Margin per annum, payable monthly in arrears on the last day of each and every month;

(e) interest on LIBOR Loans in U.S. Dollars at the U.S. Dollar LIBOR Rate plus the Applicable Margin per annum calculated on the basis of a year of 360 days, payable in the manner set out in Section 4.12.2;

(f) in respect of each Letter of Credit issued hereunder,

(i) the Borrower shall pay to the Agent for the account of the Revolving Facility Lenders a fee (1) in respect of the period from the date of issuance of such Letter of Credit to the last day of the then current Fiscal Quarter (including the first day but excluding the last day), a fee equal to the Applicable Margin in effect at the time of issuance multiplied by the face amount of such Letter of Credit multiplied by the number of days in such period and divided by three hundred and sixty-five (365), payable on the last day of such Fiscal Quarter; (2) in respect of each subsequent Fiscal Quarter (other than the Fiscal Quarter in which the Letter of Credit shall expire), a fee equal to the Applicable Margin in effect on such day multiplied by the face amount of the Letter of Credit multiplied by the number of days in such Fiscal Quarter and divided by three hundred and sixty-five (365), payable on the last day of such Fiscal Quarter; and (3) in respect of the Fiscal Quarter in which the Letter of Credit shall expire, a fee equal to the Applicable Margin in effect on such day multiplied by the face amount of such Letter of Credit multiplied by the number of days from such day to the date of expiry of such Letter of Credit (including the first day but excluding the last day) and divided by three hundred and sixty-five (365), payable on the last day of such Fiscal Quarter (provided, however, that Non-Recourse LC's shall be subject to a cap equal to 25% of the fees set out above);

(ii) the Borrower also shall pay to the Issuing Bank, for its own account: (i) a fronting fee equal to one-quarter of one percent (0.25%) of the face amount of such Letter of Credit (without regard to the number of days to expiry of the Letter of Credit), payable at the time of issue of such Letter of Credit;

(iii) each fee referred to in this Section in respect of a Letter of Credit issued in Canadian Dollars or US Dollars shall be paid in the same currency as the currency of such Letter of Credit. Each fee referred to in this Section in respect of a Letter of Credit issued in any other currency shall be paid in Canadian Dollars, and for the purposes of calculating such fee the Canadian Dollar Equivalent Amount of any such Letter of Credit shall be calculated on the basis of the Bank of Canada average exchange rate on the close of business on the Business Day prior to the first Business Day of the Fiscal Quarter in which such fee is payable.

(g) in respect of each Letter of Credit, in addition to the fees referred to in Section 2.6.1(f)(i) and (ii) above, fees generally applicable to Letters of Credit from time to time (such as issuance, drawing, registration, amendment, communication and other processing and out of pocket fees) at the Issuing Bank's usual rates, payable to the Issuing Bank for its own account;

(h) a standby fee with respect to the unused portion of the Revolving Facility, calculated on a daily basis as being the difference between (i) the Revolving Facility Limit and (ii) the Outstanding Advances under that portion of the Revolving Facility other than the Swingline, multiplied by the Applicable Margin and divided by 365; which standby fee shall be payable quarterly in arrears on the last day of each Fiscal Quarter; and

(i) such fees payable to BNS and BMO as may be agreed in writing from time to time between the Borrower and BNS or BMO, as the case may be, relating to any cash management services which may be provided by BNS and/or BMO to the Borrower from time to time.

2.7 Letters of Credit

2.7.1 Letters of Credit may be issued under the Revolving Facility in all major currencies offered by BNS, provided that the Equivalent Amount expressed in Canadian Dollars of the aggregate face amount of all Letters of Credit outstanding under the Revolving Facility at any time may not exceed Cdn

$5,000,000. Letters of Credit will not be issued for the purpose of guaranteeing obligations of any Person. Each Letter of Credit shall have a term not in excess of 364 days (but may be renewable on customary terms).

2.7.2 Each request for the issuance of a Letter of Credit shall be delivered by the Borrower to the Agent in accordance with the notice requirements set out in Section 4.4.1 herein, together with Issuing Bank's customary form of application and indemnity agreement completed to its satisfaction and the proposed form of the Letter of Credit (which shall be satisfactory to the Issuing Bank) and such other certificates, documents and other papers and information as the Issuing Bank may reasonably request.

2.7.3 The Issuing Bank shall notify each Lender of the principal amount, the number, and the expiration date of each Letter of Credit and the amount of such Lender's participation therein. By the issuance of a Letter of Credit hereunder and without further action on the part of the Issuing Bank or the Lenders, each Lender hereby accepts from the Issuing Bank a participation (which participation shall be non-recourse to the Issuing Bank) in such Letter of Credit in such Lender's Proportionate Share of the Revolving Facility, effective upon the issuance of such Letter of Credit. Each Lender hereby absolutely and unconditionally assumes, as primary obligor and not as a surety, and agrees to pay and discharge and to indemnify and hold the Issuing Bank harmless from liability in respect of, such Lender's Proportionate Share of the amount of any drawing under a Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations in each Letter of Credit issued by the Issuing Bank and its obligation to make the payments specified herein, and the right of the Issuing Bank to receive the same, in the manner specified herein, are absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or Event of Default hereunder, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. The Issuing Bank shall review each draft and any accompanying documents presented under a Letter of Credit and shall notify each Lender of any such presentment. Promptly after it shall have ascertained that any draft and any accompanying documents presented under such Letter of Credit appear on their face to be in substantial conformity with the terms and conditions of the Letter of Credit, the Issuing Bank shall give notice to each Lender and the Borrower of the receipt and amount of such draft and the date on which payment thereon will be made, and each Lender shall, by 11:00 a.m. Toronto time on the date such payment is to be made, pay its said Proportionate Share of the amount so drawn under the Letter of Credit in immediately available funds, and the Issuing Bank shall make the appropriate payment to the beneficiary of such Letter of Credit. The Borrower agrees to immediately reimburse each Lender in an amount equal to the said payment by such Lender with interest thereon payable at the same rate and in the same manner as Canadian Dollar Prime-Based Loans under the Revolving Facility. The obligation of the Borrower under this Section to reimburse the Lenders and the Issuing Bank for all drawings under Letters of Credit shall be absolute, unconditional and irrevocable and shall be satisfied strictly in accordance with their terms, irrespective of:

(a) any lack of validity or enforceability of any Letter of Credit;

(b) the existence of any claim, setoff, defence or other right which the Borrower or any other Person may at any time have against the beneficiary under any Letter of Credit, the Issuing Bank or any Lender (other than the defence of payment in accordance with the terms of this Agreement or a defence based on the gross negligence or willful misconduct of the Issuing Bank or any Lender) or any other Person in accordance with this Agreement or other transaction;

(c) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; and

(d) any other circumstance or event whatsoever, whether or not similar to any of the foregoing.

2.7.4 In making any payment under any Letter of Credit (i) the Issuing Bank's exclusive reliance on the documents presented to it under such Letter of Credit as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever and (ii) any non-compliance in any immaterial respect of the documents presented under such Letter of Credit with the terms thereof shall, in each case, not be deemed willful misconduct or negligence of the Issuing Bank or any Lender.

2.7.5 The Issuing Bank and its correspondents may accept and act upon the name, signature, or act of any party purporting to be the executor, administrator, receiver, trustee in bankruptcy or other legal representative of any party designated in any Letter of Credit in the place of the name, signature, or act of such party.

2.7.6 Letters of Credit shall form a part of the Revolving Facility and any Advance by Letters of Credit shall reduce availability under the Revolving Facility on a dollar for dollar basis.

2.7.7 The Existing L/Cs shall, for certainty, continue to be outstanding Letters of Credit hereunder.

2.8 Swingline Facility

2.8.1 Subject to the terms and conditions of this Agreement, the Swingline Lender establishes in favour of the Borrower a revolving credit facility which is part of the Revolving Facility in an amount (including Advances made in Canadian Dollars and the Equivalent Amount in Canadian Dollars of Advances made in U.S. Dollars) up to the Swingline Commitment on the terms set forth in this Section 2.8.2 (the "**Swingline Facility**").

2.8.2 At any time that the Borrower would be entitled to obtain Canadian Dollar Prime-Based Loans and U.S. Dollar Base Rate Loans, as the case may be, under the Revolving Facility, the Borrower shall be entitled to draw cheques on its Cdn. Dollar chequing account and US Dollar chequing account, as the case may be, maintained from time to time with the Swingline Lender. The debit balance from time to time in any such Canadian Dollar account shall be deemed to be a Canadian Dollar Prime-Based Loan outstanding to the Borrower from the Swingline Lender under the Swingline Facility. The debit balance from time to time in any such US Dollar account shall be deemed to be a U.S. Dollar Base Rate Loan outstanding to the Borrower from the Swingline Lender under the Swingline Facility. If at any time the Borrower is a party to a cash concentration arrangement with the Swingline Lender, the amount of any overdraft from time to time in the Cdn. Dollar or US Dollar concentration account, as the case may be, of the Borrower established pursuant to such arrangement (which for greater certainty may include one of the Cdn. Dollar or US Dollar accounts identified above) shall, without duplication, be deemed to be a Canadian Dollar Prime-Based Loan or U.S. Dollar Base Rate Loan, as the case may be, outstanding to the Borrower from the Swingline Lender under the Swingline Facility. A Canadian Dollar Prime-Based Loan or a U.S. Dollar Base Rate Loan from the Swingline Lender as contemplated by this subsection, prior to such time as such Advance is repaid as contemplated by Section 2.8.4 or purchased as contemplated by Section 2.8.5, is referred to as a "Swingline Loan".

2.8.3 The outstanding amount (including Advances made in Canadian Dollars and the Equivalent Amount in Canadian Dollars of Advances made in United States Dollars) of all Swingline Loans at any time shall not exceed the lesser of:

(a) the Swingline Commitment; and

(b) the amount, if any, by which:

(i) the Revolving Facility Limit;

exceeds

(ii) the amount (including Advances made in Canadian Dollars and the Equivalent Amount in Canadian Dollars of Advances made in United States Dollars) of all Advances (other than Swingline Loans) outstanding at such time under the Revolving Facility.

2.8.4 The Swingline Lender may (but shall not be obliged to) deliver a written notice to the Agent (which shall thereupon deliver a similar notice to each of the Revolving Facility Lenders) and to the Borrower requiring repayment of the Swingline Loans from time to time. The Borrower shall be deemed to have given at such time a Drawdown Request to the Agent requesting Canadian Dollar Prime-Based Loans and US Dollar Base Rate Loans, as applicable, under the Revolving Facility in an aggregate amount equal to the amount of such Swingline Loans. The Revolving Facility Lenders shall thereupon (irrespective of whether any condition precedent to an Advance has been satisfied, whether the amount of such Advance to be made available under the Revolving Facility is less than, equal to or more than the minimum amount, if any, of an Advance required to be included in an Advance constituting such type of Advance under this Agreement, whether any Default or Event of Default has occurred or is continuing or whether any acceleration or enforcement action (including any termination of the Facilities and the Commitments) has occurred or whether the Maturity Date has occurred) make such Canadian Dollar Prime-Based Loan and US Dollar Base Rate Loan, as applicable, under the Revolving Facility and the Agent shall apply the proceeds thereof in repayment of such Swingline Loans. The Agent shall promptly notify the Borrower of any such Canadian Dollar Prime-Based Loans and US Dollar Base Rate Loans, and the Borrower agrees to accept each such Canadian Dollar Prime-Based Loan and US Dollar Base Rate Loan under the Revolving Facility and hereby irrevocably authorizes and directs the Agent to apply the proceeds thereof in payment of the applicable Swingline Loan.

2.8.5 Without limiting Section 2.8.4, on the Maturity Date, or if an Event of Default has occurred and is continuing, each of the Revolving Facility Lenders agrees that it will purchase from the Swingline Lender, and the Swingline Lender agrees that it shall sell to such Revolving Facility Lenders, for cash, at par, without representation or warranty from or recourse against the Swingline Lender (and irrespective of whether any condition precedent to an Advance has been satisfied, any Default or Event of Default has occurred or is continuing or whether any acceleration or enforcement action (including any termination of the Credit Facilities and the Commitments) has occurred or whether the Maturity Date has occurred), on a rateable basis, an undivided interest in all Swingline Loans. The Agent, upon consultation with the applicable Lenders, shall have the power to settle any documentation required to evidence any such purchase and, if deemed advisable by the Agent, to execute any document as attorney for any Lender in order to complete any such purchase. The Borrower and the Revolving Facility Lenders acknowledge that the foregoing arrangements are to be settled by the Revolving Facility Lenders among themselves, and the Borrower expressly consents to the foregoing arrangements among such Lenders.

ARTICLE 3
NON-REVOLVING FACILITIES

3.1 Establishment of Non-Revolving Facilities

(a) Subject to the terms and conditions in this Agreement, certain of the Lenders established on the Original Effective Date a committed, non-revolving credit facility for the Borrower in the amount of $150,000,000. An additional $21,673,760 was advanced by the Lenders on the Second Closing Date. As of the Third Closing Date, $158,400,000 remains due and owing by the Borrower pursuant to the Term Facility. On the Third Closing Date, each Lender hereby establishes a committed, non-revolving credit facility for the Borrower in the maximum principal amount indicated opposite such Lender's name in Exhibit "A" under the heading "Term Facility Commitments", such that $41,600,000 remains available to be borrowed and will be drawn in a single Advance pursuant to the Term Facility on the Third Closing Date. The said credit facility in the maximum aggregate principal amount of the Term Facility Limit, is established by the said Lenders severally and not jointly, and is hereinafter referred to as the "**Term Facility**". Each Advance by a Lender under the Term Facility shall be made by such Lender in its Proportionate Share of the Term Facility.

(b) Subject to the terms and conditions in this Agreement, each Lender established on the Original Effective Date a committed non-revolving credit facility for the Borrower in the amount of $90,000,000. As of the Third Closing Date, $**45,000,000** remains due and owing by the Borrower pursuant to the Delayed Draw Term Facility. On the Third Closing Date, each Lender hereby establishes a committed, non-revolving credit facility for the Borrower in the maximum principal amount indicated opposite such Lender's name in Exhibit "A" under the heading "Delayed Draw Term Facility Commitments". On the Third Closing Date, all amounts outstanding under the Delayed Draw Term Facility will be repaid with the incremental Advance pursuant to the Term Facility and an Advance under the Revolving Facility such that the full amount of the Delayed Draw Term Facility will remain available to be borrowed pursuant to the Delayed Draw Term Facility following such repayment. The said credit facility, in the maximum aggregate principal amount of the Delayed Draw Term Facility Limit, is established by the said Lenders severally and not jointly, and is hereinafter referred to as the "**Delayed Draw Term Facility**". Each Advance by a Lender under the Delayed Draw Term Facility shall be made by such lender in its Proportionate Share of the Delayed Draw Term Facility.

3.2 Purpose

(a) Advances under the Term Facility were used by the Borrower prior to the Second Closing Date to refinance existing Senior Debt, pay fees related to this Agreement, to fund working capital needs, to finance Capital Expenditures, to fund Permitted Acquisitions and Permitted New Facilities, and for general corporate purposes. On the Second

Closing Date, an incremental Advance under the Term Facility was used by the Borrower to repay indebtedness owing pursuant to the Delayed Draw Term Facility. On the Third Closing Date, the incremental Advance under the Term Facility and an Advance under the Revolving Facility shall be used by the Borrower to repay indebtedness owing pursuant to the Delayed Draw Facility.

(b) Advances under the Delayed Draw Term Facility were used by the Borrower prior to the Third Closing Date to fund the Borrower's share of the development and construction of the Lavington Project and other Permitted New Facilities. Advances under the Delayed Draw Term Facility following the Third Closing Date may be used by the Borrower to fund the construction of the Entwistle Project, the Smithers Project, other Permitted New Facilities and Permitted Acquisitions.

3.3 Non-Revolving Nature

(a) The Term Facility is a non-revolving facility and any Repayment under the Term Facility after the Third Closing Date may not be reborrowed.

(b) The Delayed Draw Term Facility is a non-revolving facility and any Repayment under the Delayed Draw Term Facility after the Third Closing Date may not be reborrowed. Advances under the Delayed Draw Term Facility may be made in multiple Advances.

(c) Advances under the Delayed Draw Term Facility shall be available until December 31, 2019, following which all undrawn amounts of the Delayed Draw Term Facility will be permanently cancelled.

3.4 Repayment

(a) The Obligations under the Term Facility shall become due and payable on the earlier of: (i) the Acceleration Date; and (ii) the Maturity Date. Prior to the Acceleration Date, the Borrower shall make principal payments on the Term Loans in installments on the last day of each quarter, commencing with the quarter ending March 31, 2018, and continuing through and including the quarter ending September 30, 2022, with the amount of each such principal installment to equal the amount set forth in Column B below shown opposite of the relevant due date as set forth in Column A below:

COLUMN A	**COLUMN B**
PAYMENT DATE	**SCHEDULED PRINCIPAL PAYMENT ON TERM LOANS**
March 31, 2018	$2,000,000
June 30, 2018	$2,000,000
September 30, 2018	$2,000,000
December 31, 2018	$2,000,000
March 31, 2019	$2,500,000
June 30, 2019	$2,500,000
September 30, 2019	$2,500,000

COLUMN A PAYMENT DATE	COLUMN B SCHEDULED PRINCIPAL PAYMENT ON TERM LOANS
December 31, 2019	$2,500,000
March 31, 2020	$4,000,000
June 30, 2020	$4,000,000
September 30, 2020	$4,000,000
December 31, 2020	$4,000,000
March 31, 2021	$5,000,000
June 30, 2021	$5,000,000
September 30, 2021	$5,000,000
December 31, 2021	$5,000,000
March 31, 2022	$6,000,000
June 30, 2022	$6,000,000
September 30, 2022	$6,000,000
Maturity Date	Remainder of Term Loan Amount Outstanding

it being agreed that a final payment comprised of all principal and interest not sooner paid on the Term Loans shall be due and payable on the Maturity Date. Each such principal payment shall be applied to the Lenders holding the Term Loans *pro rata* based upon their Proportionate Share thereof.

(b) The Obligations under the Delayed Draw Term Facility shall become due and payable on the earlier of: (i) the Acceleration Date; and (ii) the Maturity Date. Prior to the Acceleration Date the Borrower shall make principal payments on the Delayed Draw Term Loans in installments on the last day of each quarter, commencing with the quarter ending March 31, 2020, and continuing through and including the quarter ending September 30, 2022, with the amount of each such principal instalment to equal the amount set forth in Column B below shown opposite of the relevant due date as set forth in Column A below:

PAYMENT DATE	SCHEDULED PRINCIPAL PAYMENT ON DELAYED DRAW TERM LOANS
March 31, 2020	2.00% of drawn amount
June 30, 2020	2.00% of drawn amount
September 30, 2020	2.00% of drawn amount
December 31, 2020	2.00% of drawn amount
March 31, 2021	2.50% of drawn amount
June 30, 2021	2.50% of drawn amount
September 30, 2021	2.50% of drawn amount
December 31, 2021	2.50% of drawn amount
March 31, 2022	3.00% of drawn amount

PAYMENT DATE	SCHEDULED PRINCIPAL PAYMENT ON DELAYED DRAW TERM LOANS
June 30, 2022	3.00% of drawn amount
September 30, 2022	3.00% of drawn amount
Maturity Date	Remainder of drawn amount

it being agreed that a final payment comprised of all principal and interest not sooner paid on the Delayed Draw Term Loans shall be due and payable on the Maturity Date. Each such principal payment shall be applied to the Lenders holding the Delayed Draw Term Loans *pro rata* based upon their Proportionate Share thereof. For clarity, quarterly amortization increments are to be based on the lesser of: (i) $130,000,000; and, (ii) the total amount outstanding as of January 2, 2020.

3.5 Availment Options

3.5.1 Subject to the restrictions contained in this Article 3, the Borrower may receive Advances under the Term Facility and the Delayed Draw Term Facility by way of (and may convert Outstanding Advances under the Term Facility and the Delayed Draw Term Facility into) any one or more of the following Availment Options (or any combination thereof) in minimum amounts and multiples as provided in Section 4.5:

(a) Canadian Dollar Prime-Based Loans; or

(b) Bankers' Acceptances from the BA Lenders in Canadian Dollars only with a term of 28 to 365 days, subject to availability; or

(c) BA Equivalent Loans from the Non-BA Lenders in Canadian Dollars only with a term of 28 to 365 days, subject to availability; or

(d) U.S. Dollar Base Rate Loans; or

(e) LIBOR Loans in U.S. Dollars only with a LIBOR Period of 1, 2, 3, 6 or 12 months, subject to availability.

3.5.2 Bankers' Acceptances, BA Equivalent Loans and LIBOR Loans under the Term Facility and the Delayed Draw Term Facility may not be converted into another Availment Option prior to the maturity thereof, and may not be issued with a maturity date later than the Maturity Date.

3.6 Interest and Fees

3.6.1 In respect of advances under the Term Facility and the Delayed Draw Term Facility the Borrower agrees to pay the following:

(a) interest on Canadian Dollar Prime-Based Loans at the Prime Rate plus the Applicable Margin per annum, payable monthly in arrears on the last day of each and every month;

(b) in respect of each Bankers' Acceptance, a stamping fee equal to the Applicable Margin multiplied by the face amount of the Bankers' Acceptance with the product thereof further multiplied by the number of days to maturity of the Bankers' Acceptance and divided by 365, payable at the time of acceptance (and for greater certainty, in addition to paying the said stamping fee, the Borrower acknowledges that the proceeds received upon the issuance of such Bankers' Acceptance will be less than the face amount payable to the holder of such Bankers' Acceptance on the maturity thereof, as more particularly provided in Section 4.10);

(c) in respect of each BA Equivalent Note, a stamping fee equal to the Applicable Margin multiplied by the face amount of the BA Equivalent Note with the product thereof further multiplied by the number of days to maturity of the BA Equivalent Note and divided by 365, payable at the time of acceptance (and for greater certainty, in addition to paying the said stamping fee, the Borrower acknowledges that the proceeds received upon the issuance of such BA Equivalent Note will be less than the face amount payable to the holder of such BA Equivalent Note on the maturity thereof, as more particularly provided in Section 4.11);

(d) interest on U.S. Dollar Base Rate Loans at the U.S. Base Rate plus the Applicable Margin per annum, payable monthly in arrears on the last day of each and every month;

(e) interest on LIBOR Loans in U.S. Dollars at the U.S. Dollar LIBOR Rate plus the Applicable Margin per annum calculated on the basis of a year of 360 days, payable in the manner set out in Section 4.12.2; and

(f) until December 31, 2019, a standby fee with respect to the unused portion of the Delayed Draw Term Facility calculated on a daily basis as being the difference between:

(i) the Delayed Draw Term Facility Limit as reduced by mandatory and voluntary repayments of the Delayed Draw Term Facility; and

(ii) the Outstanding Advances under the Delayed Draw Term Facility,

multiplied by the Applicable Margin and divided by 365, which standby fee shall be payable quarterly in arrears on the last day of each Fiscal Quarter.

ARTICLE 4
GENERAL CONDITIONS

4.1 Matters relating to Interest

4.1.1 Unless otherwise indicated, Interest on any outstanding principal amount shall be calculated daily and shall be payable monthly in arrears on the last day of each and every month. If the last day of a month is not a Business Day, the Interest payment due on such day shall be made on the next Business Day, and Interest shall continue to accrue on the said principal amount and shall also be paid on such next Business Day. Interest shall accrue from and including the day upon which an Advance is made or is deemed to have been made, and ending on but excluding the day on which such Advance is repaid or satisfied. Any change in the Prime Rate shall cause an immediate adjustment of the interest rate applicable to Canadian Dollar Prime-Based Loans and Overdrafts in Canadian Dollars; any change in the U.S. Base Rate shall cause an immediate adjustment of the interest rate applicable to U.S. Dollar Base

Rate Loans and Overdrafts in U.S. Dollars; in each case without the necessity of any notice to the Borrower.

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

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

4.1.4 Any change in the Applicable Margin in respect of any Availment Option under a Facility shall be determined in accordance with this Section. For purposes of this Section, the term “**Pricing Date**” means, for any Fiscal Quarter of the Borrower ending on or after the Original Effective Date, the date on which the Agent is in receipt of the financial statements and Compliance Certificate for such Fiscal Quarter. The Applicable Margin shall be established on a Pricing Date based on the Senior Debt to Adjusted EBITDA Ratio as of the end of the most recently completed Fiscal Quarter and the Applicable Margin established on a Pricing Date shall remain in effect until the next Pricing Date. If the financial statements and Compliance Certificate are delivered before 10 a.m. Toronto time on a specific Business Day (the “**Specific Business Day**”) then pricing will be adjusted starting on the Specific Business Day. If the financial statements and Compliance Certificate are received after 10 a.m. on the Specific Business Day then any pricing adjustment will be effective on the next Business Day. If the Borrower has not delivered its financial statements and Compliance Certificate by the date such financial statements and Compliance Certificate are required to be delivered, then until such financial statements and Compliance Certificate are delivered, the Applicable Margin shall be based on the highest pricing provided for under; (i) the operative pricing tier that the Borrower is subject to at such time; and (ii) Level II pricing. The Applicable Margin established by such financial statements shall be in effect from the Pricing Date that occurs immediately after the end of the Fiscal Quarter covered by such financial statements until the next Pricing Date but for greater certainty no changes will be made in respect of any Bankers’ Acceptances or BA Equivalent Notes which are outstanding on the effective date.

4.1.5 The determination of the Applicable Margin by the Agent shall be conclusive and binding on the Borrower and the Lenders if reasonably determined.

4.2 Voluntary Prepayments

Excluding Advances under the Revolving Facility, the Borrower may from time to time, without payment of any penalty or fee, upon three Business Days’ prior written notice to the Agent make a Prepayment in respect of any Outstanding Advances under any of the Facilities. The limit of the relevant

Facility shall be automatically and permanently reduced by the amount of any such Prepayment. Notwithstanding the foregoing, Bankers' Acceptances, BA Equivalent Loans and LIBOR Loans may not be repaid prior to the maturity thereof except in accordance with Section 4.10 and Section 4.15. Prepayments under the Facilities shall be in a minimum principal amount of $500,000 and integral multiples of $100,000 in excess thereof and shall be applied to such Facility as is designated by the Borrower and, in the case of the Term Facility and the Delayed Draw Term Facility, shall be applied to the next scheduled installments in direct order of maturity.

4.3 Mandatory Prepayments

The Facilities shall be permanently reduced as follows:

4.3.1 Commencing at the end of the Fiscal Year ending December 2018 and continuing annually thereafter, if the Senior Debt to Adjusted EBITDA Ratio as at the end of such Fiscal Year is greater than:

(a) 3.50 to 1.00, the Borrower shall make a Repayment on account of the Outstanding Advances in an amount equal to 50% of the Excess Cash Flow in such Fiscal Year; and

(b) 2.75 to 1.00 (but not in excess of 3.50 to 1.00) the Borrower shall make a Repayment on account of the Outstanding Advances in an amount equal to 25% of the Excess Cash Flow in such Fiscal Year.

Such Repayment shall be made not later than 30 days after the delivery of the audited financial statements for the end of the applicable Fiscal Year and the Term Facility Limit or the Delayed Draw Term Facility Limit, as the case may be, shall be permanently reduced by the amount of each such Repayment. Provided that any voluntary prepayment of Loans under the Facilities (including Loans under the Revolving Facility to the extent Commitments thereunder are permanently reduced by the amount of such prepayments), other than prepayments funded with proceeds of Permitted Funded Debt, shall be credited against Excess Cash Flow prepayment obligations on a dollar-for-dollar basis.

4.3.2 In addition to the Repayments required under Section 4.3.1, if the Borrower receives proceeds from:

(a) a transaction involving the creation of any Funded Debt other than Permitted Funded Debt; or

(b) subject to Section 4.3.3, transactions involving the sale, leasing or other disposition of assets (other than sales of inventory in the ordinary course of business) for net proceeds in an amount greater than $500,000 in any Fiscal Year;

then, subject to Section 4.3.3, the Borrower shall make a Repayment on account of the Outstanding Advances in an amount equal to 100% of the net proceeds within three Business Days after such net proceeds are received by the Borrower in the case of clause (a) above and within three Business Days of the expiry of the 360 day period referred to in Section 4.3.3 after such proceeds are received by the Borrower in the case of clause (b) above. As used herein, "net proceeds" in respect of any such transaction means the gross amount received by the Borrower in respect of such transaction less any sales commissions, reasonable costs and expenses of the transaction, taxes payable in connection with the transaction, usual and reasonable adjustments in connection with the transaction and any other amount specifically approved by the Required Lenders in writing.

4.3.3 If the Borrower receives proceeds from transactions involving the sale, leasing or other disposition of assets (other than sales in the ordinary course of business) for net proceeds in an amount greater than $500,000 in any Fiscal Year, then provided that the proceeds from each such sale, lease or other disposition of assets are used by the Borrower within 360 days after receipt thereof (for the purposes of this Section the "**Reinvestment Period**") to purchase or commit to purchase assets of the general type then used in the operation of an Eligible Line of Business (provided that such assets must be purchased within 180 days after the commitment was made) then those proceeds need not be used to make a Repayment. For the period in time commencing when the Borrower receives the proceeds and ending when such proceeds are reinvested as required herein, all proceeds received by the Borrower shall either; (i) be deposited into and remain in a separate segregated account immediately upon its receipt, separate from any other funds; or (ii) be used to repay, at the Borrower's option, the Term Facility or the Delayed Draw Term Facility. If the Borrower makes a repayment under (ii), the Borrower shall be permitted to redraw the proceeds from the Facility which was repaid, so long as (a) the redrawn amount is being used to purchase assets as required pursuant to this Section 4.3.3.; and (b) the amount is redrawn during the applicable Reinvestment Period. Any payments and redraws under the Facility permitted pursuant to this Section 4.3.3 shall not affect the amortization periods for the Facilities.

4.3.4 Repayments under this Section 4.3 are to be applied first to the Term Facility and then to the Delayed Draw Term Facility until both such Facilities have been fully repaid, and then to the Revolving Facility (provided that there shall be no permanent reduction of the Revolving Facility). Repayments under this Section 4.3 shall be applied (x) pro rata over the scheduled principal instalments of the Term Facility, and (y) against the next scheduled payment in the case of the Delayed Draw Term Facility.

4.3.5 If at any time the amount of the Advances under a Facility exceed the limit applicable to such Facility for any reason the Borrower agrees that immediately after receipt of a written request from the Agent it will make a Repayment under such Facility in such an amount so that the amount of the Advance under such Facility will not exceed such limit. Notwithstanding the foregoing, if as a result of currency fluctuations, Advances under a Facility exceed the limit applicable to such Facility, a Repayment under this Section 4.3.5 will only be required if the aggregate of all Outstanding Advances exceeds the aggregate of the Revolving Credit Commitments, the Term Facility Commitments and the Delayed Draw Term Facility Commitments as set forth in Exhibit A of this Agreement.

4.4 Notice Periods

4.4.1 The Borrower shall provide written notice to the Agent in respect of Advances, Rollovers, Conversions and Repayments to the extent set out below:

(a) no notice is required for Advances and Repayments in respect of Overdrafts;

(b) notice is required for each voluntary Repayment under any Facility in accordance with Section 4.2;

(c) except as provided in clauses (a) and (b) above, but subject to (d) and (e) below, one Business Day's notice is required before 10:00 a.m. Toronto time in respect of any Advance, Rollover, Conversion or voluntary Repayment in Canadian Dollars;

(d) notwithstanding the foregoing, if an Advance, Rollover, Conversion or voluntary Repayment relates to a LIBOR Loan, three Business Days' notice is required before 10:00 a.m. Toronto time; and

(e) notwithstanding the foregoing, if an Advance relates to the issuance of a Letter of Credit, three Business Days' notice is required before 10:00 a.m. Toronto time.

4.4.2 Notice of any Advance, Rollover, Conversion or voluntary Repayment referred to in Section 4.4.1 above shall be given in the form of a Drawdown Request, Rollover Notice, Conversion Notice or Repayment Notice, as the case may be, attached hereto as Exhibits, and shall be given to the Agent at its address set out in Section 12.8.

4.4.3 If notice is not provided as contemplated herein with respect to the maturity of any Bankers' Acceptance, BA Equivalent Loan and LIBOR Loan the Agent may convert such Bankers' Acceptance, BA Equivalent Loan or LIBOR Loan upon its maturity into a Canadian Dollar Prime-Based Loan or a U.S. Dollar Base Rate Loan, as applicable.

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

4.5 Minimum Amounts, Multiples and Procedures re Advances, Conversions and Repayments

4.5.1 Each request by the Borrower for an Advance or Conversion in the form of a Canadian Dollar Prime-Based Loan under the Revolving Facility or the Term Facility shall be in a minimum amount of $1,000,000 and multiples of $100,000 thereafter. Each request by the Borrower for an Advance or Conversion in the form of a Canadian Dollar Prime-Based Loan under the Delayed Draw Term Facility shall be in a minimum amount of $3,000,000 and multiples of $500,000 thereafter.

4.5.2 Each request of the Borrower for an Advance or Conversion in the form of a U.S. Dollar Base Rate Loan under the Revolving Facility or the Term Facility shall be in a minimum amount of U.S. $1,000,000 and multiples of U.S. $100,000 thereafter. Each request by the Borrower for an Advance or Conversion in the form of a U.S. Dollar Base Rate Loan under the Delayed Draw Term Facility shall be in a minimum amount of U.S. $3,000,000 and multiples of U.S. $500,000 thereafter.

4.5.3 Each request by the Borrower for an Advance or Conversion in the form of a Bankers' Acceptance or BA Equivalent Loan under the Revolving Facility or the Term Facility shall be in a minimum amount of $1,000,000 Cdn and multiples of $100,000 Cdn thereafter. Each request by the Borrower for an Advance or Conversion in the form of a Bankers' Acceptance or a BA Equivalent Loan under the Delayed Draw Term Facility shall be in a minimum amount of $3,000,000 and multiples of $500,000 thereafter.

4.5.4 Each request by the Borrower for an Advance or Conversion in the form of a LIBOR Loan in U.S. Dollars shall be in a minimum amount of U.S. $1,000,000 and in a multiple of U.S. $100,000 thereafter. Each request by the Borrower for an Advance or Conversion in the form of a LIBOR Loan under the Delayed Draw Term Facility shall be in a minimum amount of $3,000,000 and multiples of $500,000 thereafter.

4.5.5 Upon receipt of a Drawdown Request under any Facility, the Agent shall promptly notify each Lender under such Facility of the contents thereof and such Lender's Proportionate Share of the Advance. Such Drawdown Request shall not thereafter be revocable.

4.5.6 Each Advance shall be made by the applicable Lenders to the Agent at its address referred to in Section 12.8 or such other address as the Agent may designate by notice in writing to the Lenders from time to time. Each Lender shall make available its Proportionate Share of each said Advance to the

Agent. Unless the Agent determines that any condition of the Advance has not been satisfied or waived, the Agent shall make the funds so received from the Lenders available to the applicable Borrower by 2:00 p.m. (Toronto time) on the requested date of the Advance. No Lender shall be responsible for any other Lender's obligation to make available its Proportionate Share of the said Advance.

4.5.7 The Borrower agrees to deliver in favour of each Lender such other agreements and documentation as such Lender may reasonably require (not inconsistent with this Agreement) in respect of such Lender's requirements for the acceptance of Bankers' Acceptances or the issuance of BA Equivalent Notes.

4.5.8 All payments of principal, interest and other amounts made by the Borrower to the Agent in respect of the Outstanding Advances under a Facility shall be paid by the Agent to the Lenders in accordance with their respective Proportionate Shares of the Outstanding Advances under such Facility. For greater certainty, however, stamping fees in respect of Bankers' Acceptances and BA Equivalent Notes shall be received and retained by the respective Lenders which issued or accepted such Bankers' Acceptances and BA Equivalent Notes.

4.6 Place of Advances and Repayments

4.6.1 Advances by any Lender to the Borrower shall be made by such Lender to the Agent from such Lender's Lending Office in Canada. All payments of principal, interest and other amounts to be made by the Borrower pursuant to this Agreement shall be made to the Agent at its address noted in Section 12.8 or to such other address at a major city in Canada as the Agent may direct in writing from time to time. All such payments received by the Agent on a Business Day before 2:00 p.m. (Toronto time) shall be treated as having been received by the Agent on that day; payments made after such time on a Business Day shall be treated as having been received by the Agent on the next Business Day.

4.6.2 Whenever any payment shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. Interest shall continue to accrue and be payable thereon as provided herein, until the date on which such payment is received by the Agent.

4.7 Evidence of Obligations (Noteless Advances)

The Agent shall open and maintain, in accordance with its usual practice, accounts evidencing the Obligations; and the information entered in such accounts shall constitute conclusive evidence of the Obligations absent manifest error. The Agent may, but shall not be obliged to, request the Borrower to execute and deliver from time to time such promissory notes as may be required as additional evidence of the Obligations.

4.8 Determination of Equivalent Amounts

Whenever it is necessary or desirable at any time to determine the Equivalent Amount in Canadian Dollars of an amount expressed in U.S. Dollars, or vice-versa (specifically including the determination of the Equivalent Amount in Canadian Dollars of an Advance made in U.S. Dollars, the determination of each Lender's Proportionate Share of any Repayment on any date, and the determination of whether the Outstanding Advances under any Facility exceed the limit applicable to such Facility at any time), the Equivalent Amount shall be determined by reference to the Exchange Rate on the date of such determination. Notwithstanding the foregoing, however, for the purposes of determining any Letter of Credit fees or the standby fees applicable to the Revolving Facility and the Delayed Draw

Term Facility the Agent shall make such determination based upon the Bank of Canada average exchange rate on the close of business on the Business Day prior to the first Business Day of each quarter for such quarter as the case may be.

4.9 Commitment to Purchase Bankers' Acceptances and BA Equivalent Notes

4.9.1 Each BA Lender which is a bank listed in Schedule I of the *Bank Act* (Canada) agrees to purchase those Bankers' Acceptances which it has accepted, at a discount from the face amount thereof calculated at the CDOR Rate for the relevant period in effect on the issuance date thereof.

4.9.2 Each BA Lender which is a bank listed in Schedule II or Schedule III of the *Bank Act* (Canada) agrees to purchase those Bankers' Acceptances which it has accepted, at a discount from the face amount thereof calculated using a rate not in excess of the CDOR Rate for the relevant period in effect on the issuance date thereof plus up to one-tenth of one percent (0.10%).

4.9.3 Each Non-BA Lender agrees to purchase BA Equivalent Notes issued by it hereunder at a discount from the face amount thereof calculated using a rate not in excess of the CDOR Rate for the relevant period in effect on the issuance date thereof.

4.9.4 The discount applicable to each Bankers' Acceptances and BA Equivalent Note shall be determined on the basis of a year of 365 days.

4.10 Special Provisions Regarding Bankers' Acceptances

The following provisions are applicable to Bankers' Acceptances issued by the Borrower and accepted by any BA Lender hereunder.

4.10.1 Payment of Bankers' Acceptances

The Borrower agrees to provide for each Bankers' Acceptance by payment of the face amount thereof to the Agent on behalf of the BA Lender on the maturity of the Bankers' Acceptance or, prior to such maturity, on the Acceleration Date; and the Agent shall remit the said amount to such BA Lender and such BA Lender shall in turn remit such amount to the holder of the Bankers' Acceptance. If the Borrower fails to provide for the payment of the Bankers' Acceptance accordingly, any amount not so paid shall be immediately payable by the Borrower to the Agent on behalf of the BA Lender together with interest on such amount calculated daily and payable monthly at the rate and in the manner applicable to Canadian Dollar Prime-Based Loans under the Facility under which such Bankers' Acceptance was issued. The Borrower agrees not to claim any days of grace for the payment at maturity of any Bankers' Acceptance and agrees to indemnify and save harmless the BA Lender in connection with all payments made by the BA Lender (or by the Agent on its behalf) pursuant to Bankers' Acceptances accepted by the BA Lender, together with all reasonable costs and expenses incurred by the BA Lender in this regard. The Borrower hereby waives any defences to payment which might otherwise exist if for any reason a Bankers' Acceptance is held by the BA Lender for its own account at maturity.

4.10.2 Availability of Bankers' Acceptances

If at any time and from time to time the Agent determines, acting reasonably, that there no longer exists a market for Bankers' Acceptances for the term requested by the Borrower, or at all, the Agent shall so advise the Borrower, and in such event the BA Lenders shall not be obliged to accept and the Borrower shall not be entitled to issue Bankers' Acceptances.

4.10.3 Power of Attorney

The Borrower hereby appoints each BA Lender as its true and lawful attorney to complete and issue Bankers' Acceptances on behalf of the Borrower in accordance with written (including facsimile) transmitted instructions provided by the Borrower to the Agent on behalf of such BA Lender, and the Borrower hereby ratifies all lawful acts that it's said attorney may do by virtue thereof. The Borrower agrees to indemnify and hold harmless the Agent and the BA Lenders and their respective directors, officers and employees from and against any charges, complaints, costs, damages, expenses, losses or liabilities of any kind or nature which they may incur, sustain or suffer, arising from or by reason of acting, or failing to act, as the case may be, in reliance upon this power of attorney, except to the extent caused by the gross negligence or wilful misconduct of the Agent or the BA Lender or their respective directors, officers and employees. The Borrower hereby agrees that each Bankers' Acceptance completed and issued and accepted in accordance with this Section by a BA Lender on behalf of the Borrower is a valid, binding and negotiable instrument of the Borrower as drawer and endorser. The Borrower agrees that each BA Lender's accounts and records will constitute prima facie evidence of the execution and delivery by the Borrower of Bankers' Acceptances. This power of attorney is coupled with an interest and shall continue in force until written notice of revocation has been served upon the Agent by the Borrower at the Agent's address set out in Section 12.8.

4.10.4 Repayment Prior to Maturity

The Borrower acknowledges that Advances made by a Lender by way of Bankers' Acceptances and BA Equivalent Loans may not be repaid prior to the maturity thereof. If any Bankers' Acceptance or BA Equivalent Loan is repaid prior to the scheduled maturity date hereof (whether as a result of acceleration or otherwise), the Agent will invest any funds in respect of such purported repayment in a term deposit maturing on the scheduled maturity date of the Bankers' Acceptance or BA Equivalent Loan. Any interest accruing on the term deposit will be paid to the Borrower on the maturity date thereof, provided that no Event of Default has occurred.

4.10.5 Bankers' Acceptances Outstanding Pursuant to Existing Credit Agreement

Any Banker's Acceptances which remain outstanding as of the Third Closing Date pursuant to the Second Restated Credit Agreement will not be reallocated to the BA Lenders as contemplated under this Agreement until such time as such Bankers' Acceptances have matured**.**

4.11 Special Provisions regarding BA Equivalent Notes

Each Non-BA Lender will not accept Bankers' Acceptances hereunder, and shall instead from time to time make BA Equivalent Loans to the Borrower. Each BA Equivalent Loan shall be evidenced by a non-interest bearing promissory note payable by the Borrower to the Non-BA Lender substantially in the form of Exhibit "G" attached hereto, which will be purchased by the Non-BA Lender. Each BA Equivalent Note shall be negotiable by the Non-BA Lender without notice to or the consent of the Borrower, and the holder thereof shall be entitled to enforce such BA Equivalent Note against the Borrower free of any equities, defences or rights of set-off that may exist between the Borrower and the Non-BA Lender. In this Agreement, all references to a BA Equivalent Note shall mean the loan evidenced thereby if required by the context; and all references to the "issuance" of a BA Equivalent Note by a Non-BA Lender and similar expressions shall mean the making of a BA Equivalent Loan by the Non-BA Lender which is evidenced by a BA Equivalent Note. The following provisions are applicable to each BA Equivalent Loan made by a Non-BA Lender to the Borrower hereunder.

4.11.1 Payment of BA Equivalent Notes

The Borrower agrees to provide for each BA Equivalent Note by payment of the face amount thereof to the Agent on behalf of the Non-BA Lender on the maturity of the BA Equivalent Note or, prior to such maturity, on the Acceleration Date; and the Agent shall remit the said amount to such Non-BA Lender and such Non-BA Lender shall in turn remit such amount to the holder of the BA Equivalent Note. If the Borrower fails to provide for the payment of the BA Equivalent Note accordingly, any amount not so paid shall be immediately payable by the Borrower to the Agent on behalf of the Non-BA Lender together with interest on such amount calculated daily and payable monthly at the rate and in the manner applicable to Canadian Dollar Prime-Based Loans under the Facility under which such BA Equivalent Loan was made. The Borrower agrees not to claim any days of grace for the payment at maturity of any BA Equivalent Note and agrees to indemnify and save harmless the Non-BA Lender in connection with all payments made by the Non-BA Lender (or by the Agent on its behalf) pursuant to BA Equivalent Notes accepted by the Non-BA Lender, together with all reasonable costs and expenses incurred by the Non-BA Lender in this regard. The Borrower hereby waives any defences to payment which might otherwise exist if for any reason a BA Equivalent Note is held by the Non-BA Lender for its own account at maturity.

4.11.2 Availability of BA Equivalent Notes

No Non-BA Lender shall have any obligation to issue BA Equivalent Notes during any period in which the BA Lenders' obligation to issue Bankers' Acceptances is suspended pursuant to Section 3.5 of the CBA Model Provisions or Section 4.10.2 hereof.

4.11.3 Power of Attorney

The Borrower hereby appoints the Non-BA Lender as its true and lawful attorney to complete BA Equivalent Notes on behalf of the Borrower in accordance with written (including facsimile) transmitted instructions delivered by the Borrower to the Agent, and the Borrower hereby ratifies all lawful acts that it's said attorney may do by virtue thereof. The Borrower agrees to indemnify and hold harmless the Agent and the Non-BA Lender and their respective directors, officers and employees from and against any charges, complaints, costs, damages, expenses, losses or liabilities of any kind or nature which they may incur, sustain or suffer, arising from or by reason of acting, or failing to act, as the case may be, in reliance upon this power of attorney except to the extent caused by the gross negligence or wilful misconduct of the Agent or the Non-BA Lender or their respective directors, officers and employees. The Borrower hereby agrees that each BA Equivalent Note completed by the Non-BA Lender on behalf of the Borrower is a valid, binding and negotiable instrument of the Borrower as drawer and endorser. The Borrower agrees that the Non-BA Lender's accounts and records will constitute prima facie evidence of the execution and delivery by the Borrower of BA Equivalent Notes. This power of attorney is coupled with an interest and shall continue in force until written notice of revocation has been served upon the Agent on behalf of the Non-BA Lender by the Borrower at the Agent's address provided in Section 12.8.

4.12 Special Provisions Regarding LIBOR Loans

The following provisions are applicable to LIBOR Loans made by any Lender to the Borrower.

4.12.1 Drawdown Procedures

Upon receipt by the Agent from the Borrower of a Drawdown Request, Conversion Notice or Rollover Notice in respect of a LIBOR Loan, the Agent will promptly advise the Borrower of the U.S. Dollar LIBOR Rate, such rate to be determined as at approximately 11:00 a.m. London time, two LIBOR Business Days before the commencement of the LIBOR Period for such LIBOR Loan.

4.12.2 Interest Payment Dates for LIBOR Loans

Interest in respect of any LIBOR Loan in U.S. Dollars shall be calculated on the basis of a year of 360 days. Interest in respect of any LIBOR Loan with a LIBOR Period of between one month and three months (inclusive) shall be payable at the time the principal amount of such LIBOR Loan is payable. Interest in respect of any LIBOR Loan with a LIBOR Period longer than three months shall be payable in arrears every three months commencing on the last day of the third month following the commencement of such LIBOR Period, and also at the time the principal amount of such LIBOR Loan is payable.

4.12.3 Laws Applicable to LIBOR Loans

The Borrower acknowledges that the ability of the Lenders to maintain or provide any LIBOR Loan and to charge interest on any LIBOR Loan at the U.S. Dollar LIBOR Rate is and will be subject to any statute, law, regulation, rule or direction by any Governmental Authority having jurisdiction which may prohibit or restrict or limit such loans or such interest. The Borrower agrees that the Lenders shall have the right to comply with any such requirements and, if the Agent determines it to be necessary as a result of such requirement, the Agent may convert any LIBOR Loan to a U.S. Dollar Base Rate Loan or require immediate repayment of all LIBOR Loans, including accrued interest thereon and all applicable breakage costs pursuant to Section 4.15.

4.13 Increase in Commitments

4.13.1 Subsequent to the Third Closing Date and prior to the Maturity Date, and so long as no Default or Event of Default has occurred and is continuing, the Borrower shall have the right, on up to three occasions, to request an increase to either or both of the Revolving Facility Limit and the Term Facility Limit and the aggregate of such requested increases shall be in an amount equal to the lesser of:

1) an amount such that the Senior Debt to Adjusted EBITDA Ratio on a *pro forma* basis (assuming the full amount of such commitment increase is drawn), is at or below the lesser of (a) 3.5:1.00; and (b) the required level set out in Section 6.3(a); and

2) $75,000,000,

provided that any such increase shall be in a minimum amount of $5,000,000 and no such increase shall cause the aggregate Revolving Facility commitment to exceed $70,000,000. Such request shall be made in a written notice given to the Agent and the Lenders by the Borrower not less than 20 Business Days prior to the proposed effective date of such increase, which notice (a "**Commitment Increase Notice**") shall specify the amount of the proposed increase in the aggregate amount of the Commitments and the proposed effective date of such increase.

4.13.2 No Lender shall have any obligation to increase its Commitment pursuant to a Commitment Increase Notice. On or prior to the date that is 10 Business Days after receipt by the Agent and Lenders of the Commitment Increase Notice, each Lender shall submit to the Agent a notice indicating the maximum amount by which it is willing to increase its Commitment in connection with such Commitment Increase Notice (any such notice to the Agent being herein a "**Lender Increase Notice**"). Any Lender which does not submit a Lender Increase Notice to the Agent prior to the expiration of such 10 Business Day period shall be deemed to have refused any increase in its Commitment. In the event that the increases of Commitments set forth in the Lender Increase Notices exceed the amount requested by the Borrower in the Commitment Increase Notice, the Borrower shall have the right, in consultation with the Agent, to allocate the amount of increases necessary to meet the Borrower's Commitment Increase Notice on a pro rata basis to those Lenders agreeing to increase their Commitments. In the event that the Lender Increase Notices are less than the amount requested by the Borrower (and the Lenders agreeable to provide increases do not wish to fill the shortfall), not later than three Business Days prior to the proposed effective date the Borrower may notify the Agent of any financial institution that shall have agreed to become a "Lender" party hereto (a "**Proposed New Lender**") in connection with the Commitment Increase Notice. Any Proposed New Lender shall be subject to the consent of the Agent and, in the case of increases to the Revolving Facility Commitments, the Agent, the Swingline Lender and each Issuing Bank (in each case, the consent of each shall not be unreasonably withheld or delayed). If the Borrower shall not have arranged any Proposed New Lender(s) to commit to any shortfall resulting from the Lender Increase Notices, then the Borrower shall be deemed to have reduced the amount of its Commitment Increase Notice to the aggregate amount set forth in the Lender Increase Notices. Based upon the Lender Increase Notices, any allocations made in connection therewith and any notice regarding any Proposed New Lender, if applicable, the Agent shall notify the Borrower and the Lenders on or before the Business Day immediately prior to the proposed effective date of the amount of each Lender's and Proposed New Lender's Commitment (the "**Effective Commitment Amount**"), which amounts shall be effective on the effective date so proposed. Any increase in the aggregate amount of the Commitments shall be subject to the following conditions precedent: (i) the Borrower shall have obtained the consent thereto of any Guarantor of the Obligations and its reaffirmation of the Loan Document(s), if any, executed by it, which consent and reaffirmation shall be in writing and in form and substance reasonably satisfactory to the Agent, (ii) as of the date of the Commitment Increase Notice and as of the proposed effective date of the increase in the aggregate amount of the Commitments, all representations and warranties shall be true and correct in all material respects as though made on such date, except to the extent the same expressly relate to an earlier date, and no event shall have occurred and then be continuing which constitutes a Default or an Event of Default, (iii) the Agent and each Proposed New Lender or Lender that shall have agreed to provide a "Credit Commitment" in support of such increase in the aggregate amount of the Credit Commitments shall have executed and delivered a Commitment and Acceptance ("**Commitment and Acceptance**") substantially in the form of Exhibit "I" hereto, and (iv) the Borrower and each Proposed New Lender shall otherwise have executed and delivered such other instruments, opinions of counsel and documents as may be required hereunder or that the Agent shall have reasonably requested in connection with such increase. In the event any provision of a Commitment and Acceptance shall be inconsistent with any provision of this Agreement, then this Agreement shall govern. Upon satisfaction of the conditions precedent to any increase in the aggregate amount of the Commitments, the Agent shall promptly advise the Borrower and each Lender of the effective date of such increase. Upon the effective date of any increase in the aggregate amount of the Commitments that is provided by a Proposed New Lender, such Proposed New Lender shall be a party to this Agreement as a Lender and shall have the rights and obligations of a Lender hereunder. Nothing contained herein shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder at any time.

4.13.3 For purposes of this Section 4.13, the term "**Buying Lender(s)**" shall mean (A) each Lender the Effective Commitment Amount of which is greater than its Commitment prior to the effective date of any increase in the aggregate Commitments and (B) each Proposed New Lender that is allocated an Effective

Commitment Amount in connection with any Commitment Increase Notice, and (ii) the term "**Selling Lender(s)**" shall mean each Lender whose Commitment is not being increased from that in effect prior to such increase in the aggregate Commitments. Effective on the effective date of any increase in the aggregate Commitments pursuant to this Section, each Selling Lender hereby sells, grants, assigns and conveys to each Buying Lender, without recourse, warranty, or representation of any kind, except as specifically provided herein, an undivided percentage in such Selling Lender's right, title and interest in and to its outstanding Loans and obligations in respect of Letters of Credit ("**L/C Obligations**") in the respective amounts and percentages necessary so that, from and after such sale, each such Selling Lender's outstanding Loans and L/C Obligations shall equal such Selling Lender's Revolving Facility Percentage (calculated based upon the Effective Commitment Amounts) of the outstanding Loans and L/C Obligations. Effective on the effective date of the increase in the aggregate Commitments pursuant to this Section, each Buying Lender hereby purchases and accepts such grant, assignment and conveyance from the Selling Lenders. Each Buying Lender hereby agrees that its respective purchase price for the portion of the outstanding Loans and L/C Obligations purchased hereby shall equal the respective amount necessary so that, from and after such payments, each Buying Lender's outstanding Loans and L/C Obligations shall equal such Buying Lender's Revolving Facility Percentage (calculated based upon the Effective Commitment Amounts) of the aggregate outstanding Loans and L/C Obligations. Such amount shall be payable on the effective date of the increase in the aggregate Commitments by wire transfer of immediately available funds to the Agent. The Agent, in turn, shall wire transfer any such funds received to the Selling Lenders, in same day funds, for the sole account of the Selling Lenders. Each Selling Lender hereby represents and warrants to each Buying Lender that such Selling Lender owns the Loans being sold and assigned hereby for its own account and has not sold, transferred or encumbered any or all of its interest in such Loans and L/C Obligations, except for participations which will be extinguished upon payment to Selling Lender of an amount equal to the portion of the outstanding Loans being sold by such Selling Lender. Each Buying Lender hereby acknowledges and agrees that, except for each Selling Lender's representations and warranties contained in the foregoing sentence, each such Buying Lender has entered into its Commitment and Acceptance with respect to such increase on the basis of its own independent investigation and has not relied upon, and will not rely upon, any explicit or implicit written or oral representation, warranty or other statement of each Selling Lender or the Agent concerning the authorization, execution, legality, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the other Loan Documents. The Borrower hereby agrees to compensate each Selling Lender for all losses, expenses and liabilities incurred by each Selling Lender in connection with the sale and assignment of any LIBOR Loan, Bankers' Acceptance or BA Equivalent Loan hereunder on the terms and in the manner as set forth in Section 12.4 hereof.

4.14 Most Favoured Nation

Any loans made by a Proposed New Lender shall be subject to a "most favoured nation" pricing provision that ensures that the initial yield on the additional loans does not exceed by more than 50 basis points the yield on the Term Facility or the Revolving Facility, as applicable (with the measurement of the yields on the Term Facility and the Revolving Facility in each case taking into account any applicable upfront fees and applicable margins); it being understood that, at the Borrower's option, the yield on the Term Facility or the Revolving Facility, as applicable shall automatically increase to enable the Borrower to comply with such "most favoured nation" pricing provision

4.15 Breakage Costs

The Borrower may not repay or convert any Advance in the form of a LIBOR Loan, a Bankers' Acceptance or a BA Equivalent Loan prior to the scheduled maturity date thereof. If notwithstanding such prohibition any such Advance is repaid or converted prior to the scheduled maturity date thereof, whether as a result of acceleration or for any other reason, the Borrower agrees to pay to the Agent upon demand all losses, damages, costs and expenses which such Lender has incurred or may incur as a result of such Repayment or Conversion prior to the said scheduled maturity date. The Agent shall provide the Borrower with a written certificate showing in reasonable detail the basis for such claim, which shall be deemed to be *prima facie* correct, in the absence of manifest error.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

The Borrower hereby represents and warrants to the Agent and the Lenders as follows, with respect to itself and where indicated also with respect to each Credit Party:

5.1.1 Status

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

5.1.2 Information

Schedule 5.1.2 attached hereto contains the following information in respect of each Credit Party as of the Third Closing Date: predecessors and prior names, jurisdiction of incorporation or establishment, present governing jurisdiction, registered office, principal place of business, all locations at which it has places of business or owns assets, the number and classes of its issued and outstanding shares and a list of its shareholders including the number and class of shares held by each.

5.1.3 Subsidiaries

As of the Third Closing Date, the Borrower has no Subsidiaries other than as set out in Schedule 5.1.3.

5.1.4 No Pending Corporate Changes

As of the Third Closing Date, no Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement for the purchase of any properties or assets of the Borrower out of the ordinary course of business or for the purchase, subscription, allotment or issuance of any debt or equity securities, including convertible securities, warrants or convertible obligations of any nature, of the Borrower other than as set out in Schedule 5.1.4.

5.1.5 No Conflicts under Material Agreements or Material Permits

Except as disclosed in Schedule 5.1.5, the execution and delivery by each Credit Party of those Loan Documents to which it is a party, and the performance of its obligations thereunder, will not conflict with, result in a breach of or require any approval or consent under any Material Agreement or Material Permit, other than consents or approvals which have been obtained unconditionally and without imposition of any material conditions.

5.1.6 No Conflict with Charter Documents

Other than approvals required pursuant to the PRHI shareholders agreement (which have been obtained), there are no provisions contained in the charter documents, or by-laws of any Credit Party, or any partnership agreement, shareholders' agreement, voting trust agreement or similar agreement relating thereto, which restrict or limit its powers to borrow money, issue debt obligations, guarantee the payment or performance of the obligations of others or encumber all or any of its present and after-acquired property; or which would be contravened by the execution and delivery of those Loan Documents to which it is a party or the performance of its obligations thereunder.

5.1.7 Loan Documents

Each Credit Party has the necessary capacity, power, legal right and authority to borrow from the Lenders, guarantee payment to the Agent and the Lenders of those Obligations which are payable by the Borrower, perform its obligations under this Agreement and provide the Security required to be provided by it hereunder. The execution and delivery of the Loan Documents by the Credit Parties and the performance of their respective obligations therein have been duly authorized by all necessary corporate action. This Agreement and the other Loan Documents constitute legal, valid and binding obligations of the Credit Parties, enforceable against them in accordance with the terms and provisions thereof, subject to laws of general application affecting creditors' rights and the discretion of the court in awarding equitable remedies.

5.1.8 Conduct of Business; Material Permits

Except as disclosed in Schedule 5.1.8 attached hereto, each Credit Party is in compliance in all material respects with all Applicable Laws of each jurisdiction in which it carries on business and is duly licensed, registered and qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted by it or the property owned or leased by it make such qualification necessary, except to the extent that the failure to hold any such licences, registrations and permits would not constitute a Material Adverse Change. Attached hereto as Schedule 5.1.8 is a true and complete list of all Material Permits, including a description of the nature of each Material Permit, and all such Material Permits are valid and subsisting and in good standing.

5.1.9 Ownership of Assets; Specific Permitted Liens

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

5.1.10 Leased Properties

As of the Third Closing Date, Schedule 5.1.10 attached hereto contains a true and complete list of the Leased Properties, including a summary of the particulars of each lease.

5.1.11 Intellectual Property

Each Credit Party possesses or has the right to use all licenses, franchises, permits, registrations, patents, patent rights, trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights, copyrights and other forms of intellectual property material to the conduct of its business, each of which is in good standing in all material respects, and has the right to use such intellectual property without violation of any material rights of others with respect thereto. As of the Third Closing Date, attached hereto as Schedule 5.1.11 is a list of all material intellectual property owned or licenced by a Credit Party (other than generally available software), including a description of the nature of such rights.

5.1.12 Insurance

The Credit Parties have placed insurance, including property, boiler and machinery, business interruption and liability insurance, in appropriate amounts and for appropriate risks as would be considered prudent for similar businesses. Attached hereto as Schedule 5.1.12 is a true and complete list of all insurance policies held by the Credit Parties as of the Third Closing Date.

5.1.13 Material Agreements

As of the Third Closing Date, Schedule 5.1.13 attached hereto contains a true and complete list of all Material Agreements, including a description of the nature of each Material Agreement. Each Material Agreement is in good standing and in full force and effect; except as set out in Schedule 5.1.13 and none of the Credit Parties is in material breach of any of the terms or conditions contained therein.

5.1.14 Labour Agreements

Except as disclosed in Schedule 5.1.14 attached hereto there are no labour agreements in effect between the Credit Parties and any labour union or employee association and the Credit Parties are not under any obligation to assume any labour agreements to or conduct negotiations with any labour union or employee association with respect to any future agreements; and the Credit Parties are not aware of any current attempts to organize or establish any such labour union or employee association.

5.1.15 Environmental Laws

Each Credit Party and its business, operations, assets, equipment, property, leaseholds and other facilities is in compliance in all material respects with all applicable Requirements of Environmental Law, specifically including all applicable Requirements of Environmental Law concerning the storage and handling of Hazardous Materials. Each Credit Party holds all material permits, licenses, certificates and approvals from Governmental Authorities which are required by the applicable Requirements of Environmental Law in connection with (i) air emissions; (ii) discharges to surface or groundwater; (iii) noise emissions; (iv) solid or liquid waste disposal; (v) the use, generation, storage, transportation or disposal of Hazardous Materials; and (vi) all other applicable Requirements of Environmental Law. Except as disclosed in Schedule 5.1.15 attached hereto to the knowledge of the Credit Parties there has been no material emission, spill, release, or discharge into or upon (i) the air; (ii) soils, or any improvements located thereon; (iii) surface water or groundwater; or (iv) any sewer, septic system or waste treatment, storage or disposal system servicing the premises, of any Hazardous Materials at or from any Land owned by the Borrower or any Guarantor or any of the Leased Properties. Except as disclosed in Schedule 5.1.15 attached hereto no material complaint, order, directive, claim, citation, or notice from any Governmental Authority or any other Person has been received by any Credit Party with respect to (i) air emissions; (ii) spills, releases, or discharges to soils or improvements located thereon, surface water, groundwater or any sewer, septic system or waste treatment, storage or disposal systems servicing any Land owned by the Borrower or any Guarantor or any of the Leased Properties; (iii) noise emissions; (iv) solid or liquid waste disposal; (v) the use, generation, storage, transportation, or disposal of Hazardous Materials; or (vi) other applicable Requirements of Environmental Law affecting any Land owned by the Borrower or any Guarantor or the Leased Properties or the Borrower. Except as disclosed in Schedule 5.1.15 attached hereto there are no material legal or administrative proceedings, investigations or claims outstanding or to the Credit Parties' knowledge now threatened or pending, with respect to the presence on or under, or the discharge, emission, spill, radiation or disposal into, upon or from any Land owned by the Borrower or any Guarantor or any of the Leased Properties of any Hazardous Material, including the discharge, emission, spill, radiation or disposal of any Hazardous Material from any such Land or Leased Properties onto or into the atmosphere or any adjacent land, watercourse or body of water; nor are there any material matters under discussion with any Governmental Authority relating thereto; and to the Credit Parties' knowledge, there is no factual basis for any such proceedings, investigations or claims. Except as disclosed in Schedule 5.1.15, the Credit Parties have no material indebtedness, obligation or liability, with respect to the storage, treatment, cleanup or disposal of any Hazardous Materials (including without limitation any such indebtedness, obligation, or liability under any applicable Requirements of Environmental Law regarding such storage, treatment, cleanup or disposal).

5.1.16 No Litigation

Except as disclosed in Schedule 5.1.16 attached hereto, or hereafter disclosed to the Agent, there are no actions, suits or proceedings pending, or to the knowledge of the Credit Parties threatened, against any Credit Party in any court or before or by any federal, provincial, municipal or other Governmental Authority which if determined against any Credit Party could reasonably be expected to result in a Material Adverse Change. Schedule 5.1.16 attached hereto contains a true and complete list and description of all litigation involving the Borrower as of the Third Closing Date which could, separately or in the aggregate, result in a settlement or judgement whereby the Borrower is liable for an amount greater than $2,500,000.

5.1.17 Pension Plans

The Credit Parties have not established any Pension Plans except as disclosed in Schedule 5.1.17 attached hereto. No steps have been taken to terminate any such Pension Plan (in whole or in part), no contribution failure has occurred with respect to any such Pension Plan sufficient to give rise to a Lien under any Applicable Laws of any jurisdiction, and no condition exists and no event or transaction has occurred with respect to any such Pension Plan which might result in the incurrence by any Credit Party of any material liability, fine or penalty. Each such Pension Plan is in compliance in all material respects with all applicable pension benefits and tax laws, (i) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency in accordance with all Applicable Laws and the terms of such Pension Plan have been made in accordance with all Applicable Laws and the terms of such Pension Plan, (ii) all liabilities under such Pension Plan are funded, on a going concern and solvency basis, in accordance with the terms of the respective Pension Plans, the requirements of applicable pension benefits laws and of applicable regulatory authorities and the most recent actuarial report filed with respect to the Pension Plan, and (iii) no event has occurred and no conditions exist with respect to any such Pension Plan that has resulted or could reasonably be expected to result in such Pension Plan having its registration revoked or refused for the purposes of any applicable pension benefits or tax laws or being placed under the administration of any relevant pension benefits regulatory authority or being required to pay any taxes or penalties under any applicable pension benefits or tax laws.

5.1.18 Financial Statements

Except as set out in Schedule 5.1.18, the most recent Year-end Financial Statements and Interim Financial Statements of the Borrower delivered to the Agent and the Lenders have been prepared in accordance with GAAP (except, in the case of the Interim Financial Statements, for normal adjustments, the absence of an inventory count, the absence of a statement of cash flows and the absence of footnotes) on a basis which is consistent with the previous fiscal period, and present fairly in all material respects:

(a) its assets and liabilities (whether accrued, absolute, contingent or otherwise) and financial condition as at the dates therein specified;

(b) its sales, earnings and results of its operations during the periods covered thereby; and

(c) in the case of the Year-end Financial Statements, its changes in financial position,

and the Borrower has no material liabilities (whether accrued, absolute, contingent or otherwise) except as disclosed therein and liabilities incurred in compliance with this Agreement and since the dates of the said Year-end Financial Statements or Interim Financial Statements, as the case may be, no material liabilities have been incurred by the Borrower except in compliance with this Agreement and no Material Adverse Change has occurred except as disclosed in Schedule 5.1.8.

5.1.19 Financial and Other Information

All financial and other information provided in writing by or in respect of the Credit Parties to the Agent or the Lenders was to the best of the Credit Party's knowledge and belief true, correct and complete in all material respects when provided (or as of the date specified therein). No information, exhibit, or report furnished by the Credit Parties to the Agent or the Lenders contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statement contained therein, taken as a whole, not materially misleading in the circumstances in which it was made.

5.1.20 No Guarantees

No Guarantees have been granted by any Credit Party, except for (i) Guarantees which comprise part of the Security; and (ii) Guarantees in respect of Permitted Funded Debt incurred by any other Credit Party.

5.1.21 Taxes

Except as disclosed in Schedule 5.1.21, each Credit Party has duly and timely filed all tax returns required to be filed by it, and has paid all taxes which are due and payable by it pursuant to such returns, except for any taxes which are being contested in good faith and in respect of which reserves have been established in accordance with GAAP. Each Credit Party has also paid all other taxes, charges, penalties and interest due and payable under or in respect of all assessments and re-assessments of which it has received written notice, except to the extent that such assessments or re-assessments are being contested in good faith and in respect of which reserves have been established in accordance with

GAAP. Except as disclosed in Schedule 5.1.21, there are no actions, suits, proceedings, investigations or claims threatened or pending against any Credit Party in respect of taxes, governmental charges or assessments or any material matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such Governmental Authority.

5.1.22 Statutory Liens

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

5.1.23 No Default, etc.

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

5.1.24 Full Disclosure

Except as disclosed in Schedule 5.1.24, there are no facts known to the Credit Parties which could materially adversely affect the Credit Party's ability to observe and perform their respective obligations under this Agreement and the Security.

5.1.25 Acknowledgement

The Borrower acknowledges that the Facilities are for the use by the Borrower and will be used for the Borrower's and its Subsidiaries' business purposes only.

5.1.26 Sanctions/OFAC

Neither the Borrower, nor any of its directors, officers, or, to the best of its knowledge, any of its Affiliates, is engaged, directly or indirectly, in any activity which is prohibited under the Sanctions, including without limitation, (A) any direct or indirect dealings involving or benefitting (i) a Person that, to its knowledge, is listed on, or owned or controlled by, or acting on behalf of a Person listed on any list administered by a Sanctions Authority or otherwise the target of Sanctions; (ii) a Person that, to its knowledge, is owned or controlled by, or acting for or on behalf of, or providing assistance, support or services of any kind to, or otherwise associated with any Person in (i); (B) making or receiving any contribution of funds, goods or services to or for the benefit of any Person that to its knowledge is described in (i) or (ii); (C) to its knowledge, any dealing in, or otherwise engaging in any transaction relating to any property or interests in, property subject to prohibitions under Sanctions; and (D) any transaction that, to its knowledge, evades, avoids or attempts to violate any of the prohibitions set forth in the Sanctions or has such a purpose. It is not, to the best of its knowledge, in violation of any of the country or list based economic and trade sanctions applicable to it and administered and enforced by OFAC. No Credit Party is a Sanctioned Person or a Sanctioned Entity.

5.1.27 Anti-Corruption Laws

No part of the proceeds of the Advances shall be used, directly or indirectly: (a) to offer or give anything of value to any official or employee of any foreign government department or agency or instrumentality or government-owned entity, to any foreign political party or party official or political candidate or to any official or employee of a public international organization, or to anyone else acting in an official capacity (collectively, "**Foreign Official**"), in order to obtain, retain or direct business by (i) influencing any act or decision of such Foreign Official in his official capacity, (ii) inducing such Foreign Official to do or omit to do any act in violation of the lawful duty of such Foreign Official, (iii) securing any improper advantage or (iv) inducing such Foreign Official to use his influence with a foreign government or instrumentality to affect or influence any act or decision of such government or instrumentality, in each case in violation of any anti-corruption law applicable to the Credit Parties; (b) in a manner that violates the U.S. Foreign Corrupt Practices Act of 1977; or (c) in a manner that violates any other anti-corruption law applicable to the Credit Parties (all laws referred to in clauses (b) and (c) being "**Anti-Corruption Laws**").

5.1.28 Sanctions Laws

No Credit Party and to the knowledge of the Borrower, no Affiliate of a Credit Party acting or benefiting in any direct capacity in connection with the Advances is any of the following (a "**Restricted Person**"): (a) a Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"); (b) a Person that is named as a "specially designated national and blocked person" on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list or similarly named by any similar foreign governmental authority; (c) a Person that is owned 50 percent or more by any Person described in this Section 5.1.28; or (d) any other Person with which any Credit Party is prohibited from dealing under any Sanctions laws applicable to such a Credit Party. Further, none of the proceeds from the Advances shall be used to finance or facilitate, directly or indirectly, any transaction with, investment in, or any dealing for the benefit of, any Restricted Person.

5.1.29 USA Patriot Act Notice

Each Credit Party is in compliance, in all material respects, with the PATRIOT Act, the Bank Secrecy Act and anti-money laundering laws, to the extent a Credit Party is legally required to comply with such laws.

5.1.30 Charitable Status

Neither the Borrower nor any of its Subsidiaries is a registered charity or a charitable organization and none of Holdings or its Subsidiaries solicit charitable financial donations from the public.

5.2 Survival of Representations and Warranties

The Credit Parties acknowledge that the Agent and the Lenders shall rely upon the representations and warranties contained in this Article 5 in connection with the establishment and continuation of the Facilities and also in connection with the entering into by any Lender of any Hedging Agreement with the Borrower. Notwithstanding any investigations which may be made by the Agent or the Lenders, the said representations and warranties shall survive the execution and delivery of this Agreement until full and final payment and satisfaction of the Obligations.

5.3 Updating of Representations and Warranties

The representation and warranties contained in this Article 5 will be repeated in connection with each Advance (other than an Advance under the Swingline and, for greater certainty, excluding any rollover or conversion of existing Advances). Notwithstanding the foregoing, in the case of the representations in Sections 5.1.8, 5.1.14, 5.1.15, 5.1.17, and 5.1.21, the Borrower shall be required to update the disclosure contained in the Schedules referred to in such representations and warranties only at the end of each Fiscal Quarter at the time of delivery of a Compliance Certificate pursuant to Section 6.4 if the disclosure under such Schedule has changed and if such disclosure has not changed the Borrower shall not be required to deliver such Schedules. For greater certainty, the Borrower shall not be in breach of any such representation and warranty in respect of changes to such scheduled disclosure called for by such representations and warranties as a result of the repetition of the representations and warranties, provided the disclosure required thereby is updated the next time the Borrower delivers a Compliance Certificate in accordance with this Agreement.

ARTICLE 6
COVENANTS

6.1 Positive Covenants

The Borrower hereby covenants and agrees with the Agent and the Lenders that it will, and will cause each of its Guarantor Subsidiaries, and where so specified, the Facility Joint Ventures, to:

6.1.1 Prompt Payment

In the case of the Borrower, punctually pay all principal, interest and other amounts due hereunder at the times and in the manner specified herein.

6.1.2 Preservation of Existence

Except as permitted by Section 6.2.9, maintain its existence in good standing, (or similar status) preserve its rights, powers, licences, privileges, franchises and goodwill, exercise any rights of renewal or extensions of any leases, licences, concessions, franchises or any other rights whatsoever which are material to the conduct of its business, maintain all qualifications to carry on business in each jurisdiction in which such qualifications are required, and carry on and conduct its business in a proper and efficient manner so as to protect its property and income; and not materially change the nature of its business.

6.1.3 Compliance with Laws

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

6.1.4 Payment of Taxes, etc.

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

6.1.5 Maintain Records

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

6.1.6 Maintenance of Properties

Keep its property and assets in good repair and working condition, reasonable wear and tear excepted.

6.1.7 Inspection

Permit the Agent and its employees and agents, upon reasonable notice and at their own cost, to enter upon and inspect their properties, assets, books and records from time to time during normal business hours and in a manner which does not materially interfere with the operations of the Borrower, and make copies of and abstracts from such books and records, and discuss their affairs, finances and accounts with any of their officers, directors, accountants and auditors provided that the Agent will deal with any personal information obtained in accordance with applicable privacy legislation.

6.1.8 Liens

Maintain all of its property, assets and undertaking free of all Liens except Permitted Liens.

6.1.9 Insurance Coverage

Obtain from financially responsible insurance companies and maintain liability insurance, all-risks property insurance on a replacement cost basis (less a reasonable deductible not to exceed amounts customary in the industry for similarly situated businesses and properties), and insurance in respect of such other risks and in such amounts as would be considered prudent for similar businesses; all of which policies of insurance providing property coverage shall include a standard mortgage clause approved by the Insurance Bureau of Canada; and the interest of the Agent shall be noted as an additional insured on all liability insurance policies and as first mortgagee and loss payee on all property policies; and the Agent shall be provided with certificates of insurance and certified copies of such policies from time to time upon request. This Section 6.1.9 does not apply to any key-man life insurance policies. Furthermore, the Borrower shall ensure that the Facility Joint Ventures maintain liability insurance, all-risks property insurance on a replacement cost basis and insurance in respect of the applicable project in such amounts as would be considered prudent for similar businesses.

6.1.10 Perform Obligations

Fulfill all covenants and obligations required to be performed by it under those Loan Documents to which it is a party, and any other agreement or undertaking now or hereafter made between it and the Lenders or the Agent in relation to this Agreement.

6.1.11 Notice of Certain Events

Provide prompt notice to the Agent of: (i) the occurrence of any Default or Event of Default (for greater certainty, whether or not such Default or Event of Default is continuing); (ii) the incorrectness of any representation or warranty contained herein in any material respect; (iii) any material contravention of or non-compliance by the Borrower with any terms and conditions of any Loan Document; (iv) any Material Adverse Change; (v) any material litigation involving the Borrower; and (vi) any notice of default, termination or suspension received by the Borrower in respect of material Funded Debt or in respect of any Material Agreement or Material Permit.

6.1.12 Bank Accounts and Service Agreements

Maintain all of its bank accounts and Service Agreements with BNS unless otherwise consented to by BNS, such consent not to be unreasonably withheld.

6.1.13 Further Assurances

Provide the Agent and the Lenders with such further information, financial data, documentation and other assurances as they may reasonably require from time to time in order to ensure ongoing compliance with the terms of this Agreement and to achieve the spirit and intent of this Agreement.

6.1.14 OFAC

If any Credit Party obtains actual knowledge or receives any written notice that any Credit Party or any Subsidiary of any Credit Party is named on the then current OFAC SDN List or Canadian Sanctions List (such occurrence, a "**Sanctions List Event**"), such Credit Party shall promptly (i) give written notice to the Agent and the Lenders of such Sanctions List Event, and (ii) comply in all material respects with all Applicable Laws with respect to such Sanctions List Event (regardless of whether the party included on the OFAC SDN List or Canadian Sanctions List is located within the jurisdiction of the United States of America or Canada), including the OFAC Sanctions Programs, and each Credit Party hereby authorizes and consents to the Agent and the Lenders taking any and all steps the Agent or the Lenders deem necessary, in their sole but reasonable discretion, to avoid violation of all Applicable Laws with respect to any such Sanctions List Event, including the requirements of the OFAC Sanctions Programs (including the freezing and/or blocking of assets and reporting such action to OFAC or to the Government of Canada).

6.1.15 Subordinate Debt

Within 120 days of the Third Closing Date, extend the maturity of any Subordinated Debt existing as at the Third Closing Date which has not been paid in accordance with this Agreement to a date that is no less than six (6) months beyond the Maturity Date.

6.2 Negative Covenants

The Borrower hereby covenants and agrees with the Agent and the Lenders that it will not, and will ensure that each of its Guarantor Subsidiaries (and where so specified, the Facility Joint Ventures) does not, without the prior written consent of the Agent on behalf of the Lenders:

6.2.1 Funded Debt

Create, incur or assume any Funded Debt, except Permitted Funded Debt.

6.2.2 Liens

Grant or suffer to exist any Lien in respect of any of its property, except Permitted Liens.

6.2.3 Disposition of Assets

Directly or indirectly sell, lease, assign, transfer, convey or otherwise dispose of all or any part of its assets, except the Borrower and its Subsidiaries may sell (i) inventory in the ordinary course of business (ii) worn out, obsolete, no longer useful or immaterial assets, or assets which are being replaced and (iii) other assets for consideration aggregating not more than $7,500,000 in any Fiscal Year which amount is non-cumulative.

6.2.4 Guarantees

Become obligated under Guarantees, except: (i) Guarantees which comprise part of the Security; and (ii) Guarantees in respect of Permitted Funded Debt incurred by the Borrower or a Subsidiary.

6.2.5 Distributions

Make any Distributions other than Permitted Distributions.

6.2.6 Investments

Lend to or invest money in to any Person, firm, joint venture, partnership, company or corporation whether by way of loan, acquisition of shares, acquisition of debt obligations or in any other way whatsoever (collectively "**Investments**"), except for:

(a) Permitted Intercompany Loans;

(b) Permitted Acquisitions and Permitted New Facilities;

(c) Investments in joint ventures, partnerships and in non-Guarantor Subsidiaries, in an amount not to exceed $7,500,000 in the aggregate after the Third Closing Date at any time outstanding;

(d) Investments in HPLP or the Lavington Limited Partnership up to $5,000,000 in the aggregate after Third Closing Date;

(e) Investments in the Borrower and Guarantors;

(f) Investments made with Available Excess Cash Flow;

(g) Other investments after the Third Closing Date up to $15,000,000 in the aggregate at any time outstanding; and

(h) Investments in the Smithers Partnership after the Third Closing Date in the aggregate amount not to exceed $30,000,000.

6.2.7 Certain Payments

Except as provided in subsections 6.2.7(a) and (b) below, make any cash payment to any Person in connection with (i) principal, interest, fees or any other amounts in respect of the Subordinated Debt or convertible debentures issued by PRHI or the Borrower; or (ii) interest, dividends, redemptions or any other amounts in respect of preferred shares in the capital stock of PRHI or the Borrower, unless those payments are otherwise permitted in this Agreement. The Borrower may, until the occurrence of an IPO:

(a) make quarterly interest payments on Subordinated Shareholder Loans from time to time to PRHI and PRHI may make corresponding quarterly interest payments to the ONCAP Entities on Subordinated Shareholder Loans subject to the following conditions applicable to each such payment:

(i) no Default or Event of Default has occurred and is continuing immediately before or after the payment from Borrower to PRHI;

(ii) the amount of the payment made from Borrower to PRHI and from PRHI to the ONCAP Entities is in each case less than $10,000,000;

(iii) immediately prior to making the payment from Borrower to PRHI an agreement substantially in the form of Exhibit "J" attached hereto is executed and delivered by all parties thereto and a fully-executed copy thereof is delivered to the Agent; and

(iv) an amount equal to the payment made by the Borrower to PRHI is reinvested or otherwise returned to the Borrower within one Business Day after the corresponding payment from Borrower to PRHI.

(b) make principal repayments on Subordinated Shareholder Loans from time to time to PRHI and PRHI may make corresponding principal repayments on Subordinated Shareholder Loans to Persons (other than the ONCAP Entities) subject to the following conditions applicable to each such payment:

(i) no Default or Event of Default has occurred and is continuing immediately before or after the payment from Borrower to PRHI;

(ii) the aggregate amount of the payment made from Borrower to PRHI and from PRHI to all such Persons over the term of this Agreement after the Third Closing Date does not exceed $10,000,000;

(iii) the Senior Debt to Adjusted EBITDA Ratio calculated at the date of the payment does not exceed 3.00 to 1.00 on a pro forma basis.

6.2.8 Cease Business

Cease to carry on the business currently being carried on by it as of the date of this Agreement.

6.2.9 Corporate Changes

Enter into any transaction whereby all or a substantial portion of its undertaking, property and assets would become the property of any other Person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise; nor merge or amalgamate with any other Person; except that any of the foregoing transactions may take place (i) among the Credit Parties if prior written notice is given to the Agent, a Material Adverse Change will not occur as a result thereof and the applicable Credit Parties provide such additional or replacement Security as the Agent may reasonably require or (ii) in connection with a Permitted Acquisition.

6.2.10 Fiscal Year

Change its Fiscal Year.

6.2.11 Dealing with Related Persons

Enter into any material contract with any Related Person unless all terms and conditions thereof (specifically including the price) are commercially reasonable.

6.2.12 Arm's Length Dealings

Carry on or engage in any business on other than arm's length terms with Affiliates (whether corporations or individuals) other than that which has been disclosed to and approved by the Lenders.

6.2.13 Use of Advances

Use a material amount of the proceeds of any Advance for any purposes other than those expressly contemplated in this Agreement.

6.2.14 Currency Hedging Agreements

Enter into or be a party to any Currency Hedging Agreement, unless:

(a) such Currency Hedging Agreement is entered into with a Lender;

(b) the Borrower shall execute an ISDA agreement and all other documentation as may be required by such Lender;

(c) such Currency Hedging Agreement is entered into for the purpose of hedging against the risk of fluctuations in currencies and not for speculative purposes; and

(d) the maturity date of such Currency Hedging Agreement is not later than the earlier of: (A) five (5) years from the commencement date of such Currency Hedging Agreement; and (B) the Maturity Date.

6.2.15 Interest Rate Hedging Agreements

Enter into or be a party to any Interest Rate Hedging Agreement, unless:

(a) such Interest Rate Hedging Agreement is entered into with a Lender;

(b) the Borrower shall execute an ISDA agreement and all other documentation as may be required by such Lender;

(c) such Interest Rate Hedging Agreement is entered into for the purpose of hedging against the risk of fluctuations in interest rates, and not for speculative purposes;

(d) the maturity date of such Interest Rate Hedging Agreement is not later than the earlier of: (A) five (5) years from the commencement date of such Interest Rate Hedging Agreement; and (B) the Maturity Date; and

(e) after such Interest Rate Hedging Agreement is entered into, the aggregate of the notional amounts of all Interest Rate Hedging Agreements then outstanding between the Lenders and the Borrower shall not exceed by more than 10% the Outstanding Advances under the Term Facility at such time.

6.2.16 Commodity Hedging Agreements

Enter into or be a party to any Commodity Hedging Agreement, unless:

(a) such Commodity Hedging Agreement is entered into with a Lender;

(b) the Borrower shall execute an ISDA agreement and all other documentation as may be required by such Lender;

(c) such Commodity Hedging Agreement is entered into for the purpose of hedging against the risk of fluctuations in the price of commodities used in the Borrower's business and not for speculative purposes; and

(d) the maturity date of such Commodity Hedging Agreement is not later than the earlier of: (A) five (5) years from the commencement date of such Commodity Hedging Agreement; and (B) the Maturity Date.

6.2.17 Sanctions

The Borrower agrees that it, its directors, or officers will not, and it will take all reasonable steps to ensure that its Affiliates will not, engage, directly or indirectly, in any activity which is prohibited under the Sanctions (unless any such activity is conducted in compliance with a permit, certificate or other approval issued under the Sanctions), including without limitation, (A) any direct or indirect dealings involving or benefitting (i) a Person that, to its knowledge, is listed on, or owned or controlled by, or acting on behalf of a Person listed on, any list administered by a Sanctions Authority or otherwise the target of Sanctions; (ii) a Person that, to its knowledge, is owned or controlled by, or acting for or on behalf of, or providing assistance, support or services of any kind to, or otherwise associated with any Person in (i); (B) any business or making or receiving any contribution of funds, goods or services to or for the benefit of any Person that to its knowledge is described in (i) or (ii); (C) any dealing in, or otherwise engaging in any transaction relating to, any property or interests in property that to its knowledge is subject to prohibitions under Sanctions; and (D) any transaction that, to its knowledge, evades, avoids or attempts to violate any of the prohibitions set forth in the Sanctions or has such a purpose.

6.2.18 Amendments to the Lavington Agreements

The Borrower shall not permit any amendments to the Lavington Agreements except in accordance with the Lavington Tri-Party Agreement.

6.2.19 Anti-Money Laundering and Anti-Terrorism Finance Laws; Foreign Corrupt Practices Act; Sanctions Laws; Restricted Person

The Borrower shall not, and shall not permit any Subsidiary to, (a) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or otherwise violates any anti-terrorism law, anti-corruption law, anti-money laundering law or sanctions law or (b) cause or permit any of the funds that are used to repay the Obligations to be derived from any unlawful activity with the result that the Agent, any Lender or any Credit Party would be in violation of any Applicable Law or (c) use any part of the proceeds of the Advances, directly or indirectly, for any conduct that would violate any OFAC Sanctions Programs.

6.2.20 Smithers Partnership and Smithers Pellet Inc.

The Borrower shall not agree to any amendment or modification to the limited partnership agreement or shareholders agreement (or enter into any agreement having the same effect) applicable to the Smithers Partnership or Smithers Pellet Inc., as the case may be, so as to limit, restrict or condition the ability to transfer the ownership interests in such entities.

6.3 Financial Covenants

(a) **Senior Debt to Adjusted EBITDA** - As of the last day of each Fiscal Quarter ending during the relevant period set forth below, the Borrower shall maintain a Senior Debt to Adjusted EBITDA Ratio which is not greater than the corresponding ratio set forth opposite such period:

For Fiscal Quarter Ending December 2017 through and including Fiscal Quarter Ending March 2019	4.50 to 1.00
Fiscal Quarter Ending June 2019 through and including Fiscal Quarter Ending September 2020	4.25 to 1.00
Fiscal Quarter Ending December 2020 through and including Fiscal Quarter Ending September 2021	3.75 to 1.00
Thereafter	3.50 to 1.00

For the calculation of the financial covenant in this Section 6.3(a), pro forma effect will be given with respect to any Permitted Acquisitions completed or Permitted New Facilities initiated during the relevant test period.

(b) **Fixed Charge Coverage Ratio.** As of the last day of each Fiscal Quarter, the Borrower shall maintain a Fixed Charge Coverage Ratio of not less than 1.10 to 1.00.

6.4 Reporting Requirements

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

(a) promptly upon becoming available and in any event within 60 days of the end of each Fiscal Quarter the unaudited consolidated financial statements of the Borrower and a Compliance Certificate;

(b) promptly upon becoming available and in any event within 60 days after the end of each Fiscal Year an annual budget for the Borrower which shall disclose all material assumptions utilized and shall include the following items: balance sheet, income statement, cash flow statement and Capital Expenditure program;

(c) promptly upon becoming available and in any event within 90 days after the end of each Fiscal Year, the audited consolidated financial statements for the Borrower together with a Compliance Certificate and any updated disclosure Schedules required pursuant to Section 5.3; and

(d) such additional information and documents as the Agent may reasonably request from time to time, not inconsistent with the terms of this Agreement, to ensure the ongoing compliance by the Borrower with the terms and conditions of this Agreement, in form reasonably acceptable to the Agent.

Following an IPO, annual and quarterly financial statements required to be delivered pursuant to this Section 6.4 shall be delivered at the same time as required by applicable securities laws (and to the extent such financial statements are filed on SEDAR, such filing shall be deemed to be delivered for purposes of this Section 6.4). If following an IPO, PRHI provides an unlimited Guarantee in favour of the Agent and a Lien over all of its Collateral, the documentation required pursuant to this Section 6.4 shall thereafter be required to be delivered by PRHI and all financial covenants set forth in Section 6.3 shall be "maintained" by PRHI rather than by the Borrower.

6.5 Equity Cure

If the Borrower fails to comply with a covenant in Section 6.3 (each a "**Financial Covenant Default**"), the Borrower shall have the right, until the occurrence of an IPO, to cure such Financial Covenant Default in accordance with the following terms and conditions (the "**Equity Cure Right**"):

(a) If the Borrower wishes to cure a Financial Covenant Default, the Borrower shall deliver to the Agent an irrevocable written notice of its intention to do so (a "**Cure Notice**") no later than ten (10) days after the date on which the Compliance Certificate was provided for the Fiscal Quarter as of which such Financial Covenant Default occurred (the "**Testing Date**"). Any such Cure Notice shall set forth the calculation of the applicable Financial Covenant Cure Amount.

(b) Direct or indirect shareholders of the Borrower may cure a Financial Covenant Default by purchasing additional equity in the Borrower for cash or by making a cash capital contribution or Subordinated Shareholder Loan to the Borrower (the aggregate amount of all such purchases, contributions or loans for any Fiscal Quarter being a "**Financial Covenant Cure Amount**"). The proceeds from such cash investment will be used (at the

Borrower's election) to reduce the Revolving Facility (to the extent outstanding) or to reduce the Term Facility and thereafter the Delayed Draw Term Facility. In the event of the cure right being exercised, the financial covenants will be recalculated for the period in question with the amount of the cash investment being added to Adjusted EBITDA for the applicable Fiscal Quarter provided that for certainty at the time such re-testing is done, the balance of the Facility which the Borrower elects to reduce, will not be deemed to have been reduced by the cash proceeds.

(c) Any equity investment made in connection with the Borrower exercising its Equity Cure Rights will not contain any mandatory payment of cash dividends or mandatory redemption provisions requiring cash redemptions.

(d) The Financial Covenant Cure Amount shall equal an amount which, would result in the Borrower being in pro forma compliance with such financial covenant as of the applicable testing date.

(e) The Equity Cure Right may only be used up to two Fiscal Quarters in each trailing four Fiscal Quarter period and four Fiscal Quarters total over the term of this Agreement, and the Financial Covenant Cure Amount shall not exceed $15,000,000 in aggregate over the four Fiscal Quarters.

(f) Upon receipt by the Borrower of the Financial Covenant Cure Amount, it shall immediately pay such amount to the Agent to be applied in accordance with clause (b) above, at which point, the Financial Covenant Default shall be deemed to have been waived with retroactive effect as and from the applicable Testing Date.

(g) For greater certainty, if any Event of Default other than a Financial Covenant Default has occurred and is continuing, the Agent may exercise any or all of their rights and remedies hereunder, under the Loan Documents and under Applicable Law and take any or all such other actions and steps as it may deem appropriate, notwithstanding the Borrower's election to exercise the Equity Cure Right, the delivery of any Cure Notice or the payment of any Financial Covenant Cure Amount under or pursuant to this Section 6.5.

ARTICLE 7
SECURITY

7.1 Security

The Borrower agrees to provide (or cause to be provided) the security listed below, or where satisfactory to the Agent shall confirm any such security as in effect as of the Third Closing Date, as continuing security for the payment and performance of all present and future, direct and indirect, indebtedness and obligations of the Borrower to the Agent and the Lenders, specifically including the Obligations:

(a) a general security agreement from the Borrower creating a First-Ranking Security Interest in respect of all of its present and after-acquired property, assets and undertaking;

(b) a debenture or collateral mortgage creating a First Ranking Security Interest in respect of any Land (i) having a fair market value in excess of $2,000,000; or (ii) that is or is likely to be material to the operations of a Credit Party, in which the Borrower or any Guarantor has a freehold interest;

(c) a Guarantee from PRHI in respect of present and future, direct and indirect, indebtedness and obligations of the Borrower to the Agent and the Lenders; provided however that recourse will be limited to its interests in the Borrower and its Subsidiaries;

(d) a pledge of all outstanding issued shares in the Borrower and shareholder debt held by PRHI creating a First Ranking Security Interest;

(e) a subordination agreement from PRHI with respect to the Subordinated Debt owing to it by the Borrower;

(f) a Guarantee from each Guarantor other than PRHI in respect of present and future, direct and indirect, indebtedness and Obligations of the Borrower to the Agent and the Lenders; such Guarantee to be in an unlimited amount unless otherwise agreed by the Agent on behalf of the Lenders;

(g) a general security agreement, debenture or collateral mortgage from each Guarantor other than PRHI creating a First Ranking Security Interest in respect of all its present and after-acquired property, assets and undertaking;

(h) a pledge of all outstanding issued shares of each Guarantor, other than PRHI;

(i) estoppel letters, certificates or consents from such third parties as may be required by the Agent and the Lenders (to the extent obtainable using commercial reasonable efforts);

(j) control agreements for each Credit Parties' deposit accounts with average cash balances in excess of $50,000; provided that the total average cash balances of any accounts not covered by a control agreement shall not exceed $250,000 in the aggregate;

(k) a pledge of a Credit Party's equity interest in any Subsidiary of the Borrower together with, in the case where such Subsidiary is not wholly-owned by the Borrower, an acknowledgement with respect to such pledge where required by the definition of "Permitted Acquisition" or "Permitted New Facility" in form and substance satisfactory to the Agent, acting reasonably; and

(l) such other documents or agreements from the Credit Parties as may be reasonably required by the Agent and the Lenders from time to time to ensure the Agent's security and perfection over the Collateral.

7.2 General Provisions re Security; Registration

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

7.3 Opinions re Security

The Credit Parties shall cause to be delivered to the Agent and the Lenders the opinions of the solicitors for the Credit Parties regarding their corporate status, the due authorization, execution and delivery of the Security provided by them, all registrations in respect of the Security, the results of all applicable searches in respect of the Credit Parties, and the enforceability of such Security; all such opinions to be in form and substance satisfactory to the Agent and its counsel.

7.4 After-Acquired Property, Further Assurances

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

7.5 Insurance Proceeds

If insurance proceeds become payable in respect of loss of or damage to any property owned by the Borrower:

(a) if an Event of Default has occurred and is continuing at such time, the Agent shall apply such proceeds against the Obligations;

(b) if a Default has occurred and is continuing, the Agent shall hold the proceeds until such Default has been waived or cured in accordance with any applicable cure period and if waived or cured, the Agent shall disburse the funds in accordance with Section 7.5(c) and Section 7.5(d). If such Default is not waived or cured within the applicable cure period, the Agent shall apply such proceeds against the Obligations;

(c) if no Default or Event of Default has occurred and is continuing at such time, and such proceeds are less than $500,000, such proceeds shall be paid to the Borrower to be applied in its discretion;

(d) if no Default or Event of Default has occurred and is continuing at such time, and such proceeds are equal to or greater than $500,000, the Lenders agree to consent to the payment of such proceeds to the Borrower if:

(i) such property is repaired or replaced within 360 days after receipt of the proceeds (or the Borrower has entered into commitments to repair or replace such property prior to the end of such 360 day period, and such repair or replacement is completed within a further 180 days) and the proceeds will reimburse the Borrower for payments it has made for such purpose; and

(ii) the Borrower confirms in writing to the Agent that it will forthwith use such proceeds to repair or replace such property.

(e) Notwithstanding the foregoing, all cash proceeds received by the Borrower for casualty insurance prior to the Second Closing Date shall not have to be applied in accordance with this Section 7.5.

ARTICLE 8
CONDITIONS PRECEDENT

8.1 Conditions Precedent to First Advance on the Original Effective Date

The Lenders had no obligation to make the first Advance under any Facility on the Original Effective Date unless and until the following conditions were satisfied:

(a) the conditions precedent in Section 8.5 shall have been satisfied;

(b) the Agent and the Lenders shall be satisfied with all third party due diligence provided by and to the Borrower;

(c) the Agent and the Lenders shall be satisfied with all Material Agreements;

(d) each Credit Party shall have obtained insurance in respect of its property, business and assets naming the Agent as additional insured and/or first loss payee, as applicable;

(e) this Agreement and all Security required shall have been executed and delivered, all registrations and deliveries necessary or desirable in connection therewith shall have been made and all legal opinions and other documentation required by the Lenders in connection therewith shall have been executed and delivered, all in form and substance satisfactory to the Agent and the Lenders;

(f) the Agent shall have received confirmation that Liens on the Collateral securing the Facilities continue to constitute First Ranking Security Interests and are perfected (including the delivery of share certificates, the filing of PPSA financing statements and the registration of mortgage security);

(g) the Agent and the Lenders shall have received satisfactory evidence that there are no Liens affecting any of the assets of the Credit Parties, except for Permitted Liens or Liens subject to an undertaking to discharge;

(h) the Agent and the Lenders shall have received particulars of all Permitted Liens;

(i) the Agent shall have received an officer's certificate, certificate of incumbency and certified copies of resolutions of the board of directors of each Credit Party concerning the due authorization, execution and delivery of the Loan Documents to which it is a party, and such related matters as the Agent and the Lenders may reasonably require;

(j) the Agent shall have received a certificate of status, certificate of compliance or similar certificate for each Credit Party issued by its governing jurisdiction;

(k) the Agent and the Lenders shall have received an opinion from the solicitors for each Credit Party regarding its corporate status, the due authorization, execution, delivery and enforceability of the Loan Documents provided by it, and such other matters as the Agent and the Lenders may require;

(l) the Agent shall have received an opinion of its solicitors with respect to the enforceability of the Loan Documents and such other matters as the Agent and the Lenders may require;

(m) the terms and conditions of all Subordinated Debt outstanding as of the Original Effective Date shall be acceptable to the Agent and the Lenders;

(n) execution or confirmation of subordination and postponement agreements between the Agent and the holders of Subordinated Shareholder Loans and any other Subordinated Debt to the satisfaction of the Lenders;

(o) the Agent and the Lenders shall have received such additional evidence, documents or undertakings as they may reasonably require to complete the transactions contemplated hereby in accordance with the terms and conditions contained herein;

(p) on a pro forma basis on the Original Effective Date, (it being understood that the Revolving Facility and the Delayed Draw Term Facility shall only be included if and only to the extent drawn on the Original Effective Date, and for clarity the Adjusted EBITDA Ratio will not include the Lavington Project to the extent the Delayed Draw Facility is not drawn on the Original Effective Date), the Senior Debt to Adjusted EBITDA for the four most recently completed Fiscal Quarters of the Borrower for the Fiscal Quarter ended at least 30 days before the Original Effective Date shall not exceed 4.0:1.00, with Adjusted EBITDA for that calculation including $10.6 million of 2015 contractual pricing increases;

(q) the Agent shall have received Borrower's pro forma balance sheet on the Original Effective Date, for the most recent Fiscal Quarter ending at least 30 days prior to the Original Effective Date, together with a compliance certificate showing detailed pro forma covenant calculations evidencing the Borrower's compliance with Section 6.3;

(r) the Agent shall have received (i) revised financial projections for the Borrower for Fiscal Years 2014, 2015, 2016, 2017, 2018 and 2019, shown quarterly for Fiscal Years 2014 and 2015 and annually for all other Fiscal Years, audited consolidated financial statements of the Borrower as of December 27, 2013, unaudited consolidated quarterly financial statements of the Borrower as of June 27, 2014, and year to date in-house financial statements for the month ended July 2014;

(s) the Borrower shall have paid or shall concurrently pay to the Agent all fees and expenses (including the Agent's legal expenses) relating to the amendment and restatement of the Facilities specifically including all fees as agreed in writing between the Borrower and the Agent;

(t) the Lenders' requirements relative to "Anti-Money Laundering" policies and "Know Your Client" rules shall have been satisfied; and

(u) no Material Adverse Change shall have occurred since December 27, 2013.

8.2 Conditions Precedent to Effectiveness of Agreement on the Second Closing Date

The Second Restated Credit Agreement became effective on the Second Closing Date upon satisfaction of the following conditions:

(a) the conditions precedent in Section 8.5 shall have been satisfied;

(b) each Credit Party shall have provided evidence of insurance in respect of its property, business and assets naming the Agent as additional insured and/or first loss payee, as applicable;

(c) the Agent shall have received confirmation that Liens on the Collateral securing the Facilities continue to constitute First Ranking Security Interests and are perfected (including by way of the delivery of share certificates, the filing of PPSA financing statements and the registration of mortgage security);

(d) the Agent shall have received an officer's certificate, certificate of incumbency and certified copies of resolutions of the board of directors of each Credit Party concerning the due authorization, execution and delivery of this Agreement and the other Loan Documents being entered into in connection herewith to which it is a party, and such related matters as the Agent and the Lenders may reasonably require;

(e) the Agent shall have received a certificate of status, certificate of compliance or similar certificate for each Credit Party issued by its governing jurisdiction;

(f) the Agent and the Lenders shall have received an opinion from the solicitors for each Credit Party regarding its corporate status, the due authorization, execution, delivery and enforceability of this Agreement and the other Loan Documents being entered into in connection herewith provided by it, and such other matters as the Agent and the Lenders may require;

(g) the terms and conditions of all Subordinated Debt outstanding as of the Second Closing Date shall be acceptable to the Agent and the Lenders;

(h) the Agent and the Lenders shall have received such additional evidence, documents or undertakings as they may reasonably require to complete the transactions contemplated hereby in accordance with the terms and conditions contained herein;

(i) on a pro forma basis on the Second Closing Date, (it being understood that the Revolving Facility and the Delayed Draw Term Facility shall only be included if and only to the extent drawn on the Second Closing Date, and for clarity the Adjusted EBITDA Ratio will not include any adjustments related to recently initiated Permitted New Facilities to the extent the Delayed Draw Facility is not drawn on the Second Closing Date), the Senior Debt to Adjusted EBITDA for the four most recently completed Fiscal Quarters of the Borrower for the Fiscal Quarter ended at least 30 days before the Second Closing Date shall not exceed 4.0:1.00;

(j) the Agent shall have received Borrower's pro forma balance sheet on the Second Closing Date, for the most recent Fiscal Quarter ending at least 30 days prior to the Second

Closing Date, together with a compliance certificate showing detailed pro forma covenant calculations evidencing the Borrower's compliance with Section 6.3;

(k) the Agent shall have received (i) revised financial projections for the Borrower for Fiscal Years 2017 through to 2021, shown quarterly for Fiscal Year 2017 and annually for all other Fiscal Years, audited consolidated financial statements of the Borrower as of December 25, 2015 and unaudited consolidated quarterly financial statements of the Borrower as of September 23, 2016;

(l) the Borrower shall have paid or shall concurrently pay to the Agent all fees and expenses (including the Agent's legal expenses) relating to the amendment and restatement of the Facilities specifically including all fees as agreed in writing between the Borrower and the Agent;

(m) the Lenders' requirements relative to "Anti-Money Laundering" policies and "Know Your Client" rules shall have been satisfied; and

(n) no Material Adverse Change shall have occurred since December 25, 2015.

8.3 Conditions Precedent to Effectiveness of Agreement on the Third Closing Date

This Agreement shall become effective upon satisfaction of the following conditions, in each case to the satisfaction of the Agent and the Lenders:

(a) the conditions precedent in Section 8.5 shall have been satisfied;

(b) each Credit Party shall have provided evidence of insurance in respect of its property, business and assets naming the Agent as additional insured and/or first loss payee, as applicable;

(c) each Credit Party shall have executed an acknowledgement and confirmation in favour of the Agent as to the effectiveness of its Guarantee and the Security delivered by it;

(d) the Agent shall have received an acknowledgement and confirmation from the Borrower and PRHI in connection with the subordination and postponement agreement previously delivered in favour of the Agent;

(e) the Agent shall have received confirmation that Liens on the Collateral securing the Facilities continue to constitute First Ranking Security Interests and are perfected (including by way of the delivery of share certificates, the filing of PPSA financing statements and the registration of mortgage security);

(f) the Agent shall have received an officer's certificate, certificate of incumbency and certified copies of resolutions of the board of directors of each Credit Party concerning the due authorization, execution and delivery of this Agreement and the other Loan Documents being entered into in connection herewith to which it is a party, and such related matters as the Agent and the Lenders may reasonably require;

(g) the Agent shall have received a certificate of status, certificate of compliance or similar certificate for each Credit Party issued by its governing jurisdiction;

(h) the Agent and the Lenders shall have received an opinion from the solicitors for each Credit Party regarding its corporate status, the due authorization, execution, delivery and enforceability of this Agreement and the other Loan Documents being entered into in connection herewith provided by it, and such other matters as the Agent and the Lenders may require;

(i) the terms and conditions of all Subordinated Debt outstanding as of the Third Closing Date shall be acceptable to the Agent and the Lenders;

(j) the Agent and the Lenders shall have received such additional evidence, documents or undertakings as they may reasonably require to complete the transactions contemplated hereby in accordance with the terms and conditions contained herein;

(k) on a pro forma basis on the Third Closing Date, (it being understood that the Revolving Facility and the Delayed Draw Term Facility shall only be included if and only to the extent drawn on the Third Closing Date, the Senior Debt to Adjusted EBITDA for the four most recently completed Fiscal Quarters of the Borrower for the Fiscal Quarter ended at least 30 days before the Third Closing Date shall not exceed 3.75:1.00;

(l) the Agent shall have received Borrower's pro forma balance sheet on the Third Closing Date, for the most recent Fiscal Quarter ending at least 30 days prior to the Third Closing Date, together with a compliance certificate showing detailed pro forma covenant calculations evidencing the Borrower's compliance with Section 6.3;

(m) the Agent shall have received (i) revised financial projections for the Borrower for Fiscal Years 2018 through to 2022, shown quarterly for Fiscal Year 2018 and annually for all other Fiscal Years, audited consolidated financial statements of the Borrower as of December 30, 2016 and unaudited consolidated quarterly financial statements of the Borrower as of September 29, 2017;

(n) the Borrower shall have paid or shall concurrently pay to the Agent all fees and expenses (including the Agent's legal expenses) relating to the amendment and restatement of the Facilities specifically including all fees as agreed in writing between the Borrower and the Agent;

(o) the Lenders' requirements relative to "Anti-Money Laundering" policies and "Know Your Client" rules shall have been satisfied; and

(p) no Material Adverse Change shall have occurred since December 30, 2016.

8.4 Conditions Precedent to Initial and Subsequent Advances under the Delayed Draw Term Facility

8.4.1 Conditions Precedent to each Advance under the Delayed Draw Term Facility following the Third Closing Date:

(a) satisfaction with the conditions precedent set forth in Section 8.5;

(b) in the case of a Permitted New Facility, receipt by the Agent of a detailed capital and operating budget prepared by the Borrower along with a timeline for construction and ramp up of such Permitted New Facility;

(c) receipt by the Agent of a pro forma certificate confirming compliance with the financial covenant ratios as at the last Fiscal Quarter end which is at least 30 days prior to the proposed Advance;

(d) in the case of a Permitted New Facility, receipt by the Agent of evidence that all necessary environmental consents, permits and licences relating to the project have been obtained (to the extent applicable);

(e) receipt by the Agent of evidence of compliance by the Borrower with all requirements in connection with "Permitted Acquisitions" or "Permitted New Facilities";

(f) in the case of a Permitted New Facility, receipt by the Agent of evidence that the Borrower has entered into (i) long term off-take sales contracts representing at least 65% of projected sales volume in connection with such Permitted New Facility, and (ii) long term fiber supply contracts representing at least 65% of the expected volume for the first five (5) years of the Permitted New Facility;

(g) in the case of a Permitted New Facility, receipt by the Agent of (i) an engineering report relating to the Permitted New Facility, and (ii) a detailed construction budget and timeline for completion of the Permitted New Facility;

(h) in the case of a Permitted New Facility, the Agent shall have received an overview of construction progress each month for the previous month following the initial Advance pursuant to the Delayed Draw Term Facility associated with such Permitted New Facility; and

(i) the Agent and the Lenders shall have received such other information relating to the Permitted New Facility which is available to the Borrower (without recourse to third parties) as it shall reasonably require.

8.5 Conditions Precedent to all Advances

The Lenders shall have no obligation to make any Advance unless at the time of making each such Advance the following terms and conditions shall have been satisfied, in each case to the satisfaction of the Agent and the Required Lenders:

(a) no Default or Event of Default shall have occurred and be continuing, nor shall the making of the Advance result in the occurrence of any Default or Event of Default; and

(b) the Borrower shall have given a Drawdown Request to the Agent in accordance with the notice requirements provided herein (except in respect of Advances in the form of Overdrafts).

ARTICLE 9
DEFAULT AND REMEDIES

9.1 Events of Default

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

(a) the Borrower fails to pay any Interest or fees due hereunder within two Business Days after the date such payment is due, or fails to pay any principal or other amount hereunder when due;

(b) any representation or warranty provided by a Credit Party to the Agent or the Lenders herein or in any other Loan Document was incorrect in any material respect on the date on which such representation or warranty was made;

(c) the Borrower fails to be in compliance with any of the financial covenants set out in Section 6.3;

(d) the Borrower fails to perform or comply with any of the negative covenants set out in Section 6.2; provided that if: (i) such non-compliance is capable of remedy within 5 Business Days, (iii) the Borrower notifies the Agent of it immediately upon its occurrence and (iv) the Borrower diligently attempts to remedy such non-compliance and continually informs the Agent of its efforts in this regard, then such non-compliance shall be deemed not to constitute an Event of Default if it is remedied within 5 Business Days of its occurrence;

(e) any Credit Party fails in a material way to perform or comply with any of its covenants or obligations contained in this Agreement (other than the financial covenants set out in Section 6.3 and the negative covenants set out in Section 6.2), the Security or any other agreement made between it and any Lenders (other than those set out in subsections (a), (b), (c) and (d) above); provided that if such non-compliance is capable of remedy within 30 days after notice thereof from the Agent and such Credit Party diligently attempts to remedy such non-compliance and continually informs the Agent of its efforts in this regard, such non-compliance is remedied within such period, then such non-compliance shall be deemed not to constitute an Event of Default;

(f) any Credit Party is in default in the payment or performance of any of its indebtedness or obligations under any agreements relating to Funded Debt where the principal amount owing under such agreements is in excess of $7,500,000 (after the expiry of any grace or cure periods relating thereto), unless such default is waived by the applicable counterparties or holders of such debt in accordance with its terms;

(g) an Insolvency Event occurs in respect of any Credit Party;

(h) a Change of Control occurs;

(i) any Person takes possession of any material property of a Credit Party by way of or in contemplation of enforcement of security; or a distress or execution or similar process is levied or enforced against any such property;

(j) one or more final judgments or decrees for the payment of money shall have been obtained or entered against any one or more of the Credit Parties in excess of $7,500,000 in the aggregate and shall remain undischarged, unvacated, unbonded, unstayed or unpaid for 30 days;

(k) any Governmental Authority shall take any action to condemn, seize or appropriate any property of any Credit Party that is material to its financial condition, business or operations;

(l) any Loan Document or any material provision thereof is or is declared by any court of competent jurisdiction to be unenforceable, or any Credit Party terminates or purports to terminate its liability under any Loan Document or disputes the validity or enforceability of such Loan Document or any provision therein;

(m) any of the Security ceases to constitute a valid First-Ranking Security Interest; provided that (i) if such breach is capable of remedy within 5 days after notice thereof from the Agent and such Credit Party is diligently attempting to remedy such non-compliance; (ii) the Credit Party continually informs the Agent of its efforts in this regard; (iii) such breach, will not materially prejudice the Agent or the Lenders; and (iv) such non-compliance is remedied within such 5 day period, then such non-compliance shall be deemed not to constitute an Event of Default; and

(n) a Material Adverse Change occurs.

9.2 Acceleration; Additional Interest

Upon the occurrence of an Insolvency Event in respect of any Credit Party, the Obligations shall become immediately due and payable, without the necessity of any demand upon or notice to the Borrower by the Agent and the Swingline shall be cancelled. Upon the occurrence and during the continuation of any Event of Default other than an Insolvency Event, the Agent on behalf of the Required Lenders may by written notice to the Borrower declare the Obligations to be immediately due and payable. From and after the date of the occurrence of an Event of Default and for so long as such Event of Default continues, both before and after the Acceleration Date, all Outstanding Advances may bear interest or fees at the Default Rate in order to compensate the Lenders for the additional risk.

9.3 Acceleration of Certain Contingent Obligations

Upon the occurrence of an Event of Default which is continuing, any Lender which has issued a Bankers' Acceptance, BA Equivalent Note, LIBOR Loan or Letter of Credit or entered into a Hedging Agreement with the Borrower may make a Canadian Dollar Prime-Based Loan or U.S. Dollar Base Rate Loan to the Borrower in an amount equal to the (i) breakage costs or other costs incurred by it to unwind or terminate any such Bankers' Acceptance, BA Equivalent Note or LIBOR Loan, (ii) the face amount of such Letter of Credit, or (iii) the amount required to unwind such Hedging Agreement (such amount to be determined in accordance with the terms thereof), as the case may be; and the proceeds of any such Loan shall be held by such Lender and used to satisfy the Lender's obligations under the said Bankers' Acceptance, BA Equivalent Note, LIBOR Loan unwound or terminated, or the reimbursement obligation under such Letter of Credit as such becomes due, or to effect the unwinding of such Hedging Agreement. Any such Loan shall bear interest at the rate and in the manner applicable to Canadian Dollar Prime-Based Loans or U.S. Dollar Base Rate Loans, as applicable, under the Facility under which such

Bankers' Acceptance, BA Equivalent Note, LIBOR Loan or Letter of Credit was issued. Any such Loan made in respect of a Hedging Agreement shall bear interest at the rate and in the manner applicable to Canadian Dollar Prime-Based Loans under the Facility which provides for the highest interest rate at such time.

9.4 Combining Accounts, Set-Off

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

(a) combine, consolidate or merge any or all of the deposits or other accounts maintained with such Lender by such Credit Party in respect of this Agreement (whether term, notice, demand or otherwise and whether matured or unmatured) and such Credit Party's obligations to such Lender hereunder; and

(b) set off, apply or transfer any or all sums standing to the credit of any such deposits or accounts in or towards the satisfaction of the said obligations.

9.5 Appropriation of Monies

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

9.6 No Further Advances

The Lenders shall not be obliged to make any further Advances (including honouring any cheques drawn by the Borrower which are presented for payment) from and after the earliest to occur of the following: (i) delivery by the Agent to the Borrower of a written notice that an Event of Default has occurred and is continuing and that as a result thereof no further Advances will be made (whether or not such notice also requires immediate repayment of the Obligations); and (ii) the occurrence of an Insolvency Event in respect of any Credit Party.

9.7 Judgment Currency

If for the purposes of obtaining judgment against the Borrower in any court in any jurisdiction with respect to this Agreement it becomes necessary for a Lender to convert into the currency of such jurisdiction (in this Section called the "**Judgment Currency**") any amount due to the Lender by the Borrower hereunder in any currency other than the Judgment Currency, the conversion shall be made at the Exchange Rate prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the Exchange Rate prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts (if any) or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount paid on such date is the amount in the Judgment

Currency which when converted at the Exchange Rate prevailing on the date of payment is the amount then due under this Agreement in such other currency. Any additional amount due by the Borrower under this Section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

9.8 Remedies Cumulative

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

9.9 Performance of Covenants by Agent

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

ARTICLE 10
THE AGENT AND THE LENDERS

10.1 Decision-Making

10.1.1 Any amendment to this Agreement relating to the following matters shall require the unanimous agreement of the Lenders:

(a) decreases in interest rates and fees in respect of any Facility;

(b) increases in the maximum amount of credit available under any Facility;

(c) extensions of the maturity date of any Facility;

(d) extensions of the scheduled dates or the scheduled amounts for Repayments hereunder;

(e) releases of all or any material portion of the Security, except to the extent provided in Section 10.1.4 below;

(f) the definition of "**Required Lenders**" and "**Proportionate Share**" in Section 1.1;

(g) any provision of this Agreement which expressly states that the unanimous consent of the Lenders is required in connection with an action to be taken or consent provided by the Lenders; and

(h) this Section 10.1.

10.1.2 If a Lender (the "**Non-Consenting Lender**") does not agree to an extension under Section 10.1.1(c) and (d) then any one or more of the other Lenders may, but are not obligated to, take an assignment of the Non-Consenting Lender's Proportionate Share of the Facilities upon payment to the Non-Consenting Lender of its Proportionate Share of the Outstanding Advances under all Facilities at that time. Upon the required payment being made to the Non-Consenting Lender, the Non-Consenting Lender shall forthwith execute an Assignment and Assumption Agreement in favour of such other Lenders.

10.1.3 Except for the matters described in Section 10.1.1 above, any amendment to this Agreement shall be effective if made among the Borrower and the Required Lenders, and for greater certainty any such amendment which is agreed to by the Required Lenders shall be final and binding upon all Lenders.

10.1.4 The Agent may from time to time without notice to or the consent of the Lenders execute and deliver partial releases of the Security in respect of any item of Collateral (whether or not the proceeds of sale thereof are received by the Agent) which the Borrower is permitted to dispose of without obtaining the prior written consent of the Required Lenders; and in releasing any such security the Agent may rely upon and assume the correctness of all information contained in any certificate or document provided by the Borrower, without further enquiry. Otherwise, any release or discharge in respect of the Security or any portion thereof shall require the written consent of the Lenders acting unanimously.

10.1.5 Except for the matters which require the unanimous consent of the Lenders as set out above, any action to be taken or decision to be made by the Lenders pursuant to this Agreement (specifically including for greater certainty the issuance of written notice to the Borrower of the occurrence of a Default or Event of Default, the issuance of a demand for payment of the Obligations, a decision to make an Advance despite any condition precedent relating thereto not being satisfied, the provision of any waiver in respect of a breach of any covenant or the issuance of any consent which may be required under Section 6.2) shall be effective if approved by the Required Lenders; and any such decision or action shall be final and binding upon all the Lenders.

10.1.6 Any action to be taken or decision to be made by the Lenders pursuant to this Agreement which is required to be unanimous shall be made at a meeting of the Lenders called by the Agent pursuant to Section 10.6(k) or by a written instrument executed by all of the Lenders. Any action to be taken or decision to be made by the Lenders pursuant to this Agreement which is required to be made by the Required Lenders shall be made at a meeting of the Lenders called by the Agent pursuant to Section 10.6(k) or by a written instrument executed by the Required Lenders. Any instrument contemplated in this Section 10.1.6 may be executed by fax and in counterparts.

10.2 Security

10.2.1 Except to the extent provided in Section 10.2.2, the Security shall be granted in favour of and held by the Agent for and on behalf of the Lenders in accordance with the provisions of this Agreement. The Agent shall, in accordance with its usual practices in effect from time to time, take all steps required to perfect and maintain the Security, including: taking possession of the certificates representing the securities required to be pledged hereunder; filing renewals and change notices in respect of such Security; and ensuring that the name of the Agent is noted as loss payee or mortgagee on all property insurance policies covering the Collateral. If the Agent becomes aware of any matter concerning the Security which it considers to be material, it shall promptly inform the Lenders. The Agent shall comply with all instructions provided by the Lenders or the Required Lenders, as the case may be, in connection with the enforcement or release of the Security which it holds. The Agent agrees to permit each Lender to review and make photocopies of the original documents comprising the Security from time to time upon reasonable notice.

10.2.2 If any Credit Party has provided security in favour of any Lender directly, except for Permitted Purchase-Money Security Interests and Permitted Liens, such Lender agrees to pay to the Agent all amounts received by it in connection with the enforcement of such security, and all such amounts shall be deemed to constitute Proceeds of Realization and shall be dealt with as provided in Section 10.3.

10.3 Application of Proceeds of Realization

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

(a) firstly, in payment of all costs and expenses incurred by the Agent and the Lenders in connection with such realization, including legal, accounting and receivers' fees and disbursements;

(b) secondly, against the Obligations (each Lender being entitled to receive a share thereof equal to the portion of the Obligations then owing to such Lender divided by the aggregate amount of the Obligations); and

(c) thirdly, if all Obligations of the Borrower listed above have been paid and satisfied in full, any surplus Proceeds of Realization shall be paid in accordance with Applicable Law.

10.4 Payments by Agent

10.4.1 The following provisions shall apply to all payments made by the Agent to the Lenders hereunder:

(a) the Agent shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Lender until an amount in respect of such payment has been received by the Agent from the Borrower;

(b) if the Agent receives a payment of principal, interest, fees or other amount owing by the Borrower under a Facility which is less than the full amount of any such payment due, the Agent shall distribute such amount received among the Lenders under such Facility in each Lender's Proportionate Share of such Facility;

(c) if the Agent receives payments in respect of principal, interest, fees or other amounts owing by the Borrower under more than one Facility which are due on the same day, and if the amounts received are insufficient to satisfy all payments required under such Facilities on such day, the Agent shall distribute such amounts received among the Lenders under such Facilities in each Lender's Proportionate Share of such Facilities;

(d) if any Lender has advanced more or less than its Proportionate Share of its Commitment under a Facility, such Lender's entitlement to such payment shall be increased or reduced, as the case may be, in proportion to the amount actually advanced by such Lender;

(e) if a Lender's Proportionate Share of an Advance under a Facility has been advanced for less than the full period to which any payment by the Borrower relates, such Lender's entitlement to receive a portion of any payment of interest or fees shall be reduced in proportion to the length of time such Lender's Proportionate Share has actually been outstanding (unless such Lender has paid all interest required to have been paid by it to the Agent pursuant to the CBA Model Provisions);

(f) the Agent acting reasonably and in good faith shall, after consultation with the Lenders in the case of any dispute, determine in all cases the amount of all payments to which each Lender is entitled and such determination shall be deemed to be prima facie correct;

(g) upon request by a Lender, the Agent shall deliver a statement detailing any of the payments to the Lenders referred to herein;

(h) all payments by the Agent to a Lender hereunder shall be made to such Lender at its address set out herein unless notice to the contrary is received by the Agent from such Lender; and

(i) if the Agent has received a payment from the Borrower on a Business Day (not later than the time required for the receipt of such payment as set out in this Agreement) and fails to remit such payment to any Lender entitled to receive its Proportionate Share of such payment on such Business Day, the Agent agrees to pay interest on such late payment at a rate determined by the Agent in accordance with prevailing banking industry practice on interbank compensation.

10.4.2 The Borrower hereby irrevocably authorizes the Agent to debit any account maintained by it with the Agent in order to make payments to the Lenders as contemplated herein from time to time when such payment is due and payable for the purposes of satisfying payment thereof.

10.4.3 The Agent may in its discretion from time to time make adjustments in respect of any Lender’s share of an Advance, Conversion, Rollover or Repayment under a Facility in order that the Outstanding Advances due to such Lender under such Facility shall be approximately in accordance with such Lender’s Proportionate Share of the Facility.

10.5 Protection of Agent

10.5.1 Unless the Agent has actual knowledge or actual notice to the contrary, it may assume that each Lender’s address set out in Exhibit ”A” attached hereto is correct, unless and until it has received from such Lender a notice designating a different address.

10.5.2 The Agent may engage and pay for the advice or services of any lawyers, accountants or other experts whose advice or services may to it seem necessary, expedient or desirable and rely upon any advice so obtained (and to the extent that such costs are not recovered from the Borrower pursuant to this Agreement, each Lender agrees to reimburse the Agent in such Lender’s Applicable Percentage (as defined in Section 11.1(c)) of such costs).

10.5.3 Unless the Agent has actual knowledge or actual notice to the contrary, it may rely as to matters of fact which might reasonably be expected to be within the knowledge of any Credit Party upon a statement contained in any Loan Document.

10.5.4 Unless the Agent has actual knowledge or actual notice to the contrary, it may rely upon any communication or document believed by it to be genuine.

10.5.5 The Agent may refrain from exercising any right, power or discretion vested in it under this Agreement unless and until instructed by the Required Lenders as to whether or not such right, power or discretion is to be exercised and, if it is to be exercised, as to the manner in which it should be exercised (provided that such instructions shall be required to be provided by all of the Lenders in respect of any matter for which the unanimous consent of the Lenders is required as set out herein).

10.5.6 The Agent may refrain from exercising any right, power or discretion vested in it which would or might in its sole and unfettered opinion be contrary to any law of any jurisdiction or any directive or otherwise render it liable to any Person, and may do anything which is in its opinion in its sole discretion necessary to comply with any such law or directive.

10.5.7 The Agent may delegate to such other Person, such duties and responsibilities of the Agent hereunder as it shall determine to be appropriate in respect of dealings with or relating to the Borrower or any other Person.

10.5.8 The Agent may refrain from acting in accordance with any instructions of the Required Lenders to begin any legal action or proceeding arising out of or in connection with this Agreement or take any steps to enforce or realize upon any Security, until it shall have received such security as it may reasonably require (whether by way of payment in advance or otherwise) against all costs, claims, expenses (including legal fees) and liabilities which it will or may expend or incur in complying with such instructions.

10.5.9 The Agent shall not be bound to disclose to any Person any information relating to the Credit Parties or any Related Person if such disclosure would or might in its opinion in its sole discretion constitute a breach of any law or regulation or be otherwise actionable at the suit of any Person.

10.5.10 The Agent shall not accept any responsibility for the accuracy or completeness of any information supplied in connection herewith or for the legality, validity, effectiveness, adequacy or enforceability of any Loan Document and shall not be under any liability to any Lender as a result of taking or omitting to take any action in relation to any Loan Document except in the case of the Agent's gross negligence or wilful misconduct.

10.6 Duties of Agent

The Agent shall:

(a) hold and maintain the Security to the extent provided in Section 10.2;

(b) provide to each Lender copies of all financial information received from the Borrower promptly after receipt thereof, and copies of any Drawdown Requests, Conversion Notices, Rollover Notices, Repayment Notices and other notices received by the Agent from the Borrower upon request by any Lender;

(c) promptly advise each Lender of Advances required to be made by it hereunder and disburse all Repayments to the Lenders hereunder in accordance with the terms of this Agreement;

(d) promptly notify each Lender of the occurrence of any Default or Event of Default of which the Agent has actual knowledge or actual notice;

(e) at the time of engaging any agent, receiver, receiver-manager, consultant, monitor or other party in connection with the Security or the enforcement thereof, obtain the agreement of such party to comply with the applicable terms of this Agreement in carrying out any such enforcement activities and dealing with any Proceeds of Realization;

(f) account for any monies received by it in connection with this Agreement, the Security and any other agreement delivered in connection herewith or therewith;

(g) each time the Borrower requests the written consent of the Lenders in connection with any matter, use its best efforts to obtain and communicate to the Borrower the response of the Lenders in a reasonably prompt and timely manner having due regard to the nature and circumstances of the request;

(h) give written notice to the Borrower in respect of any other matter in respect of which notice is required in accordance with or pursuant to this Agreement, promptly or promptly after receiving the consent of the Required Lenders, if required under the terms of this Agreement;

(i) except as otherwise provided in this Agreement, act in accordance with any instructions given to it by the Required Lenders;

(j) if so instructed by the Required Lenders, refrain from exercising any right, power or discretion vested in it under this Agreement or any document incidental thereto; and

(k) call a meeting of the Lenders at any time not earlier than five days and not later than 30 days after receipt of a written request for a meeting provided by any Lender.

10.7 Lenders' Obligations Several; No Partnership

The obligations of each Lender under this Agreement are several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders of any of their respective obligations hereunder. No Lender shall be responsible for the obligations of any other Lender hereunder. Neither the entering into of this Agreement nor the completion of any transactions contemplated herein shall constitute the Lenders and the Agent, or any combination of them, a partnership.

10.8 Sharing of Information

The Agent and the Lenders may share among themselves any information they may have from time to time concerning the Credit Parties whether or not such information is confidential; but shall have no obligation to do so (except for any obligations of the Agent to provide information to the extent required in this Agreement).

10.9 Acknowledgement by Borrower

The Borrower hereby acknowledges notice of the terms of the provisions of this Article 10 and agrees to be bound hereby to the extent of its obligations hereunder, and further agrees not to make any payments, take any action or omit to take any action which would result in the non-compliance by the Agent or any Lender with its obligations hereunder.

10.10 Amendments to Article 10

The Agent and the Lenders may amend any provision in this Article 10 without prior notice to or the consent of the Borrower, and the Agent shall provide a copy of any such amendment to the Borrower reasonably promptly thereafter; provided however if, in the Agent's opinion, any such amendment would materially adversely affect any rights, entitlements, obligations or liabilities of the Borrower, such amendment shall not be effective until the Borrower provides its written consent thereto, such consent not to be unreasonably withheld or arbitrarily delayed.

10.11 Deliveries, etc.

As between the Credit Parties on the one hand, and the Agent and the Lenders on the other hand:

(a) all statements, certificates, consents and other documents which the Agent purports to deliver to a Credit Party on behalf of the Lenders shall be binding on each of the Lenders, and none of the Credit Parties shall be required to ascertain or confirm the authority of the Agent in delivering such documents;

(b) all certificates, statements, notices and other documents which are delivered by a Credit Party to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders; and

(c) all payments which are delivered by the Borrower to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders.

10.12 Agency Fee

The Borrower agrees to pay to the Agent an annual agency fee in such amount as may be agreed in writing from time to time between the Borrower and the Agent, payable in advance on the date of this Agreement and annually on each anniversary date thereafter during the term of this Agreement.

10.13 Assignment Fee

The Borrower and the Lenders hereby acknowledge and agreed that the Agent is entitled to charge a processing and recording fee of $5,000 to any assignor in connection with each assignment hereunder.

10.14 Non-Funding Lenders

10.14.1 Each Non-Funding Lender shall (unless not permitted by the law applicable to it) be required to provide to the Agent (A) cash or Cash Equivalents in an amount equal to 105% of such Non-Funding Lender's Proportionate Share of the face amount of outstanding Letters of Credit, and (B) cash or Cash Equivalents in an amount, as shall be determined from time to time by the Agent in its discretion, equal to all other obligations of such Non-Funding Lender to the Agent that are owing or may become owing pursuant to this Agreement, including, without limitation, such Non-Funding Lender's obligation to pay its Proportionate Share of any indemnification or expense reimbursement amounts not paid by the Borrower. Such cash or Cash Equivalents shall be held by 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 and Cash Equivalents in accordance with Section 10.3.

Notwithstanding anything in this Agreement to the contrary, so long as there is a Non-Funding Lender it shall be within the sole and joint determination of the Issuing Bank as to whether it is agreeable to issue any new Letters of Credit or extend or renew any expiring Letters of Credit.

10.14.2 Neither the Agent nor any of its Affiliates nor any of their respective officers, directors, employees, agents or representatives shall be liable to any Lender (including, without limitation, a Non-Funding Lender) for any action taken or omitted to be taken by it in connection with amounts payable by the Borrower to a Non-Funding 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 judgment of a court of competent jurisdiction.

10.14.3 The Agent shall be entitled to set off any Non-Funding Lender's Proportionate Share of all payments received from the Borrower against such Non-Funding Lender's obligations to fund payments and Advances 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. 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 Agent and due to a Non-Funding Lender pursuant to this Agreement which amounts shall be used by Agent (A) first, to reimburse (I) the Agent for any amounts owing to it by the Non-Funding Lender pursuant to any Loan Document, and then to reimburse (II) the Issuing Lender for any amounts paid by it that has not been fully reimbursed due to such Non-Funding Lender not funding its Proportionate Share of the applicable Advance, (B) second, to repay any Advances made by a Lender in order to fund a shortfall created by a Non-Funding Lender which repayment shall be in the form of an assignment by each such Lender of such Advance to the Non-Funding Lender, (C) third, (I) first, to cash collateralize all other obligations of such Non-Funding 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, without limitation, such Non-Funding Lender's obligation to pay its Proportionate Share of any indemnification or expense reimbursement amounts not paid by the Borrower and (II), second, to maintain cash collateral for a Non-Funding Lender's Proportionate Share of reimbursement obligations for Letters of Credit, and (D) fourth, at the Agent's discretion, to fund from time to time the Non-Funding Lender's Proportionate Share of Advances under the Revolving Facility.

10.14.4 For certainty, a Non-Funding Lender will have no voting or consent rights with respect to matters under this Agreement or other Loan Documents. Accordingly, the Commitments and the aggregate unpaid principal amount of the Advances owing to any Non-Funding Lender shall be disregarded in determining Required Lenders and all Lenders or all affected Lenders. Notwithstanding the foregoing, should a Non-Funding Lender (i) fund all outstanding Advances that it previously failed to fund and pay all other amounts owing to Agent, and (ii) confirm in writing to the Agent that there is no reasonable likelihood that it will subsequently again become a Non-Funding Lender, then such Lender shall thereafter be entitled to vote and shall have consent rights in the same manner and fashion as if it were not a Non-Funding Lender. During the period in which a Lender is a Non-Funding Lender, it shall not be entitled to receive payment of standby fees owing hereunder.

ARTICLE 11
CBA MODEL PROVISIONS

11.1 CBA Model Provisions Incorporated by Reference

The CBA Model Provisions which have been revised under the direction of the Canadian Bankers' Association Secondary Loan Market Specialist Group from provisions prepared by The Loan Syndications and Trading Association, Inc. (except for the footnotes contained therein) form part of this Agreement and are incorporated herein by reference, subject to the following variations:

(a) Each term set out below which is used as a defined term in the CBA Model Provisions shall be deemed to have been replaced as set out below; and for greater certainty the said replacement term shall have the meaning ascribed thereto in Section 1.1 of this Agreement:

"**Administrative Agent**" shall be replaced by "**Agent**";

"**Base Rate Loans**" shall be replaced by "**U.S. Base Rate Loans**";

"**Interest Period**" shall be replaced by "**LIBOR Interest Period**";

"**LIBO Rate**" shall be replaced by "**LIBOR Rate**";

"**LIBO Rate Loan**" shall be replaced by "**LIBOR Loan**";

"**Loans**" shall be replaced by "**Advances**";

"**Obligor**" shall be replaced by "**Borrower**" (and all necessary changes required by the context shall be deemed to have been made); and

"**Provisions**" shall be replaced by "**CBA Model Provisions**".

(a) "**Pro rata share**", "rateably" and similar terms in the CBA Model Provisions shall have the meaning ascribed to the term "**Proportionate Share**" as defined in Section 1.1 of this Agreement, if the context requires.

(b) The definitions of the following terms in the CBA Model Provisions shall be replaced with the definitions set out below:

"**Applicable Percentage**" when used in the context of all Facilities means the percentage of the total Commitments represented by such Lender's Commitment; provided that if the Commitments have terminated or expired, the Applicable Percentage shall be the percentage of the total Outstanding Advances and participations in respect of Letters of Credit represented by such Lender's Outstanding Advances and participations in respect of Letters of Credit. When used in the context of a particular Facility, "**Applicable Percentage**" means the percentage of the total Commitments under that Facility represented by such Lender's Commitment under that Facility; provided that if the Commitments have terminated or expired, the Applicable Percentage shall be the percentage of the total Outstanding Advances and participations in respect of Letters of Credit under that Facility represented by such Lender's Outstanding Advances and participations in respect of Letters of Credit under that Facility.

"**Related Person**" means, in relation to any Person, a subsidiary, affiliate, associate or employee of such Person, or an associate of such employee (the terms "subsidiary", "affiliate" and "associate" having the respective meanings ascribed thereto in the CBCA).

(a) Paragraph 3.2(f) of the CBA Model Provisions is hereby deleted.

(b) Subclause 5(iii)(y) of the CBA Model Provisions is hereby deleted.

(c) The consultation rights of the Borrower in subsection 7.7(a) are hereby deleted.

(d) Clause 9(b)(iii) of the CBA Model Provisions is hereby deleted.

(e) Each currency reference in clause 10(b)(i) of the CBA Model Provisions shall mean Canadian Dollars or the Equivalent Amount in US Dollars.

(f) Prior to the occurrence of an Event of Default, each Lender may from time to time assign all or any portion of its Commitment in a minimum amount of $5,000,000, and grant participations in all or any portion of its Commitment, to Banks listed in Schedule I or Schedule II of the *Bank Act* (Canada) or to insurance companies, in each case subject to obtaining the Borrower's prior written consent (and, in the case of assignments of the Revolving Facility, the Swingline Lender and the Issuing Bank), in each case not to be unreasonably withheld or delayed, provided that any such assignment or participation is to a financial institution resident in Canada for the purposes of the *Income Tax Act* (Canada), and provided also that after each such assignment or participation such Lender's Commitments shall not be less than $5,000,000 unless such Lender has granted an assignment or participation in respect of all of its Commitments. After the occurrence and during the continuance of an Event of Default, each Lender may from time to time assign or grant participations in all or any portion of its Commitment to any Person (whether or not such Person is resident in Canada) without notice to or obtaining the Borrower's prior written consent.

(g) The Lenders will be permitted to sell participations in loans and commitments subject to the restrictions set forth herein. Voting rights of participants shall (i) be limited to matters in respect of (a) increases in commitments of such participant, (b) reductions of principal, interest or fees payable to such participant, (c) extensions of final maturity or scheduled amortization of the Loans or Commitments in which such participant participates and (d) releases of all or substantially all of the value of the Guarantees, or all or substantially all of the Collateral and (ii) for clarification purposes, not include the right to vote on waivers of Defaults or Events of Default.

  (i) The provisions in paragraphs (e), (f) and (g) shall apply to the extent of any inconsistency between such provisions and Section 10 of the CBA Model Provisions.

(h) The CBA model provisions are hereby amended by adding a new subsection 7.11 as follows:

"7.11 - Resignation and Appointment of New Administrative Agent: Effective as of the Second Closing Date, BMO resigned as Administrative Agent and concurrent with such resignation the Lenders, the Borrower and the Issuing Bank hereby appointed BNS as administrative agent."

11.2 Inconsistencies with CBA Model Provisions

To the extent that there is any inconsistency between a provision of this Agreement and a provision of the CBA Model Provisions, the provision of this Agreement shall govern.

11.3 Illegality

In addition to the "Illegality" provisions of the CBA Model Provisions, if, at any time, it is or becomes illegal (in the reasonable opinion of the Lender) under the laws of any jurisdiction for the Lender to perform, fund or maintain its position, as a result, any illegality due to any economic or financial sanctions administered or enforced by any Sanctions Authority or the Lender is advised in writing by a Sanctions Authority that penalties will be imposed by a Sanctions Authority as a result of the Lender's participation in the Loan Documents or any other business or financial relationship with the Borrower or its Affiliates, (i) the Commitment of the Lender will be immediately cancelled and the Lender shall not thereafter be obliged to participate in the making of any Loans, and (ii) the outstanding Loans shall become immediately due and payable.

ARTICLE 12
GENERAL

12.1 Waiver

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

12.2 Governing Law

This Agreement shall be interpreted in accordance with the laws of the Province of Ontario. Without prejudice to the right of the Agent and the Lenders to commence any proceedings with respect to this Agreement in any other proper jurisdiction, the parties hereby attorn and submit to the jurisdiction of the courts of the Province of Ontario.

12.3 Expenses of Agent and Lenders

Whether or not the transactions contemplated by this Agreement are completed or any Advance has been made, the Borrower hereby agrees to pay on demand by the Agent from time to time all reasonable expenses incurred by the Agent or any Lender in connection with this Agreement, the Security and all documents contemplated hereby, specifically including: expenses incurred by the Lenders in respect of due diligence, appraisals, insurance consultations, credit reporting and responding to demands of any Governmental Authority; reasonable legal expenses (of one firm of legal counsel on behalf of the Agent and all Lenders, together with one firm of local counsel in any applicable jurisdiction) in connection with the preparation and interpretation of this Agreement and the Security and the administration of the Facilities generally, including the preparation of waivers and partial discharges of

Security (if there are any additional fees or expenses to be incurred in connection with any of the foregoing over and above those that have already been disclosed to the Borrower then the Agent agrees to notify the Borrower of those additional fees or expenses and obtain its concurrence to their payment); and all legal expenses (on a solicitor and his own client basis) in connection with the protection and enforcement of the Security. The Borrower hereby authorizes the Agent to debit its account in order to pay any such expenses if such amount is not paid in full within 30 days after receipt of a written request from the Agent for payment of such amount.

12.4 General Indemnity

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

(a) any failure by the Borrower to pay and satisfy its obligations hereunder including, without limitation, any costs or expenses incurred by reason of the liquidation or re-employment in whole or in part of deposits or other funds required by the Lenders to fund or maintain the Facilities or as a result of the Borrower's failure to take any action on the date required hereunder or specified by it in any notice given hereunder;

(b) any investigation by Governmental Authorities or any litigation or other similar proceeding related to any use made or proposed to be made by the Borrower of the proceeds of any Advance; and

(c) any instructions given to any Lender to stop payment on any cheque issued by the Borrower or to reverse any wire transfer or other transaction initiated by such Lender at the request of the Borrower.

12.5 Environmental Indemnity

In addition to any other liability of the Borrower hereunder, the Borrower hereby agrees to indemnify and save harmless the Indemnitees from and against:

(a) any losses suffered by them for, in connection with, or as a direct or indirect result of, the failure of the Borrower or any of its Subsidiaries, including the Lavington Limited Partnership, to comply with all Requirements of Environmental Law;

(b) any losses suffered by the Indemnitees for, in connection with, or as a direct or indirect result of, the presence of any Hazardous Material situated in, on or under any property owned by the Borrower or any of its Subsidiaries or upon which any of them carries on business, specifically including any diminution in value of the business, property and assets of such Person; and

(c) any and all liabilities, losses, damages, penalties, expenses (including reasonable legal fees) and claims which may be paid, incurred or asserted against the Indemnitees for, in connection with, or as a direct or indirect result of, any legal or administrative proceedings with respect to the presence of any Hazardous Material on or under any property owned by the Borrower or any of its Subsidiaries or upon which any of them carries on business, or the discharge, emission, spill, radiation or disposal by the Borrower or any of its Subsidiaries of any Hazardous Material into or upon any Land, the atmosphere, or any watercourse or body of water; including the costs of defending, counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by the Indemnitees of any such action or matter,

except to the extent arising from the negligence or wilful misconduct of such Indemnitees. For the purpose of this Section 12.5, liabilities mean those amounts that are quantifiable and found to be the responsibility of the Indemnitees either alone or jointly or severally with others.

12.6 Survival of Certain Obligations despite Termination of Agreement

The termination of this Agreement shall not relieve the Borrower from its obligations to the Agent and the Lenders arising prior to such termination, such as obligations arising as a result of or in connection with any breach of this Agreement, any failure to comply with this Agreement or the inaccuracy of any representations and warranties made or deemed to have been made prior to such termination, and obligations arising pursuant to all indemnity obligations contained herein. Without limiting the generality of the foregoing, the obligations of the Borrower to the Agent and the Lenders arising under or in connection with Section 12.4 and 12.5 of this Agreement and Section 3.2 of the CBA Model Provisions shall continue in full force and effect despite any termination of this Agreement.

12.7 Interest on Unpaid Costs and Expenses

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

12.8 Notice

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

(a) to the Borrower:

Pinnacle Renewable Energy Inc.
Suite 350, 3600 Lysander Lane
Richmond, British Columbia V7B 1C3

Attention: [redacted]
Fax No.:

With a Copy to:

ONCAP Management Partners, L.P.
161 Bay Street, 48th Floor
Box 220
Toronto, Ontario M5J 2S1

Attention: [redacted]
Fax No.:

(b) For Security Documentation including PPSA registration to:

The Bank of Nova Scotia
40 King Street West
Scotia Plaza, 55th Floor
Toronto, Ontario M5H 1H1

Attention: [redacted]
Fax No.:

(c) To the Agent:

The Bank of Nova Scotia, as Administrative Agent
GWO - Global Corporate Loan Operations
Second Floor
720 King Street West
Toronto, Ontario M5V 2T3

Attention: [redacted]
Fax No.:

(d) For Financial Reporting: reports required in Section 6.4 can be delivered by electronic communication to:

The Bank of Nova Scotia
40 King Street West
Scotia Plaza, 55th Floor
Toronto, Ontario M5H 1H1

Attention: [redacted]
Fax No.:

(e) to any Lender, at its addressed noted on Exhibit "A" attached hereto.

Any communication transmitted by prepaid private courier shall be deemed to have been validly and effectively given or delivered on the Business Day after which it is submitted for delivery. Any communication transmitted by facsimile shall be deemed to have been validly and effectively given or delivered on the day on which it is transmitted, if transmitted on a Business Day on or before 5:00 p.m. (local time of the intended recipient), and otherwise on the next following Business Day. Any party may change its address for service by notice given in the foregoing manner.

12.9 Severability

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

12.10 Further Assurances

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

12.11 Time of the Essence

Time shall be of the essence of this Agreement.

12.12 Tombstone Marketing

For the purpose of “tombstone marketing”, the Borrower hereby authorizes and consents to the reproduction, disclosure and use by the Lenders and the Agent of its name, identifying logo and the Facilities to enable the Lenders to publish promotional “tombstones”; provided that the amount of the Facilities shall not be disclosed. The Borrower acknowledges and agrees: that the Lenders shall be entitled to determine, in their discretion, whether to use such information; that no compensation will be payable by the Lenders or the Agent in connection therewith; and that the Lenders and the Agent shall have no liability whatsoever to the Borrower or any of its employees, officers, directors, affiliates or shareholders in obtaining and using such information as contemplated herein. In addition, the Agent and the Lenders may disclose the existence of this agreement to market data collectors, similar service providers to the lending industry and service providers to the Agent and the Lenders including league table providers, that serve the industry.

12.13 Entire Agreement; Waivers and Amendments to be in Writing

12.13.1 This Agreement supersedes, restates and replaces the Second Restated Credit Agreement as of the Third Closing Date and further supersedes all discussion papers, term sheets and other writings issued by the Agent or the Lenders prior to the date hereof relating to the Facilities; and this Agreement and any other documents or instruments contemplated herein or therein shall constitute the entire agreement and understanding among the Borrower, the Lenders and the Agent relating to the subject-matter hereof.

12.13.2 Subject to Section 10.1.3, Section 10.1.5 and Section 10.10, no provision of this Agreement, or any other document or instrument in existence among the parties may be modified, waived or terminated except by an instrument in writing executed by the party against whom such modification, waiver or termination is sought to be enforced.

12.14 Inconsistencies with Security

To the extent that there is any inconsistency between a provision of this Agreement and a provision of any document constituting part of the Security, the provision of this Agreement shall govern. For greater certainty, a provision of this Agreement and a provision of the Security shall be considered to be inconsistent if both relate to the same subject-matter and the provision in one such document imposes more onerous obligations or restrictions than the corresponding provision in the other.

12.15 Confidentiality

The Agent and the Lenders agree that all documentation and other information made available by the Borrower to them under or in connection with this Agreement shall (except to the extent such documentation or other information is publicly available or hereafter becomes publicly available other than by their actions, or was theretofore known or hereinafter becomes known to them independently of any disclosure by the Borrower) be held in confidence by them and used solely in the evaluation, administration and enforcement of the Advances and all matters related to this Agreement and the Security and the transactions contemplated hereby and thereby, and in the prosecution or defence of legal proceedings arising in connection herewith and therewith. Notwithstanding the foregoing, nothing contained herein shall be construed to prevent the Agent or the Lenders from (a) making disclosure of any information (i) if required to do so by applicable law or regulation, (ii) to any Governmental Authority having or claiming to have authority to regulate or oversee any aspect of the business of the Agent, the Lenders or the Borrower in connection with the exercise of such authority or claimed authority and that compels or requires the disclosure of such information, (iii) pursuant to any subpoena or if otherwise compelled in connection with any litigation or administrative proceeding, (iv) to any prospective participant or assignee of all or any portion of the rights and obligations of the Agent or any Lender hereunder provided that such prospective assignee executes and delivers to the Borrower a confidentiality agreement in form and substance acceptable to it, acting reasonably, or (v) to the extent that the Agent or its counsel deems necessary or appropriate, acting reasonably, to effect or preserve its Security or to enforce any remedy provided in this Agreement or the Security or otherwise available by law; or (b) making, on a confidential basis, such disclosures as the Agent and the Lenders reasonably deem necessary or appropriate to their legal counsel, accountants or other advisers, agents or representatives (including outside auditors).

12.16 Jury Trial Waiver

EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM, OR COUNTERCLAIM, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT FOR THE SECURITY.

12.17 Execution by Fax and Counterparts

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and which counterparts together shall constitute one and the same Agreement. This Agreement may be executed by facsimile or pdf, and any signature contained hereon by facsimile or pdf shall be deemed to be equivalent to an original signature for all purposes.

12.18 Binding Effect

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

12.19 Statement of Intention Regarding Original Obligations

This Agreement is a restatement of the Restated Credit Agreement, it being acknowledged and agreed that all obligations owing under the Second Restated Credit Agreement as of the Third Closing Date constitute obligations hereunder and this Agreement does not constitute a novation of the Second Restated Credit Agreement or the principal amount outstanding thereunder. From and after the Third Closing Date, any reference in any Loan Document to the Original Credit Agreement, Restated Credit Agreement or Second Restated Credit Agreement shall be deemed to be a reference to this Agreement. Without limiting the generality of the foregoing, the parties agree that all Obligations of the Credit Parties, including principal and interest, outstanding on the Third Closing Date, shall, on and after the Third Closing Date, be deemed to be Obligations outstanding hereunder, and subject to the terms of this Agreement. All other Loan Documents between any one or more of the parties hereto or issued by the Credit Parties to the Lenders, including account documents, reimbursement agreements to the extent they are not amended and restated by separate agreements are hereby ratified and confirmed in all respects and shall continue in full force and effect, unamended, except that as of the Third Closing Date any references therein to a prior dated credit agreement shall be amended to refer to this Agreement.

12.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

IN WITNESS WHEREOF this Agreement has been executed, sealed and delivered by the parties hereto under the hands of their proper officers duly authorized in that behalf.

(SIGNATURE PAGES FOLLOW)

PINNACLE RENEWABLE ENERGY INC., as Borrower

By: *Signed (“Andrea Johnston")*
Name: Andrea Johnston
Title: Chief Financial Officer

THE BANK OF NOVA SCOTIA, as a Lender

By: *<u>Signed (“James Rhee")</u>*
Name: James Rhee
Title: Managing Director

By: *<u>Signed (“Andrew Morales")</u>*
Name: Andrew Morales
Title: Associate Director

THE BANK OF NOVA SCOTIA, as Agent

By: *<u>Signed (“Adam R. Kennel")</u>*
Name: Adam R. Kennel
Title: Associate Director

By: *<u>Signed (“Clement Yu")</u>*
Name: Clement Yu
Title: Director

CANADIAN IMPERIAL BANK OF COMMERCE,
as a Lender

By: *Signed (“Timothy Samis")*
Name: Timothy Samis
Title: Authorized Signatory

By: *Signed (“Chi Lee")*
Name: Chi Lee
Title: Authorized Signatory

EXPORT DEVELOPMENT CANADA, as a Lender

By: *Signed (“Trystan Glynn-Morris")*
Name: Trystan Glynn-Morris
Title: Senior Associate, Structured and Project Finance

By: *Signed (“Frank Kelly")*
Name: Frank Kelly
Title: Director, Extractive Industries, Structured and Project Finance

ROYAL BANK OF CANADA, as a Lender

By: *Signed (“Baljit Mann")*
Name: Baljit Mann
Title: Authorized Signatory

By: *Signed (“Curtis Standerwick")*
Name: Curtis Standerwick
Title: Authorized Signatory

BANK OF MONTREAL, as a Lender

By: *Signed (“Umair Mansoor")*
Name: Umair Mansoor
Title: Managing Director

By: *Signed (“Gabi Mandowsky")*
Name: Gabi Mandowsky
Title: Director

HSBC BANK CANADA, as a Lender

By: *Signed (“Dimitri Kovachis")*
Name: Dimitri Kovachis
Title: Director, Large Corporate Banking

By: *Signed (“Chad Iwata")*
Name: Chad Iwata
Title: Director

CANADIAN WESTERN BANK, as a Lender

By: *Signed ("Stephen Jacobson")*
Name: Stephen Jacobson
Title: Sr. Manager, Corporate Lending

By: *Signed ("John Plant")*
Name: John Plant
Title: AVP, Corporate Lending

NATIONAL BANK OF CANADA, as a Lender

By: *Signed (“David Sellitto")*
Name: David Sellitto
Title: Director

By: *Signed (“David Torrey")*
Name: David Torrey
Title: Managing Director

ALBERTA TREASURY BRANCHES, as a Lender

By: *Signed (“Michael Thomas")*
Name: Michael Thomas
Title: Director

By: *Signed (“Kateryna Guay")*
Name: Kateryna Guay
Title: Associate Director

Exhibit A - Lenders' Commitments has been redacted

EXHIBIT "B"- DRAWDOWN REQUEST

To: The Bank of Nova Scotia, as Agent (the "**Agent**")

This Drawdown Request is delivered pursuant to the third amended and restated credit agreement made among Pinnacle Renewable Energy Inc., as Borrower, the Agent and the Lenders (as defined therein), dated as of December ■, 2017 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"). All capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement.

1. The Borrower hereby requests an Advance as follows:

   (a) Facility:

   (b) date of Advance:

   (c) amount of Advance:

   (d) type of Availment Option:

   (e) if Availment Option is one of the following indicated period requested:

      (i) a Bankers' Acceptance or BA Equivalent Loan; or

      (ii) LIBOR Loan.

   (f) if Letter of Credit requested, attach schedule setting out requested terms

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

   (a) other than as described below, the representations and warranties in the Credit Agreement continue to be true and correct in all material respects as if made on the date hereof, except to the extent the relate to an earlier date in which case they are true and correct in all material respects as of such date; and

   [NTD: Include description referenced above, if applicable]

   (b) no Default or Event of Default has occurred and is continuing, nor shall the making of the Advance result in the occurrence of any Default or Event of Default.

Dated this ________________ day of _________________________, ___________.

PINNACLE RENEWABLE ENERGY INC.

by ________________________________
Name:
Title:

____
Name:
Title:

EXHIBIT "C" - ROLLOVER NOTICE

To: The Bank of Nova Scotia, as Agent (the "**Agent**")

This Rollover Notice is delivered pursuant to the third amended and restated credit agreement made among Pinnacle Renewable Energy Inc., as Borrower, the Agent and the Lenders (as defined therein), dated as of December ■, 2017 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"). All capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement.

1. The Borrower hereby requests a Rollover as follows:

   (a) Facility:

   (b) type of Availment Option:

   (c) amount of maturing Advance:

   (d) date of maturing Advance:

   (e) period requested:

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

   (a) other than as described below, the representations and warranties in the Credit Agreement continue to be true and correct in all material respects as if made on the date hereof, except to the extent the relate to an earlier date in which case they are true and correct in all material respects as of such date; and

   (b) no Default or Event of Default has occurred and is continuing, nor shall the making of the Advance result in the occurrence of any Default or Event of Default.

Dated this __________ day of _________________________, ___________.

PINNACLE RENEWABLE ENERGY INC.

by ____________________________________
Name:
Title:

____
Name:
Title:

EXHIBIT "D" - CONVERSION NOTICE

To: The Bank of Nova Scotia, as Agent (the "**Agent**")

This Conversion Notice is delivered pursuant to the third amended and restated credit agreement made among Pinnacle Renewable Energy Inc., as Borrower, the Agent and the Lenders (as defined therein), dated as of December ■, 2017 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"). All capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement.

1. The Borrower hereby requests a Conversion as follows:

   (a) Facility:

   (b) type of Availment Option to be converted:

   (c) amount of Advance to be converted:

   (d) Conversion Date:

   (e) type of Availment Option requested:

   (f) period requested:

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

   (a) the representations and warranties in the Credit Agreement are true and correct in all material respects as if made on the date hereof; and

   (b) no Default or Event of Default has occurred and is continuing, nor shall the making of the Advance result in the occurrence of any Default or Event of Default.

Dated this __________ day of _________________________, ___________.

PINNACLE RENEWABLE ENERGY INC.

by ______________________________________
Name:
Title:

____
Name:
Title:

<u>EXHIBIT "E" – REPAYMENT NOTICE</u>

To: The Bank of Nova Scotia, as Agent (the "**Agent**")

This Repayment Notice is delivered pursuant to the third amended and restated credit agreement made among Pinnacle Renewable Energy Inc., as Borrower, the Agent and the Lenders (as defined therein), dated as of December ■, 2017 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"). All capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement.

The Borrower hereby irrevocably commits to make a Repayment as follows:

(a) Facility:

(b) Date of Repayment:

(c) Amount of Repayment:

(d) Type of Availment Option to be repaid:

Dated this __________ day of _________________________, ____________ .

PINNACLE RENEWABLE ENERGY INC.

by ____

Name:
Title:

____

Name:
Title:

EXHIBIT "F" - COMPLIANCE CERTIFICATE

TO: The Bank of Nova Scotia, as Agent

This Compliance Certificate is delivered pursuant to the third amended and restated credit agreement made among Pinnacle Renewable Energy Inc., as Borrower, the Agent and the Lenders (as defined therein) dated as of December ■, 2017 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Credit Agreement**"). Terms used herein with initial capital letters (other than for grammatical purposes) and not otherwise defined shall have the respective meanings ascribed thereto in the Credit Agreement.

1. The following are the financial ratios and covenants in respect of Pinnacle Renewable Energy Inc. on a consolidated basis, calculated in accordance with the provisions of the Credit Agreement, as at the end of the calendar month ended [ ] (or the Fiscal Quarter ended [ ] as applicable) (or in respect of the financial period(s) ended on such date, as indicated below):

(a) Senior Debt to Adjusted EBITDA Ratio: ___________________________________

(b) Fixed Charge Coverage Ratio: ____

2. Attached hereto is an analysis of any material variances in the financial results in such calendar month (or Fiscal Quarter as applicable) from the projections contained in the most recent annual budget presented to the Lenders pursuant to paragraph 6.4(b) of the Credit Agreement.

3. The undersigned officer of Pinnacle Renewable Energy Inc. hereby certifies on behalf of Pinnacle Renewable Energy Inc. and without personal liability that as at the date hereof:

(a) the foregoing information and all information contained in the attachments hereto was true, correct and complete as at the end of the calendar month (or Fiscal Quarter as applicable);

(b) other than as described below, the representations and warranties in the Credit Agreement continue to be true and correct in all material respects as if made on the date hereof, except to the extent they related to an earlier date in which case they are true and correct in all material respects as of such date; and

[NTD: Include description referenced above, if applicable]

(c) no Default or Event of Default has occurred and is continuing.

4. This paragraph is applicable only if this Compliance Certificate is given in respect of the last Fiscal Quarter in a Fiscal Year. The Repayment required pursuant to paragraph 4.3.1 of the Credit Agreement is determined as follows (which said Repayment is to be made within four months after the end of such Fiscal Year):

(a) if the Senior Debt to Adjusted EBITDA Ratio at the end of such Fiscal Year is greater than 3.50 to 1, the Repayment is equal to the Excess Cash Flow in such Fiscal Year [ ] x 50% = [_];

(b) if the Senior Debt to Adjusted EBITDA Ratio at the end of such Fiscal Year is greater than or equal to 2.75 to 1 (but not in excess of 3.50 to 1.00), the Repayment is equal to the Excess Cash Flow in such Fiscal Year [ ] x 25% = [ ].

Dated this __________ day of _________________________, ___________.

PINNACLE RENEWABLE ENERGY INC.

by ____________________________________

Name:
Title:

____

Name:
Title:

<u>**EXHIBIT "G" - FORM OF BA EQUIVALENT NOTE**</u>

[insert date]

FOR VALUE RECEIVED, the undersigned hereby promises to pay to the order of **[name of Non-BA Lender]** at its office at **[insert address from Credit Agreement]**, the sum of ____ Dollars ($______________________) in lawful money of Canada on **[insert date of maturity]**.

Dated this __________ day of _________________________, ___________.

PINNACLE RENEWABLE ENERGY INC.

by ____________________________________

Name:
Title:

____

Name:
Title:

EXHIBIT "H" - CBA MODEL PROVISIONS

See attached.

MODEL CREDIT AGREEMENT PROVISIONS

ARTICLE 1
DEFINITIONS

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by the Administrative Agent;

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries. Controls or is Controlled by or is under common Control with the Person specified;

"**Agreement**" means the credit agreement of which these Provisions form part;

"**Applicable Law**" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law;

"**Applicable Percentage**" means with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be the percentage of the total outstanding Loans and participations in respect of Letters of Credit represented by such Lender's outstanding Loans and participations in respect of Letters of Credit;

"**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;

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent;

“**Basel III**” means (i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; and (ii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority;

"**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, by contract or otherwise. "**Controlling**" and "**Controlled**" have corresponding meanings;

"**Default**" means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both;

"**Eligible Assignee**" means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Article 10(b) has been obtained;

"**Excluded Taxes**" means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of an Obligor hereunder, (a) taxes imposed on or measured by its net income, 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, (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is located and (c) in the case of a Foreign Lender (other than (i) an assignee pursuant to a request by the Borrower under Section 3.3(b), (ii) an assignee pursuant to an Assignment and Assumption made when an Event of Default has occurred and is continuing or (iii) any other assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that (A) is not imposed or assessed in respect of a Loan that was made on the premise that an exemption from such withholding tax would be available where the exemption is subsequently determined, or alleged by a taxing authority, not to be available and (B) is required by Applicable Law to be withheld or paid in respect of any amount payable hereunder or under any Loan Document to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.2(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from an Obligor with respect to such withholding tax pursuant to Section 3.2(a) and any U.S. federal withholding tax under FATCA. For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto;

"**FATCA**" means Sections 1471 through 1474 of the IRC as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof;

"**Foreign Lender**" means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Loan Document to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For purposes of this definition Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia 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;

"**Governmental Authority**" means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;

"**Indemnified Taxes**" means Taxes other than Excluded Taxes;

"**IRC**" means Internal Revenue Code of 1986 of the United States of America;

"**Issuing Bank**" means the Person named elsewhere in this Agreement as the issuer of Letters of Credit on the basis that it is "fronting" for other Lenders and not on the basis that it is the attorney of other Lenders to sign Letters of Credit on their behalf, or any successor issuer of Letters of Credit. For greater certainty, where the context requires, references to "Lenders" in these Provisions include the Issuing Bank;

"**Loan**" means any extension of credit by a Lender under this Agreement, including by way of bankers' acceptance or LIBO Rate Loan, except for any Letter of Credit or participation in a Letter of Credit;

"**Obligors**" means, collectively, the Borrower and each of the guarantors of the Borrower's obligations that are identified elsewhere in this Agreement;

"**Other Taxes**" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document;

"**Participant**" has the meaning assigned to such term in Article 10(d);

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity;

"**Provisions**" means these model credit agreement provisions;

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

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

ARTICLE 2
TERMS GENERALLY

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (c) the words "herein", "hereof and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) unless otherwise expressly stated, all references in these Provisions to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, these Provisions, but all such references elsewhere in this Agreement shall be construed to refer to this Agreement apart from these Provisions, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) If there is any conflict or inconsistency between these Provisions and the other terms of this Agreement, the other terms of this Agreement shall govern to the extent necessary to resolve the conflict or inconsistency.

ARTICLE 3
YIELD PROTECTION

3.1 Increased Costs

(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 of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 3.2 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(iii) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

Notwithstanding anything contained in this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, requirements and directives promulgated thereunder, issued in connection therewith or in implementation thereof and (ii) all requests, rules, regulations, guidelines or directives whether concerning capital adequacy or liquidity promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, in each case, be deemed a “Change in Law” regardless of the date enacted, adopted, applied or issued.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, 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 such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or the Letters of Credit issued or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company 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 holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, 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 shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section 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 therefore, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.

3.2 Taxes

(a) Payments Subject to Taxes. If any Obligor, the Administrative Agent, or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Obligor shall make any such deductions required to be made by it under Applicable Law and (iii) the Obligor shall timely pay the full amount required to be 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 Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative 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 Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Administrative 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 Administrative 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, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative 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, (a) any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto shall within five days thereof notify the Borrower and the Administrative Agent in writing.

(f) Treatment of Certain Refunds and Tax Reductions. If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which an Obligor has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or Obligor, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or Obligor as applicable, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender if the Administrative Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This paragraph shall not be construed to require the Administrative

Agent or any Lender 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, to arrange its affairs in any particular manner or to claim any available refund or reduction.

(g) If a payment to any Lender under this Agreement would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with its obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

3.3 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans 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 3.1 or 3.2, 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.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.1, if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, if any Lender's obligations are suspended pursuant to Section 3.4 or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Article 10), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrower pays the Administrative Agent the assignment fee specified in Section Article 10(b)(vi);

(ii) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loans and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.1 or payments required to be made pursuant to Section 3.2, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

3.4 Illegality

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make or maintain any Loan (or to maintain its obligation to make any Loan), or to participate in, issue or maintain any Letter of Credit (or to maintain its obligation to participate in or to issue any Letter of Credit), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Loans, or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

3.5 Inability to Determine Rates, Etc.

If the Required Lenders determine that for any reason a market for bankers' acceptances does not exist at any time or the Lenders cannot for other reasons, after reasonable efforts, readily sell bankers' acceptances or perform their other obligations under this Agreement with respect to bankers' acceptances, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the Borrower's right to request the acceptance of bankers' acceptances shall be and remain suspended until the Required Lenders determine and the Agent notifies the Borrower and each Lender that the condition causing such determination no longer exists. If the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan, or that the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBO Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a borrowing, conversion or continuation of LIBO Rate Loans or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans in the amount specified therein.

ARTICLE 4
RIGHT OF SETOFF

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Administrative Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under this Article 4, it shall share the benefit received in accordance with Article 5 as if the benefit had been received by the Lender of which it is an Affiliate.

ARTICLE 5
SHARING OF PAYMENTS BY LENDERS

If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Loans and accrued interest thereon or other obligations hereunder greater than its *pro rata* share thereof as provided herein, then the Lender receiving such payment or other reduction shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations 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 Loans and other amounts owing them, 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;

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in disbursements under Letters of Credit to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

(iii) the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Lien or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of derivatives entered into between the Obligor and such Lender, or (z) any payment to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

The Obligors consent to the foregoing and agree, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Obligor rights of setoff and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of each Obligor in the amount of such participation.

ARTICLE 6
ADMINISTRATIVE AGENT'S CLAWBACK

(a) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any advance of funds that such Lender will not make available to the Administrative Agent such Lender's share of such advance, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable advance available to the Administrative Agent, then the applicable Lender shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such advance. If the Lender does not do so forthwith, the Borrower shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make such payment to the Administrative Agent.

(b) Payments by Borrower: Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

ARTICLE 7
AGENCY

7.1 Appointment and Authority

Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Person identified elsewhere in this Agreement as the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Bank, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

7.2 Rights as a Lender

The Person serving as the Administrative 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 Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate thereof as if such Person were not the Administrative Agent and without any duty to account to the Lenders.

7.3 Exculpatory Provisions

(a) The Administrative 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 Administrative 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 Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable 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 person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Administrative Agent by the Borrower or a Lender.

(c) Except as otherwise expressly specified in this Agreement, the Administrative 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 performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

7.4 Reliance by Administrative Agent

The Administrative 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 posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative 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 a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative 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.

7.5 Indemnification of Administrative Agent

Each Lender agrees to indemnify the Administrative Agent and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Applicable Percentage (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Administrative Agent's gross negligence or wilful misconduct.

7.6 Delegation of Duties

The Administrative 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 Administrative Agent from among the Lenders (including the Person serving as Administrative Agent) and their respective Affiliates. The Administrative 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 provisions of this Article and other provisions of this Agreement for the benefit of the Administrative Agent shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

7.7 Replacement of Administrative Agent

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto, Ontario or Montreal, Quebec, or an Affiliate of any such Lender with an office in Toronto or Montreal. The Administrative Agent may also be removed at any time by the Required Lenders upon 30 days' notice to the Administrative Agent and the Borrower as long as the Required Lenders, in consultation with the Borrower, appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto or Montreal, or an Affiliate of any such Lender with an office in Toronto or Montreal.

(b) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications specified in Section 7.7(a), provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in the preceding paragraph.

(c) Upon a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent, and the former Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent, the provisions of this Section 7.7(c) and of Article 9 shall continue in effect for the benefit of such former Administrative 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 former Administrative Agent was acting as Administrative Agent.

7.8 Non-Reliance on Administrative Agent and Other Lenders

Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other 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 the Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other 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.

7.9 Collective Action of the Lenders

Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, any collateral security and the remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Administrative Agent upon the decision of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder but that any such action shall be taken only by the Administrative Agent with the prior written agreement of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Administrative Agent to the extent requested by the Administrative Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Administrative Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Administrative Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

7.10 No Other Duties, etc.

Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or holders of similar titles, if any, specified in this Agreement 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 Administrative Agent or a Lender hereunder.

ARTICLE 8
NOTICES; EFFECTIVENESS; ELECTRONIC COMMUNICATION

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as-provided in Article 8(b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified elsewhere in this Agreement or, if to a Lender, to it at its address or telecopier number specified in the Register or, if to an Obligor other than the Borrower, in care of the Borrower.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a business day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender of Loans to be made or Letters of Credit to be issued if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative 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 Administrative 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), provided that if such notice 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, 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.

(c) Change of Address, Etc.

Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

ARTICLE 9
EXPENSES; INDEMNITY; DAMAGE WAIVER

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, 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 Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Bank, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Bank, 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 third party or by any Obligor 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 or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor 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), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Obligor, or any Environmental Liability related in any way to any Obligor, or (iv) 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 an Obligor 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 wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Obligor has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 3.1, 3.2 and Article 9(a).

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Bank or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Bank or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, 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 Administrative Agent (or any such sub-agent) or the Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or Issuing Bank in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the other provisions of this Agreement concerning several liability of the Lenders.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Obligors shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct 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 (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee 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.

(e) Payments. All amounts due under this Section shall be payable promptly after demand therefor. A certificate of the Administrative Agent or a Lender setting forth the amount or amounts owing to the Administrative Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

ARTICLE 10
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 no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (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 paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the

Administrative 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 Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that:

(i) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan 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 Administrative 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 (unless the Commitment of the Lender in respect of such assigned Facility is less than $5,000,000) in the case of any assignment, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);

(ii) 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 Loan 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 credits on a non-pro rata basis;

(iii) any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by any Issuing Bank (such approval not to be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself already a Lender with a Commitment under that credit;

(iv) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless:

(x) in the case of an assignment of a Commitment relating to a revolving credit, the proposed assignee is itself already a Lender with the same type of Commitment;

(y) no Event of Default has occurred and is continuing, and the assignment is of a Commitment relating to a non-revolving credit that is fully advanced; or

(z) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investor Services Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Dominion Bond Rating Service Limited, respectively;

(v) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender with the same type of Commitment or a Default has occurred and is continuing; and

(vi) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in an amount specified elsewhere in this Agreement and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible 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 other Loan Documents, including any collateral security, 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 Article 3 and Article 9, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. 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 paragraph (d) of this Section. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

(c) Register. The Administrative Agent shall maintain at one of its offices in Toronto, Ontario or Montreal, Quebec 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 Loans 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 Administrative Agent and the Lenders may 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, notwithstanding notice to the contrary. 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 Administrative Agent, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor) (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 Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Article 3 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Article 4 as though it were a Lender, provided such Participant agrees to be subject to Article 5 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.1 and 3.2 than the applicable 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 3.2 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 3.2(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, but 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.

ARTICLE 11
GOVERNING LAW; JURISDICTION; ETC.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Province specified elsewhere in this Agreement and the laws of Canada applicable in that Province.

(b) Submission to Jurisdiction. Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province specified elsewhere in this Agreement, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 12
WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

ARTICLE 13
COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in the conditions precedent Section(s) of this Agreement, this Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

ARTICLE 14
TREATMENT OF CERTAIN INFORMATION; CONFIDENTIALITY

(a) Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (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), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (iii) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) 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, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, with the consent of the Borrower or (vii) 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 Administrative Agent or any Lender on a non-confidential basis from a source other than an Obligor.

(b) For purposes of this Section, "Information" means all information received in connection with this Agreement from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. 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. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers

(c) In addition, and notwithstanding anything herein to the contrary, the Administrative Agent may provide the information described on Exhibit B concerning the Borrower and the credit facilities established herein to Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in the loan market.

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

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 **[Insert name of Assignor]** (the "**Assignor**") and **[Insert name of Assignee]** (the "**Assignee**"). Capitalized terms used but not defined herein shall have the meanings given to them in the third amended and restated credit agreement identified below (as amended and restated, the "**Third Amended and Restated Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the 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 Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Third Amended and Restated Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Third Amended and Restated 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 under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans 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) against any Person, whether known or unknown, arising under or in connection with the Third Amended and Restated 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 pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "**Assigned Interest**"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: ______________________________

2. Assignee: ______________________________
[and is an Affiliate/Approved Fund of [*identify Lender*]]

3. Borrower(s): ______________________________

4. Administrative Agent: ______________________________, as the administrative agent under the Third Amended and Restated Credit Agreement.

5. Third Amended and Restated Credit Agreement: **[The [*amount*] Third Amended and Restated Credit Agreement dated as of _____among [*name of Borrower(s)*], the Lenders parties thereto, [*name of Administrative Agent*], as Administrative Agent, and the other agents parties thereto.]**

6. Assigned Interest:

Facility Assigned	**Aggregate Amount of Commitment/ Loans for all Lenders**	**Amount of Commitment/ Loans Assigned**	**Percentage Assigned of Commitment/ Loans**	**CUSIP Number**
	$	$	%	
	$	$	%	
	$	$	%	

7. [Trade Date: ______________________]

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
[NAME OF ASSIGNOR]

By: ________________________________
Name:
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: ________________________________
Name:
Title:

[Consented to and] Accepted:

[NAME OF ADMINISTRATIVE AGENT], as Administrative Agent

By: ________________________________
Title:

[Consented to:]

[NAME OF RELEVANT PARTY]

By: ________________________________
Title:

ANNEX 1 to Assignment and Assumption

[________________________]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

ARTICLE 1
REPRESENTATIONS AND WARRANTIES

1.1 Assignor

The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (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 (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Third Amended and Restated Credit Agreement or any other Loan Document, (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

The 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 Third Amended and Restated Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Third Amended and Restated Credit Agreement (subject to receipt of such consents as may be required under the Third Amended and Restated Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Third Amended and Restated Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Third Amended and Restated Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section ____ thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Third Amended and Restated Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the 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.

ARTICLE 2
PAYMENTS

From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

ARTICLE 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 permitted 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 or by sending a scanned copy by electronic mail 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 governing the Third Amended and Restated Credit Agreement.

EXHIBIT B

LOAN MARKET DATA TEMPLATE

Recommended Data Fields – At Close

The items highlighted in bold are those that Loan Pricing Corporation (LPC) deem essential. The remaining items are those that LPC has seen become more prominent over time as transparency has increased in the U.S. Loan Market.

Company Level	Deal Specific	Facility Specific
Issuer Name	**Currency/Amount**	**Currency/Amount**
Location	**Date**	**Type**
SIC (Cdn)	**Purpose**	**Purpose**
Identification Number(s)	**Sponsor**	**Tenor**
Revenue	**Financial Covenants**	Term Out Option
	Expiration Date	
	Target Company	**Facility Signing Date**
***Measurement and Risk**	**Assignment Language**	**Pricing**
S&P Sr. Debt	Law Firms	**Base**
Rate(s)/Spread(s)/BA/LIBOR		
S&P Issuer MAC Clause		**Initial Pricing Level**
Moody's Sr. Debt	Springing lien	**Pricing Grid (tied to, levels)**
Moody's Issuer	Cash Dominion	**Grid Effective Date**
Fitch Sr. Debt	Mandatory Prepays	**Fees**
Fitch Issuer Restricted Payments (Neg Covs)		**Participation Fee (tiered also)**
S&P Implied		
(Internal assessment)	Other Restrictions	**Commitment Fee**
DBRS		
Other Ratings	**Annual Fee**	
*Industry Classifications		**Utilization Fee**
Moody's Industry		**LC Fee(s)**
S&P Industry		**BA Fee**
Parent		**Prepayment Fee**
Financial Ratios	Other Fees to Market	
		Security
		Secured/Unsecured

Collateral and Seniority of Claim

Collateral Value

Guarantors Lenders

Names/Titles Lender

Commitment ($)

Committed/Uncommitted Distribution

Method **Amortization Schedule**

Borrowing Base/Advance Rates

New Money Amount **Country of**

Syndication Facility Rating (Loss given default)

S&P Bank Loan

Moody's Bank Loan

Loan Fitch Bank

Loan DBRS

Other Ratings

* These items would be considered useful to capture from an analytical perspective.

EXHIBIT "I" - FORM OF COMMITMENT AND ACCEPTANCE

Dated [■]

Reference is made to the third amended and restated credit agreement, dated as of December ■, 2017 (as extended, renewed, amended or restated from time to time, the "**Credit Agreement**"), among Pinnacle Renewable Energy Inc. (the "**Borrower**"), the Lenders party thereto (the "**Lenders**"), and The Bank of Nova Scotia, as Agent (the "**Agent**"). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to Section 4.13 of the Credit Agreement, the Borrower has requested an increase in the aggregate amount of the [Revolving][Term] Credit Commitments from $__to $___ ____________. Such increase in the aggregate amount of the **[Revolving][Term]** Credit Commitments is to become effective on the date (the "**Effective Date**") which is the later of (i) ____________, _____and (ii) the date on which the conditions precedent set forth in Section 4.13 in respect of such increase have been satisfied. In connection with such requested increase in the aggregate amount of Revolving Credit Commitments, the Borrower, the Agent and_______ ____________ (the "**Accepting Bank**") hereby agree as follows:

1. Effective as of the Effective Date, [the Accepting Bank shall become a party to the Credit Agreement as a Lender and shall have all of the rights and Obligations of a Lender thereunder and shall thereupon have a [Revolving][Term] Credit Commitment under and for purposes of the Credit Agreement in an amount equal to the] [the Revolving Credit Commitment of the Accepting Bank under the Credit Agreement shall be increased from $_____to the] amount set forth opposite the Accepting Bank's name on the signature page hereof.

2. The Accepting Bank hereby (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Commitment and Acceptance Agreement; (ii) agrees that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Agent to take such action as contractual representative on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. The Borrower hereby represents and warrants that as of the date hereof and as of the Effective Date, (a) the representations and warranties of the Borrower contained in Article V of the Credit Agreement are true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) as though made on and as of such date (except to

the extent such representations and warranties relate to an earlier date, in which case they were true and correct in all material respects as of such date) and (b) no event shall have occurred and then be continuing which constitutes a Default or an Event of Default.

4. THIS COMMITMENT AND ACCEPTANCE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS (WITHOUT REGARD TO THE CONFLICTS OF LAW PROVISIONS) OF THE PROVINCE OF ONTARIO.

5. This Commitment and Acceptance Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this commitment and Acceptance Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

PINNACLE RENEWABLE ENERGY INC.

By: ______________________________
Name:
Title:

THE BANK OF NOVA SCOTIA, AS AGENT

By: ______________________________
Name:
Title:

THE BANK OF NOVA SCOTIA, AS ISSUING BANK

By: ______________________________
Name:
Title:

COMMITMENT ACCEPTING BANK

[BANK]

By: ___________________________________
Name:
Title:

EXHIBIT "J" - CASH FLOW AGREEMENT

This Cash Flow Agreement dated as of __________ (this "**Agreement**") is entered into among the Borrower, PRHI, the ONCAP entities party hereto (the "**ONCAP Parties**") and the Agent (capitalized terms defined below).

WHEREAS Pinnacle Renewable Energy Inc. as borrower (the "**Borrower**") and The Bank of Nova Scotia as administrative agent (the "**Agent**") on behalf of the Lenders are parties to a third amended and restated credit agreement dated as of December ■, 2017 (as extended, renewed, amended or restated from time to time, the "**Credit Agreement**");

AND WHEREAS terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement, unless otherwise defined;

AND WHEREAS on or about _________________ the Borrower proposes to make a quarterly interest payment to PRHI in the amount of _____________________________ (the "**Borrower Interest Payment**");

AND WHEREAS immediately following PRHI's receipt of the Borrower Interest Payment, PRHI proposes to make a quarterly interest payment to the ONCAP Parties in the amount of _____________________ (the "**PRHI Interest Payment**", and together with the Borrower Interest Payment, the "**Interest Payments**");

AND WHEREAS immediately following receipt by the ONCAP Entities of the PRHI Interest Payment, the ONCAP Entities propose to reinvest into PRHI the amount received in respect of the PRHI Interest Payment (the "**ONCAP Reinvestment Amount**");

AND WHEREAS immediately following deposit into the PRHI Account of the ONCAP Reinvestment Amount, PRHI proposes to reinvest into Borrower the amount of the Borrower Interest Payment (the "**PRHI Reinvestment Amount**", and together with the ONCAP Reinvestment Amount, the "**Reinvestment Amounts**");

AND WHEREAS the Interest Payments and the Reinvestment Amounts are permitted under the Credit Agreement subject to the satisfaction of certain conditions including the execution and delivery of this agreement;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties hereby acknowledge and agree with each other and also in favour of the Agent and the Lenders as follows with respect to the payment sequence described above:

1. The Borrower irrevocably authorizes The Bank of Nova Scotia to advance the Borrower Interest Payment to PRHI by wire transfer into bank account no. ■ maintained by PRHI with The Bank of Nova Scotia (the "**PRHI Account**").

2. Upon deposit of the Borrower Interest Payment into the PRHI Account, PRHI irrevocably authorizes and directs The Bank of Nova Scotia to pay the PRHI Interest

Payment into bank account no. ■ maintained by the ONCAP Parties with The Bank of Nova Scotia (the "**ONCAP Account**").

3. Upon deposit of the PRHI Interest Payment into the ONCAP Account, the ONCAP Entities agree to reinvest into PRHI the ONCAP Reinvestment Amount and to that effect irrevocably authorize and direct The Bank of Nova Scotia to pay the ONCAP Reinvestment Amount into the PRHI Account.

4. Upon deposit of the ONCAP Reinvestment Amount into the PRHI Account, PRHI agrees to reinvest into Borrower the PRHI Reinvestment Amount and to that effect irrevocably authorizes and directs The Bank of Nova Scotia to immediately pay the PRHI Reinvestment Amount into the Borrower Account.

5. The Borrower and PRHI agree to use their own resources to fund any withholding tax payment required in connection with the payments described in this Agreement.

6. This Agreement shall be interpreted in accordance with the laws of the Province of Ontario. Without prejudice to the right of the Agent and the Lenders to commence any proceedings with respect to this Agreement in any other proper jurisdiction, the parties hereby attorn and submit to the jurisdiction of the courts of the Province of Ontario.

7. This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and which counterparts together shall constitute one and the same Agreement. This Agreement may be executed by facsimile or pdf, and any signature contained hereon by facsimile or pdf shall be deemed to be equivalent to an original signature for all purposes.

8. The undersigned hereby acknowledge and agree that the Agent and the Lenders may rely upon this Agreement as if they were signatories hereto. This agreement shall be binding upon and shall enure to the benefit of the Agent, the Lenders and the undersigned and their respective successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any party with any other corporation.

[The remainder of this page is intentionally blank. Signature pages follow.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date stated in the introductory paragraph hereof.

THE BANK OF NOVA SCOTIA, as Agent

by ______________________________

Name:
Title:

____

Name:
Title:

PINNACLE RENEWABLE ENERGY INC., as Borrower

By: ______________________________

Name:
Title:

PINNACLE RENEWABLE HOLDINGS INC.

By: ______________________________

Name:
Title:

ONCAP INVESTMENT PARTNERS II INC. in its capacity as General Partner of **ONCAP INVESTMENT PARTNERS II LP.** in its capacity as General Partner of **ONCAP II -A L.P.**

By: ______________________________

Name:
Title:

ONCAP INVESTMENT PARTNERS II INC. in its capacity as General Partner of **ONCAP INVESTMENT PARTNERS II LP.** in its capacity as General Partner of **ONCAP (US) II LP.**

By:________________________________
Name:
Title:

ONCAP INVESTMENT PARTNERS II INC. in its capacity as General Partner of **ONCAP INVESTMENT PARTNERS II LP.** in its capacity as General Partner of **ONCAP (US) II-A LP.**

By:________________________________
Name:
Title:

ONCAP INVESTMENT PARTNERS II INC. in its capacity as General Partner of **ONCAP INVESTMENT PARTNERS II LP.** in its capacity as General Partner of **ONEX PARALLEL INVESTMENT (ONCAP) L.P.**

By:________________________________
Name:
Title:

EXHIBIT "K" – SUBORDINATED SHAREHOLDER LOANS

See attached.

Shareholder Loans redacted

[redacted]

EXHIBIT "L" – EXISTING L/CS

1. Standby Letter of Credit No.: BMTO318467OS for the benefit of Fibreco Export Inc. dated as of January 10, 2011.

2. Standby Letter of Credit No.: BMTO481100OS for the benefit of B.C. Maritime Employers Association dated as of October 1, 2015, as extended as of October 4, 2016.

Schedules have been redacted