

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43,
as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

**DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE
GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES
WEST INC., and CROWN UTILITIES LTD.**

Respondents

**APPLICATION RECORD
(Returnable on February 28, 2019)**

February 28, 2019

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Lawyers for the Applicant, Royal Bank of Canada

TO: THIS HONOURABLE COURT

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43,
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Respondents

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TAB 1

**ONTARIO
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IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for an urgent hearing before a Judge on Thursday, February 28, 2019 at 12:00 p.m. or as soon after that time as the application can be heard at 330 University Avenue, in the City of Toronto, in the Province of Ontario, M5G 1E6.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, AN ORDER MAY BE MADE IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. If you wish to oppose this application but are unable to pay legal fees, legal aid may be available to you by contracting a Local Legal Aid office.

DATE: February 28, 2019

Issued by:

Address of Court office:
330 University Avenue
Toronto, Ontario M5G 1E6

TO: **THIS HONOURABLE COURT**
AND TO THE **DISTINCT INFRASTRUCTURE GROUP INC.**
RESPONDENTS: 77 Belfield Road, Suite 100
Toronto, ON M9W 1G6

DISTINCT INFRASTRUCTURE GROUP WEST INC.
c/o 77 Belfield Road, Suite 100
Toronto, ON M9W 1G6

DISTINCTTECH INC.
c/o 77 Belfield Road, Suite 100
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iVAC SERVICES INC.
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iVAC SERVICES WEST INC.
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CROWN UTILITIES LTD.
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APPLICATION

THE APPLICANT, Royal Bank of Canada (the “**Applicant**”), makes an application for an Order:

1. abridging the time for service of this Notice of Application and the materials filed in support of the application and dispensing with further service thereof;
2. appointing Deloitte Restructuring Inc. (“**Deloitte**”) as the receiver (the “**Receiver**”) of the property, assets and undertaking of Distinct Infrastructure Group Inc. (the “**Borrower**”), Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (collectively with the Borrower, the “**Debtors**”) pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”) and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the “**CJA**”); and
3. granting such other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

4. the Borrower is a publicly listed company on the TSX Venture Exchange and through its wholly owned subsidiaries, specializes in providing design, engineering, construction and maintenance services to telecommunication firms, utilities and government bodies across Canada;
5. as of February 25, 2019, the Borrower and its subsidiaries employed approximately 132 unionized employees and 178 salaried employees across Canada and all significant

strategic, corporate and financial management decisions are made at the Borrower's premises located in Toronto, Ontario;

6. pursuant to a credit agreement most recently dated March 23, 2017 (as amended, the "**Credit Agreement**"), the Bank made available certain credit facilities to the Borrower (the "**Credit Facilities**");
7. as at the close of business on February 21, 2019, the Borrower was indebted to the Bank under the Credit Facilities in the amounts of CAD\$53,373,111.88 and USD\$8,099.16, together with accruing interest, costs and fees, including legal fees and disbursements, incurred by the Bank to the date of payment;
8. as security for its obligations to the Bank, each of the Debtors granted security over all of their personal and real property to the Bank pursuant to, among other things, a general security agreement dated March 23, 2017 (the "**GSA**"). It is a term of the GSA that the Bank may appoint a receiver upon default by the Debtors in any of their obligations to the Bank;
9. the Bank registered its security interest against each of the Debtors pursuant to the *Personal Property Security Act* in each of Ontario and Alberta (and in some instances, Manitoba);
10. by letter dated November 29, 2018, the Borrower consented to the appointment by the Bank of Deloitte as the Bank's consultant to among other things, review the Borrower's operations, financial forecasts and financial reporting (including accounts receivables and work in progress balances) and the security position of the Bank;

11. the Consultant, in consultation with the Borrower's newly appointed Chief Financial Officer, began noticing irregularities in the Borrower's reporting to the Bank and, upon further review; indicated that the Borrower has materially misstated accounts receivable, invoices and work in progress amounts, which were also incorrectly used in the borrowing base calculations under the Credit Facilities;
12. the Borrower formed a Special Committee in response to the Borrower's violations of certain financial covenants contained in the Credit Agreement and shortly thereafter, announced that its prior audited and financial statements should no longer be relied upon;
13. on February 26, 2019, the Borrower provided a revised borrowing base calculation to the Bank as at January 31, 2019, demonstrating a borrowing base shortfall under the Credit Facilities in the amount of approximately \$30.65 million;
14. by letter dated February 23, 2019, the Bank demanded repayment from each of the Debtors of all amounts then outstanding to it by the Borrower (collectively, the "**Demands**") and together therewith delivered Notices of Intention to Enforce Security (collectively, the "**BIA Notices**") pursuant to Section 244 of the BIA;
15. the Bank's need for the appointment of a Receiver is apparent based on the current circumstances, including the following facts:
 - (a) advances to the Borrower under the Credit Facilities continue to significantly exceed the maximum credit available to the Borrower thereunder, in the amount of approximately \$30 million;

- (b) the Bank's security position has deteriorated very quickly and continues to deteriorate on a day to day basis and the Bank is concerned that its security position will further deteriorate absent the appointment of the Receiver;
 - (c) the Borrower does not have sufficient cash on hand to continue operations and the Bank is not prepared to fund such costs;
 - (d) Borrower has agreed to work constructively with the Bank to facilitate the best resolution for the Bank and other stakeholders; and
 - (e) the appointment of the Receiver is necessary to protect and ultimately realize on the collateral subject to the Bank's security for the benefit of the Bank as it relates to its anticipated significant shortfall;
16. Deloitte has consented to act as the Receiver;
17. Rules 2.03, 3.02, 14.05(2), 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, Section 243(1) of the BIA and Section 101 of the CJA; and
18. such other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this application:

- 1. the Affidavit of Gary Ivany, sworn February 28, 2019;
- 2. Consent of Deloitte Restructuring Inc.; and
- 3. such further and other evidence as counsel may advise and this Honourable Court may permit.

February 28, 2019

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Lawyers for the Applicant, Royal Bank of
Canada

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

and

DISTINCT INFRASTRUCTURE GROUP INC. *et al.*

Applicant

Respondents

Court File No. CV-19-_____

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

NOTICE OF APPLICATION

Thornton Grout Finnigan LLP

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Lawyers for the Applicant, Royal Bank of Canada

TAB 2

**ONTARIO
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Respondents

**AFFIDAVIT OF GARY IVANY
(Sworn February 28th, 2019)**

I, **GARY IVANY**, of the City of Pickering, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Director, Group Risk Management at Royal Bank of Canada (the “**Bank**”) and, as such, I have knowledge of the matters to which I depose herein and attest to the fact that they are true. Unless I indicate to the contrary, the facts herein are within my own personal knowledge. Where I have indicated that I have obtained facts from other sources, I have identified the sources and believe those facts to be true.

2. This affidavit is sworn in support of an application by the Bank for an order appointing Deloitte Restructuring Inc. as the receiver (the “**Receiver**”), of the property, assets and undertaking of Distinct Infrastructure Group Inc. (the “**Borrower**”), Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (collectively, the “**Guarantors**” and together with the Borrower, the “**Debtors**”) pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).

3. The Bank recently became aware that the Borrower had significantly misstated its borrowing base calculations, work in progress amounts and accounts receivables under the Credit Facilities (as defined below) in its reporting to the Bank. This resulted in the Borrower obtaining advances from the Bank under an operating line of credit of at least \$30 million more than was otherwise permitted under the Credit Facilities. The Borrower is experiencing a severely stressed liquidity position and does not have sufficient cash to support its ongoing operations. The Bank is extremely concerned about its security position and is seeking the appointment of the Receiver.

The Respondents

4. According to the records maintained by the Alberta Corporate Registry, the Borrower was incorporated pursuant to the laws of the Province of Alberta on September 19, 2012. The registered head office of the Borrower is in Edmonton, Alberta. The Borrower conducts its operations from its office in Toronto, Ontario. The Corporation Profile Report for the

Borrower lists Alex Agius, Douglas Horner, Joe Lanni, Michael Newman, Robert Normandeau and Garry Wetsch as Directors.

5. According to the records maintained by the Alberta Corporate Registry, Distinct Infrastructure Group West Inc. (“**Distinct West**”) was formed under the Alberta *Business Corporations Act* on January 3, 2017 as a result of an amalgamation between Pillar Contracting Ltd. and Distinct Infrastructure Group (Alberta) Ltd. The Corporation Profile Report for Distinct West lists Alex Agius, Emanuel (Manny) Bettencourt, and Giuseppe (Joe) Lanni as Directors.
6. According to the records maintained by the Ontario Ministry of Government Services, DistinctTech Inc. (“**DistinctTech**”) was formed under the Ontario *Business Corporations Act* on August 13, 2015 as a result of an amalgamation between DistinctTech Inc. and 2471685 Ontario Ltd. The Corporation Profile Report for Distinct West lists Alex Agius and Giuseppe (Joe) Lanni as Directors and Officers and Emanuel (Manny) Bettencourt as Officer.
7. According to the records maintained by the Ontario Ministry of Government Services, iVac Services Inc. (“**iVac**”) was incorporated pursuant to the laws of the Province of Ontario on October 1, 2013. The Corporation Profile Report for iVac lists Alex Agius and Giuseppe Lanni as Directors and Officers and Emanuel (Manny) Bettencourt as Officer.
8. According to the records maintained by the Alberta Corporate Registry, iVac Services West Inc. (“**iVac West**”) was formed under the Alberta *Business Corporations Act* on January 3, 2017 as a result of an amalgamation between Mega Diesel Excavating Ltd. and

iVac Services Ltd. The Corporation Profile Report for Distinct West lists Alex Agius, Emanuel (Manny) Bettencourt, and Giuseppe (Joe) Lanni as Directors.

9. According to the records maintained by the Manitoba Companies Office, Crown Utilities Ltd. (“**Crown**”) was formed under the Manitoba *Business Corporations Act* on July 31, 2001 as a result of an amalgamation between Crown Utilities Ltd. and Crown Home Renovations Ltd. The Corporation Profile Report for Crown lists Alex Agius, Emanuel (Manny) Bettencourt, and Giuseppe (Joe) Lanni as Directors. The Borrower announced it had acquired all of the issued and outstanding shares of Crown on November 21, 2017.
10. Copies of the Corporation Profile Reports with respect to each of the Debtors are attached hereto as **Exhibit “A”**.
11. The Borrower is a publicly listed company on the TSX Venture Exchange under the symbol “DUG” and is the sole shareholder of each of the Guarantors. The Borrower’s major assets are the shares it owns in respect of its subsidiaries, which includes the Guarantors. A copy of the Borrower’s most recent organizational chart is attached hereto as **Exhibit “B”**.
12. The Borrower, through its wholly owned subsidiaries, specializes in providing design, engineering, construction and maintenance services to telecommunication firms, utilities and government bodies across Canada. This includes underground construction, aerial construction, inventory management, and technical services including fibre to the building and home. The Borrower’s major customers include Rogers, Bell, Manitoba Hydro and The Manitoba Water Services Board.

13. Although the Borrower has operations in Manitoba and Ontario and formerly had operations in Alberta (related to Distinct West and iVac West), the primary location from which the Debtors operate is Toronto, Ontario. All significant strategic, corporate and financial management decisions are made at this location, although Crown maintains a significant level of autonomy with respect to its own day-to-day operations.
14. As of February 25, 2019, the Borrower and its subsidiaries employed approximately 132 unionized employees and 178 salaried employees across Canada. All unionized employees (save and except two) are subject to a Collective Agreement between The Utility Contractors' Association of Ontario and The Labourer's International Union of North America, Ontario Provincial District Council, with the current term being effective from May 1, 2016 to April 30, 2019. Due to the Borrower's liquidity crisis, headcount reductions were implemented on February 26 and 27, 2019, resulting in layoffs of nine hourly employees and twelve salaried employees. This is in addition to four executives that were recently terminated.
15. The majority of the Debtors' employees are based in Ontario, as demonstrated in the table below (numbers as at February 25, 2019):

Entity	Province	Unionized Employees	Non-Unionized Employees	Total Employees	% of Total Employees by Entity
DistinctTech	Ontario	126	69	195	63%
iVac	Ontario	6	-	6	2%
Crown	Manitoba	-	109	109	35%

Distinct West	Alberta	-	-	-	<i>0%</i>
iVac West	Alberta	-	-	-	<i>0%</i>
Total		132	178	310	100%
% of Union vs. Non-Union Employees		<i>43%</i>	<i>57%</i>	<i>100%</i>	

16. Similarly, as reported by the Borrower in its financial statements for the quarter ended September 30, 2018 (the Borrower subsequently announced that such financial statements can no longer be relied upon, as mentioned further below), the majority of the Borrower’s reported revenue (68%) for the preceding nine months is generated in Ontario as shown in the table below:

Operations	Province	Revenue (in \$CAD '000s)⁽¹⁾	% of Total by Operations
Eastern (DistinctTech and iVac)	Ontario	42,977	68%
Central (Crown)	Manitoba	18,480	29%
Western (Distinct West and iVac West)	Alberta	2,000	3%
Total		63,457	100%

⁽¹⁾As reported in the Borrower’s publicly released third quarter 2018 financial statements

Consulting Agreements

17. The Borrower entered into executive consulting agreements (collectively, the “**Consulting Agreements**”) with companies controlled by certain of the Borrower’s former or current executives as follows:

- (a) 2460485 Ontario Ltd., a company controlled by Alex Agius, engaging Mr. Agius as the Co-Chief Executive Officer and Senior Vice-President Sales and Marketing of the Borrower dated October 1, 2015;
 - (b) 2460481 Ontario Ltd., a company controlled by Joe (Giuseppe) Lanni, engaging Mr. Lanni as Co-Chief Executive Officer of the Borrower dated October 1, 2015;
 - (c) Brimstone Group Inc., a company controlled by Jay Vieira, engaging Mr. Vieira as Vice President, Corporate & Legal Affairs of the Borrower dated January 18, 2016 (the “**Vieira Consulting Agreement**”); and
 - (d) GDNK Business Solutions Inc. (“**GDNK**”), a company controlled by George Parselias, engaging Mr. Parselias as the Controller of the Borrower dated January 1, 2018 (the “**GDNK Consulting Agreement**”).
18. The Bank received copies of the Consulting Agreements from the Borrower and, in respect of the Vieira Consulting Agreement and the GDNK Consulting Agreement, were provided to the Bank as unexecuted versions. The Bank understands the Consulting Agreements were previously in place with the Borrower. Copies of the Consulting Agreements are attached hereto as **Exhibit “C”**.

Obligations of the Borrower

19. Pursuant to a credit facility agreement most recently dated March 23, 2017 (as amended, the “**Credit Facility Agreement**”), the Bank made the following credit facilities available to the Borrower (collectively, the “**Credit Facilities**”):
- (a) Non-revolving term loan in the aggregate principal amount of \$20 million; and

- (b) Revolving credit facility up to the aggregate principal amount of \$35 million, subject to the Borrowing Base (as defined in the Credit Agreement) (the “**Revolving Facility**”).
20. As at the close of business on February 21, 2019, the Borrower was indebted to the Bank under the Credit Facilities in the amounts of CAD\$53,373,111.88 and USD\$8,099.16, together with accruing interest, costs and fees, including legal fees and disbursements, incurred by the Bank to the date of payment. Attached as **Exhibit “D”** is a true copy of the Credit Facility Agreement (including all amendments thereto).
21. On September 12, 2018, the Borrower announced the closing of a \$10 million private placement offering of unsecured convertible debenture units (collectively, the “**Debentures**”), each unit consisting of unsecured subordinated convertible debt in the principal amount of \$1,000 and 225 common share purchase warrants, which mature on September 12, 2020. The Borrower further announced that if the Debentures are not redeemed by the Borrower on or before March 12, 2019, the Borrower will issue an additional 50 warrants for each \$1,000 of principal amount outstanding under the Debentures.

Security Held by the Bank

22. Pursuant to the Credit Facility Agreement and as security for its obligations to the Bank, the Debtors each granted to the Bank security over all of their real and personal property pursuant to a General Security Agreement dated March 23, 2017 (the “**GSA**”).

23. Pursuant to the Supplement to the GSA provided by Crown dated November 21, 2017 (the “**Crown GSA Supplement**”), Crown agreed to become an obligor under the GSA and be bound by the terms of the GSA with the same force and effect as if originally named therein as an obligor. Attached as **Exhibit “E”** is a copy of the GSA and the Crown GSA Supplement.
24. It is a term of the GSA that the Bank may appoint a receiver upon default by the Debtors in any of its obligations to the Bank.
25. The Debtors guaranteed the obligations of each other to the Bank pursuant to an unlimited guarantee dated March 23, 2017 (the “**Guarantee**”). Pursuant to the Supplement to the Guarantee provided by Crown dated November 21, 2017 (the “**Crown Guarantee Supplement**”), Crown agreed to become an obligor under the Guarantee and be bound by the terms of the Guarantee with the same force and effect as if originally named therein as an obligor. Attached as **Exhibit “F”** is a copy of the Guarantee and the Crown Guarantee Supplement.

Defaults under the Credit Facilities

26. In November 2018, the Bank became concerned with the Borrower’s financial performance and requested that the Borrower consent to the appointment by the Bank of a financial advisor to review the Borrower’s operations. By letter dated November 29, 2018 (the “**Engagement Letter**”), the Bank, with the consent of the Borrower, engaged Deloitte Restructuring Inc. (in such capacity, the “**Consultant**”) as its consultant to, among other things, review the Borrower’s operations, financial forecasts and financial reporting (including accounts receivables and work in progress balances) and the security position

of the Bank. As a term of the Engagement Letter, the Borrower and each of DistinctTech, Crown and iVac agreed to provide the Consultant with full access to their books, records and premises for the purpose of carrying out its mandate. A copy of the Engagement Letter is attached hereto as **Exhibit “G”**.

27. On January 10, 2019, the Borrower announced the appointment of Mr. John Nashmi as Chief Financial Officer and that Mr. Nashmi would commence his role on January 14, 2019, the same date on which the interim Chief Financial Officer, Mr. William Nurnberger, would step down from his position.
28. Shortly thereafter, the Consultant, in discussions with Mr. Nashmi, began to notice irregularities in the Borrower’s accounts receivable and invoices. The Consultant commenced a detailed review of the Borrower’s accounts, particularly its accounts subledgers, in accordance with the terms of the Engagement Letter. On January 31, 2019, the Consultant advised the Bank that material irregularities existed with respect to certain accounts receivable, invoices and work in progress amounts, which were also incorrectly used in the borrowing base calculations under the Revolving Facility. At this time, the Consultant estimated that this resulted in a borrowing base shortfall of approximately \$11 million (the “**Borrowing Base Shortfall**”).
29. On February 4, 2019, Mr. Nasmhi met with myself and a representative of the Consultant and advised that approximately \$16 million of the accounts receivable balance was overstated and not supported by valid invoices.
30. In a press release dated February 5, 2019 (the “**Feb 5 Press Release**”), the Borrower announced that, as of September 30, 2018, the Borrower was in violation of certain

financial covenants contained in the Credit Agreement. Additionally, the Borrower announced that its board of directors had formed a special committee (the “**Special Committee**”) whose mandate is, among other things, to (i) oversee the discussions between the Borrower and its lenders; and (ii) to identify and evaluate potential strategic alternatives. A copy of the Feb 5 Press Release is attached hereto as **Exhibit “H”**.

31. By letter dated February 6, 2019 (the “**Feb 6 Letter**”), the Bank confirmed the default acknowledged by the Borrower in the Feb 5 Press Release and advised the Borrower of the Borrowing Base Shortfall. Additionally, the Bank advised that such defaults were not waived and the Bank would consider its position and the impact of the Borrower’s defaults on a day to day basis as information becomes available. A copy of the Feb 6 Letter is attached hereto as **Exhibit “I”**.
32. By letter dated February 8, 2019 (the “**Feb 8 Letter**”), the Bank advised the Borrower that it expects full transparency and disclosure by the Borrower and the Special Committee on a “real time” basis, to include direct, autonomous and unfiltered discussions between the Bank and the Special Committee. Further, in the Feb 8 Letter, the Bank requested an in-person meeting with the Special Committee (the “**Meeting**”). A copy of the Feb 8 Letter is attached hereto as **Exhibit “J”**.
33. As requested by the Bank, the Meeting took place on February 12, 2019. During the Meeting, the Special Committee advised the Bank and the Consultant that, among other things, (i) the Special Committee was considering whether to appoint another member to the Special Committee and/or appoint a Chief Restructuring Officer; and (ii) the Special

Committee was considering retaining a consulting firm to provide an advisory role in respect of a potential sale opportunity.

34. In a press release dated February 13, 2019 (the “**Feb 13 Press Release**”), the Borrower announced that the Special Committee had initiated an investigation into the Borrower’s affairs. Pending the results of such investigation, the Borrower advised that its prior audited and unaudited financial statements for the year ended December 31, 2017 and the three quarterly periods ended March 31, June 30 and September 30, 2018 should no longer be relied upon. Additionally, the Company announced that a default had occurred under the Debentures. A copy of the Feb 13 Press Release is attached hereto as **Exhibit “K”**.
35. In response to the Feb 13 Press Release, the Ontario Securities Commission issued a Notice of Temporary Order and Hearing ceasing all trading, and acquiring of, securities in respect of the Borrower on February 15, 2019.
36. On February 21, 2019, the Borrower announced the appointment of Sean Weir as Interim Chief Executive Officer and that the two former co-Chief Executive Officers were no longer employed by the Borrower (but remain directors).
37. Upon further review and investigation by the Consultant, in discussions with the Special Committee, the Consultant discovered further material errors in the Borrower’s accounts receivable and work in progress calculations. Accordingly, on February 19, 2019, the Consultant increased its estimate of the Borrowing Base Shortfall to \$17 million. This resulted in the Borrower preparing revised cash flow forecasts, which demonstrated that the Borrower required additional liquidity in the amount of approximately \$1.5 million to fund operations for the five week period from February 25, 2019 to March 29, 2019. Given

the defaults mentioned above and the significant Borrowing Base Shortfall already existing, the Bank's concerns were increased.

38. On February 26, 2019, the Borrower provided a borrowing base calculation to the Bank as at January 31, 2019 showing a borrowing base of approximately \$3.8 million against borrowings under the Revolving Facility of \$34.5 million, resulting in an updated Borrowing Base Shortfall of \$30.65 million.

Payments outside of the ordinary course

39. On February 27, 2019, the Bank's counsel was advised by Simon Romano of Stikeman Elliott LLP, counsel to the Special Committee, that payments had been made in respect of certain promissory notes issued by the Borrower in late 2018, and provided documentation in respect of same. These payments were made without the Bank's knowledge or consent.
40. In August 2018, Mr. Lanni and Mr. Agius each advanced \$500,000 to the Borrower. Such amounts were repayable by the Borrower pursuant to promissory notes in favour of Mr. Lanni and Mr. Agius, each dated August 3, 2018 (together, the "**Promissory Notes**"). The Promissory Notes each matured on November 3, 2018. The Promissory Notes each provide that the Borrower may prepay the amounts owing under the Promissory Notes in whole or in part, subject to the prior written approval of the Bank. Copies of the Promissory Notes are attached hereto as **Exhibit "L"**.
41. The repayment of amounts owing by the Borrower under the Promissory Notes were specifically postponed to and subordinated in favour of the Bank pursuant to the Credit Agreement and separate postponement agreements executed by each of Mr. Lanni and Mr.

Agius dated September 12, 2018 (together, the “**Postponement Agreements**”). Copies of the Postponement Agreements are attached hereto as **Exhibit “M”**.

42. Each of the Postponement Agreements provide that (i) no payments may be made in respect of the Promissory Notes without the prior written consent of the Bank; and (ii) prior to the repayment in full of all of the Borrower’s obligations owing to the Bank, the Borrower may only repay in full the amounts owing under the Promissory Notes provided either (a) the repayment of the Promissory Notes is financed in full from the net proceeds of issuance of common shares in the capital of the Borrower; (b) the pro forma Leverage Ratio (as defined in the Credit Agreement) of the Borrower following the repayment of the Promissory Notes is less than 4.00:1 and the Borrower has at least \$6 million in Liquidity (as defined in the Postponement Agreements); (c) subject to the prior written consent of the Bank, the repayment of the Promissory Notes is financed in full with other unsecured debt subject to a postponement agreement substantially similar to the Postponement Agreements; or (d) subject to the prior written consent of the Bank, the repayment of the Promissory notes is financed in full in connection with a syndicated refinancing the obligations owing to the Bank.
43. The Postponement Agreements each further provide that any payments received by Mr. Lanni or Mr. Agius, or on their behalf, from the Borrower prior to the full repayment of the Borrower’s obligations owing to the Bank are to be held in trust on behalf of the Bank and forthwith delivered to the Bank.
44. The Bank has been provided with certain documentation by Simon Romano of Stikeman Elliott LLP, counsel to the Special Committee, showing that Mr. Agius and Mr. Lanni

authorized payments in the aggregate amount of \$1,039,530.55 to be made from the Borrower to GDNK and from GDNK to Windsor Capital LP between October 29, 2018 and November 16, 2018 in respect of the Promissory Notes. The Bank was not advised of such payments and did not consent to such payments, in contravention of the Postponement Agreements and Promissory Notes. Additionally, to the Bank's knowledge, none of the facts that would have permitted a repayment of amounts owing under the Promissory Notes as set forth in the Postponement Agreements, were present.

45. Additionally, the Borrower entered into a promissory note in favour of GDNK on November 9, 2018 (the "**GDNK Promissory Note**"), in the amount of \$337,550, with no interest payable thereunder, which is payable on demand. The GDNK Promissory Note additionally provides that the Borrower may prepay the amounts owing under the GDNK Promissory Note, either in whole or in part, subject to the prior written approval of the Bank. Counsel to the Special Committee has provided documentation to us today which reflects that the Borrower repaid the amounts owing to GDNK in respect of the GDNK Promissory Note in equal installments on November 26, 2018 and December 14, 2018. The Bank did not have any knowledge of the GDNK Promissory Note or the repayment of amounts owing thereunder. A copy of the GDNK Promissory Note is attached hereto as **Exhibit "N"**.

46. The Receiver, if appointed, will review these payments and any other areas of concern and determine whether any relief is to be sought by the Court in relation thereto.

Auction by Ritchie Bros. Auctioneers (Canada) Ltd.

47. On or about December 2018, the Borrower informed the Bank that it and iVac West wished to place certain of their equipment for sale with Ritchie Bros. Auctioneers (Canada) Ltd. (“**Ritchie Bros.**”) (the “**Auction**”), which required the Bank’s consent pursuant to the Credit Agreement. The Bank was prepared to provide its consent on the condition that the net proceeds from the Auction be applied in reduction of the obligations owing by the Borrower to the Bank. It was further agreed that the Borrower would initially apply \$2 million from the proceeds of sale of the Auction in reduction of the obligations owing to the Bank (with the remainder to be determined and applied at a later date). In connection with such agreed arrangement between the Bank and the Borrower, the Bank signed a secured creditor confirmation letter indicating that the Bank has a valid security interest in the equipment sold in the Auction and that Ritchie Bros. may release the proceeds of sale of the Auction to the Borrower. The confirmation letter provided by the Bank did not contain any release of the Bank’s security interest in the proceeds of sale of the equipment.
48. On January 23, 2019, Mega Diesel Excavating Ltd. and the Borrower commenced an Application in the Court of Queens’ Bench of Alberta in Edmonton against Chris Aron Wood and Mega Diesel Holdings Ltd. (together, the “**Respondents**”) requiring the Respondents to release their Writ of Enforcement against certain subject vehicles sold in the Auction and seeking an order directing Ritchie Bros. to distribute the sale proceeds in relation to such vehicles to the Bank.
49. The Bank was not a party to the Application. Accordingly, Master Smart adjourned the Application to March 4, 2019 in order to provide the Bank an opportunity to respond to the Application given that the issue at hand was a priority dispute between the Bank’s interest

and that of the Respondents. I have been advised by my counsel herein that the Application will be stayed upon the granting of the Receivership Order.

Issuance of Demand for Payment

50. By letter dated February 23, 2019 (the “**Borrower Demand**”), the Bank demanded payment from the Borrower of all amounts then outstanding under the Credit Facilities and together therewith delivered a Notice of Intention to Enforce Security (the “**Borrower BIA Notice**”) pursuant to Section 244 of the BIA. Attached as **Exhibit “O”** are copies of the Borrower Demand and the Borrower BIA Notice.
51. By letter dated February 23, 2019 (the “**Guarantor Demands**” and together with the Borrower Demand, the “**Demands**”), the Bank demanded payment from each of the Guarantors of all amounts outstanding under the Credit Facilities and together therewith delivered a Notice of Intention to Enforce Security (the “**Guarantor BIA Notices**” and together with the Borrower BIA Notice, the “**BIA Notices**”) pursuant to Section 244 of the BIA. Attached as **Exhibit “P”** are copies of the Guarantor Demands and the Guarantor BIA Notices.
52. Counsel to the Special Committee has advised the Bank that the Debtors will cooperate and work constructively with the Bank.

Registrations under the PPSA

Borrower

53. The Bank made the following registrations against the Borrower pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) (together, the “**Ontario Borrower Registrations**”):
- (a) on September 23, 2016 against all classes of collateral, except “consumer goods”; and
 - (b) on April 10, 2018 against all classes of collateral, except “consumer goods”.
54. There are registrations against the Borrower under the PPSA (Ontario) prior in time to the first Ontario Borrower Registration in favour of (i) Somerville National Leasing & Rentals Ltd. (“**Somerville**”); CWB NL Financial Inc. (“**CWB**”); and John Deere Financial Inc. (“**John Deere**”), all registered in respect of “equipment”, “motor vehicle” and “other”.
55. There are also registrations against the Borrower under the PPSA (Ontario) subsequent in time to the first Borrower Registration in favour of (i) Somerville against “inventory”, “equipment”, “motor vehicle” and “other” in most instances and against “other” and “motor vehicle” in one instance; (ii) Enterprise Fleet Management Canada, Inc. (“**Enterprise**”) against “consumer goods” and “motor vehicle”; and (iii) Evolution Capital Corporation against “equipment”, “motor vehicle” and “other”.
56. The Bank made two registrations against the Borrower pursuant to the PPSA (Alberta) on September 23, 2016 and April 10, 2018, each in respect of the GSA (together, the “**Alberta Borrower Registrations**”).
57. There are registrations against the Borrower prior in time to the Alberta Borrower Registrations in favour of (i) Element Fleet Management Inc. (“**Element**”); (ii) Lbel Inc.;

(iii) CWB NL Financial Inc.; (iii) Element Financial Inc.; (iv) John Deere; (v) Travelers Leasing Ltd.; (vi) Somerville; and (vii) Chris Aron Wood and Mega Diesel Holdings Ltd. in respect of a Writ of Enforcement.

58. The Bank made one registration against the Borrower pursuant to the PPSA (Manitoba) on April 10, 2018 in respect of the GSA (the “**Manitoba Borrower Registration**”).
59. There are registrations against the Borrower subsequent to the Manitoba Borrower Registration in favour of (i) Somerville; and (ii) Evolution Capital Corporation.
60. Attached separately in support of this Affidavit is a Compendium of Electronically Generated Summaries of the PPSA searches conducted in Alberta, Manitoba and Ontario (the “**PPSA Compendium**”) with respect to the Borrower and each of the Guarantors.
61. Attached at **Tab “1”** of the PPSA Compendium are copies of electronic PPSA summaries relevant to the searches conducted in Alberta, Manitoba and Ontario in respect of the Borrower.

Distinct West

62. The Bank made the following registrations against Distinct West pursuant to the PPSA (Ontario) (collectively, the “**Ontario Distinct West Registrations**”):
 - (a) two registrations on September 23, 2016, both against all classes of collateral, except “consumer goods”; and
 - (b) on April 10, 2018 against all classes of collateral, except “consumer goods”.

63. There are no registrations against Distinct West under the PPSA (Ontario) prior in time to the Ontario Distinct West Registrations. There are two registrations against Distinct West under the PPSA (Ontario) subsequent in time to the Ontario Distinct West Registrations each in favour of Somerville against “consumer goods”, “inventory”, “equipment”, “motor vehicle” and “other” in one instance and against “other” and “motor vehicle” in another instance.
64. The Bank made three registrations against Distinct West pursuant to the PPSA (Alberta) on September 23, 2016, September 26, 2016 and April 10, 2018, each in respect of the GSA (together, the “**Alberta Distinct West Registrations**”).
65. There is one registration against Distinct West under the PPSA (Alberta) prior in time to the first Alberta Distinct West Registration in favour of Element. There are registrations against Distinct West under the PPSA (Alberta) subsequent in time to the first Alberta Distinct West Registration in favour of (i) The Toronto-Dominion Bank and TD Equipment Finance Canada, a Div. of The Toronto-Dominion Bank (“**TD Equipment**”); (ii) Somerville; and (iii) Addison Leasing of Canada Ltd. (“**Addison**”).
66. Attached at **Tab “2”** of the PPSA Compendium are copies of electronic PPSA summaries relevant to the searches conducted in Alberta, Manitoba and Ontario in respect of Distinct West.

DistinctTech

67. The Bank made the following registrations against DistinctTech pursuant to the PPSA (Ontario) (collectively, the “**Ontario DistinctTech Registrations**”):

- (a) on May 15, 2014 against all classes of collateral, except “consumer goods”;
 - (b) on September 23, 2016 against all classes of collateral, except “consumer goods”;
and
 - (c) on April 10, 2018 against all classes of collateral, except “consumer goods”.
68. There are two registrations against DistinctTech under the PPSA (Ontario) prior in time to the first Ontario DistinctTech Registration in favour of (i) Somerville; and (ii) The Bank of Nova Scotia and Roynat Inc., each against “equipment”, “other” and “motor vehicle.
69. There are several registrations against DistinctTech under the PPSA (Ontario) subsequent in time to the first Ontario DistinctTech Registration as follows:
- (a) in favour of GE Canada Leasing Services Company against all classes of collateral, except “consumer goods”;
 - (b) in favour of Somerville against “equipment”, “motor vehicle”, and “other” in most instances and against all classes of collateral except “accounts” in other instances;
 - (c) in favour of GE Canada Equipment Financial G.P. against all classes of collateral, except “consumer goods”;
 - (d) in favour of John Deere against “equipment”, “motor vehicle”, and “other”;
 - (e) in favour of Wells Fargo Equipment Finance Company against all classes of collateral, except “consumer goods”;
 - (f) in favour of Addison against “consumer goods” and “motor vehicle”,
 - (g) in favour of TD Equipment against “equipment”, “motor vehicle” and “other”;

- (h) in favour of Travelers Leasing Ltd. against “equipment” and “motor vehicle”;
- (i) in favour of Grande National Leasing Inc. against “consumer goods” and “motor vehicle”;
- (j) in favour of Jim Pattison Industries Ltd. against “equipment” and “motor vehicle” in some instances, against “equipment”, “motor vehicle” and “other” in other instances and against “equipment” in other instances;
- (k) in favour of Sharp Electronics of Canada Ltd. and National Leasing Group Inc. against “equipment”;
- (l) in favour of CWB against “equipment”, “other” and “motor vehicle”;
- (m) in favour of Element Financial Corporation against “equipment”, “motor vehicle” and “other”;
- (n) in favour of Addison against “consumer goods” and “motor vehicle”;
- (o) in favour of Enterprise against “equipment” and “motor vehicle” in some instances and against “consumer goods” and “motor vehicle” in other instances;
- (p) in favour of Blue Chip Leasing Corp. against “equipment”, “other” and “motor vehicle”;
- (q) in favour of Meridan Onecap Credit Corp. against “equipment”, “other” and “motor vehicle”;
- (r) in favour of Coast Capital Equipment Finance Ltd. against “consumer goods”, “equipment” and “motor vehicle”;

- (s) in favour of Foss National Leasing Ltd. against “consumer goods” and “motor vehicle”;
 - (t) in favour of Bank of Montreal against “equipment” and “motor vehicle” in one instance and against all classes of collateral except “consumer goods” in another instance;
 - (u) in favour of Evolution Capital Corporation against “equipment”, “other” and “motor vehicle”; and
 - (v) in favour of Vault Credit Corporation against “equipment” and “other”.
70. The Bank made two registrations against DistinctTech pursuant to the PPSA (Alberta) on September 23, 2016 and April 10, 2018, each in respect of the GSA (together, the “**Alberta DistinctTech Registration**”).
71. There are registrations against DistinctTech under the PPSA (Alberta) prior in time to the first Alberta DistinctTech Registration in favour of (i) Element Financial Inc. and Element Financial Inc. with an Assumed Name of EFC Financial Inc.; (ii) Jim Pattison Industries Ltd.; (iii) CWB; and (iv) TD Equipment.
72. There are registrations against DistinctTech under the PPSA (Alberta) subsequent in time to the first Alberta DistinctTech Registration in favour of (i) TD Equipment; (ii) Somerville; (iii) Addison; and (iv) John Deere.
73. The Bank did not file any registrations against DistinctTech under the PPSA (Manitoba). There are registrations against DistinctTech under the PPSA (Manitoba) in favour of the

following parties: (i) Addison; (ii) TD Equipment; (iii) Somerville; and (iv) Evolution Capital Corporation.

74. Attached at **Tab “3”** of the PPSA Compendium are copies of electronic PPSA summaries relevant to the searches conducted in Alberta, Manitoba and Ontario in respect of DistinctTech.

iVac

75. The Bank made the following registrations against iVac pursuant to the PPSA (Ontario) (collectively, the “**Ontario iVac Registrations**”):
- (a) on September 23, 2016 against all classes of collateral, except “consumer goods”;
and
 - (b) on April 10, 2018 against all classes of collateral, except “consumer goods”.
76. There is one registration against iVac under the PPSA (Ontario) prior in time to the Ontario iVac Registrations in favour of Calidon Financial Services Inc. against “equipment” and “motor vehicle” with a specific vehicle listed.
77. The Bank made three registrations against iVac pursuant to the PPSA (Alberta), two on September 23, 2016 and one on April 10, 2018, each in respect of the GSA (collectively, the “**Alberta iVac Registrations**”).
78. There are no other registrations against iVac under the PPSA (Alberta) other than the Alberta iVac Registrations.

79. Attached at **Tab “4”** of the PPSA Compendium are copies of electronic PPSA summaries relevant to the searches conducted in Alberta, Manitoba and Ontario in respect of iVac.

iVac West

80. The Bank made the following registrations against iVac West pursuant to the PPSA (Ontario) (collectively, the “**Ontario iVac West Registrations**”):

(a) two registrations on September 23, 2016, both against all classes of collateral, except “consumer goods”; and

(b) on April 10, 2018 against all classes of collateral, except “consumer goods”.

81. There are no registrations against iVac West under the PPSA (Ontario) other than the Ontario iVac West Registrations.

82. The Bank made three registrations against iVac West pursuant to the PPSA (Alberta), two on September 23, 2016 and one of April 10, 2018, each in respect of the GSA (collectively, the “**Alberta iVac West Registrations**”).

83. There is one registration against iVac West under the PPSA (Alberta) other than the Alberta iVac West Registrations in favour of Chris Aron Wood and Mega Diesel Holdings Ltd. in respect of a writ of enforcement.

84. Attached at **Tab “5”** of the PPSA Compendium are copies of electronic PPSA summaries relevant to the searches conducted in Alberta, Manitoba and Ontario in respect of iVac West.

Crown

85. The Bank made the following registrations against Crown pursuant to the PPSA (Ontario) (collectively, the “**Ontario Crown Registrations**”):
- (a) on November 20, 2017 against all classes of collateral, except “consumer goods”;
and
 - (b) on April 10, 2018 against all classes of collateral, except “consumer goods”.
86. There is one registration against Crown under the PPSA (Ontario) prior in time to the Ontario Crown Registrations in favour of Somerville against “equipment”, “motor vehicle” and “other”.
87. There is one registration against Crown under the PPSA (Ontario) subsequent in time to the Ontario Crown Registrations in favour of John Deere against “equipment”, “motor vehicle” and “other”.
88. The Bank made one registration against Crown pursuant to the PPSA (Alberta) on April 10, 2018 in respect of the GSA (collectively, the “**Alberta Crown Registration**”). There are no registrations under the PPSA (Alberta) other than the Alberta Crown Registration.
89. The Bank made three registrations against Crown pursuant to the PPSA (Manitoba) on May 10, 1993, November 20, 2017 and April 10, 2018 (collectively, the “**Manitoba Crown Registrations**”). There are registrations against Crown subsequent in time to the Manitoba Crown Registrations in favour of (i) John Deere; (ii) Addison; (iii) John Deere Canada ULC; (iv) Jim Pattison Industries Ltd.; (v) Somerville; (vi) AD141 Brandt Tractor Ltd.; (vii) Foss National Leasing Ltd.; (viii) AD022 Freightliner Manitoba Ltd.

90. Attached at **Tab “6”** of the PPSA Compendium are copies of electronic PPSA summaries relevant to the searches conducted in Alberta, Manitoba and Ontario in respect of Crown.
91. Upon an Order being granted appointing the Receiver, all parties with PPSA registrations in any Province will receive notice of the appointment of the Receiver.

Need for a Receiver

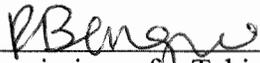
92. The appointment of a Receiver is necessary and appropriate as a result of the following:
 - (a) Advances to the Borrower under the Credit Facilities continue to significantly exceed the maximum credit available to the Borrower thereunder, in the amount of approximately \$30 million;
 - (b) The Bank’s security position has deteriorated very quickly and continues to deteriorate on a day to day basis and the Bank is concerned that its security position will further deteriorate absent the appointment of the Receiver;
 - (c) The Borrower does not have sufficient cash on hand to continue operations and the Bank is not prepared to fund such costs;
 - (d) The Borrower has agreed to work constructively with the Bank to facilitate the best resolution for the Bank and other stakeholders; and
 - (e) The appointment of the Receiver is necessary to protect and ultimately realize on the collateral subject to the Bank’s security for the benefit of the Bank as it relates to its anticipated significant shortfall.
93. The Bank anticipates a shortfall in recovery under its Credit Facilities in the tens of millions of dollars.

94. The proposed Order appointing the Receiver permits the Receiver to borrow funds from the Bank for the purpose of financing the receivership proceeding. If necessary, these borrowings will be secured by Receiver's certificates to be issued by the Receiver or by the security held by the Bank upon the Borrower's assets. In all cases, it is to be a priority charge over all assets of the Borrower and Guarantors (the "**Receiver's Borrowing Charge**").
95. For the first fifteen (15) days only following the date of the Receivership Order (if granted), it is proposed that the Receiver's Borrowing Charge not extend to collateral subject to properly perfected security interests that may be in priority to the Bank's security, including in the nature of a purchase money security interests, in order to allow the Bank and the Receiver to provide those parties with notice as to the Receivership Order, as advance notice could not be given. Any interested party that wishes to dispute the Receiver's Borrowing Charge in respect of a properly perfected security interest that it claims is in priority to the Bank's interest must file a motion on notice to the Receiver and the Bank within fifteen (15) days of the date of the Receivership Order (if granted). In the absence of any other Order being granted before that time, or any varying of the Receivership Order, the priority charges in the Receivership Order will become effective and apply to all assets, including those subject to purchase money security interests, equipment leases or other interests that may be in priority to the Bank, fifteen (15) days following the granting of the Receivership Order.
96. The Order sought by the Bank provides for the retention of independent counsel by the Receiver to address any issue or matter where there may be an actual or perceived conflict with the Bank. In all other situations, and in view of the significant shortfall to be incurred

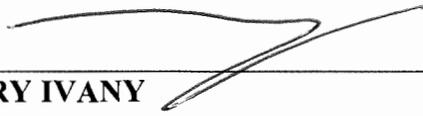
by the Bank, the draft Order provides authorization for the Receiver to use the Bank's counsel.

97. I swear this affidavit in support of an application by the Bank for the appointment of the Receiver on the terms set out in the draft Order contained in the Application Record, and for no other or improper purpose.

SWORN before me at the City of Toronto,
in the Province of Ontario, this 28th day of
February, 2019.

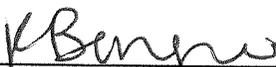


Commissioner for Taking Affidavits
Rachel Bengino



GARY IVANY

This is **Exhibit "A"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.



A Commissioner for taking Affidavits, etc.
Rachel Bengin

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2019/02/25
Time of Search: 08:22 AM

Service Request Number: 30531661
Customer Reference Number: 02368715-EDD3_5_497598

Corporate Access Number: 2017017928
Legal Entity Name: DISTINCT INFRASTRUCTURE GROUP INC.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
CROWSNEST OILFIELD SERVICES CORP.	2012/10/12
CROWSNEST ACQUISITION CORP.	2014/10/20
QE2 ACQUISITION CORP.	2015/08/13

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2012/09/19 YYYY/MM/DD

Registered Office:

Street: 2300, 10180 - 101 STREET
City: EDMONOTN
Province: ALBERTA
Postal Code: T5J 1V3

Records Address:

Street: 2300, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J 1V3

Directors:

Last Name: AGIUS
First Name: ALEX

Street/Box Number: 2938 COULSON COURT

City: MISSISSAUGA

Province: ONTARIO

Postal Code: L5M 5S8

Last Name: HORNER

First Name: DOUGLAS

Street/Box Number: 52 - 53305 RANGE ROAD 273

City: SPRUCE GROVE

Province: ALBERTA

Postal Code: T7X 3N3

Last Name: LANNI

First Name: JOE

Street/Box Number: 9 WARWOOD ROAD

City: ETOBICOKE

Province: ONTARIO

Postal Code: M9B 5B2

Last Name: NEWMAN

First Name: G.

Middle Name: MICHAEL

Street/Box Number: 460 QUEENS QUAY WEST, SUITE 1102E

City: TORONTO

Province: ONTARIO

Postal Code: M5V 2Y4

Last Name: NORMANDEAU

First Name: ROBERT

Street/Box Number: 95 EAGLEWOOD DRIVE

City: BEDFORD

Province: NOVA SCOTIA

Postal Code: B4A 3B3

Last Name: WETSCH

First Name: GARRY

Middle Name: GEORGE

Street/Box Number: #220 - 190 BOUDREAU ROAD

City: ST. ALBERT

Province: ALBERTA

Postal Code: T8N 6B9

Transfer Agents:

Legal Entity Name: COMPUTERSHARE TRUST COMPANY OF CANADA
Corporate Access Number: 309229359
Street: 600, 530 - 8TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3S8

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SHARE STRUCTURE SCHEDULE ATTACHED HERETO.
Share Transfers Restrictions: NONE.
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NO RESTRICTIONS.
Business Restricted From: NO RESTRICITONS
Other Provisions: SEE OTHER RULES OR PROVISIONS SCHEDULE ATTACHED HERETO.

Holding Shares In:

Legal Entity Name
MEGA DIESEL EXCAVATING LTD.
QE2 HOLDING CORP.
IVAC SERVICES LTD.
IVAC SERVICES WEST INC.
DISTINCT INFRASTRUCTURE GROUP WEST INC.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2018	2018/11/13

Filing History:



List Date (YYYY/MM/DD)	Type of Filing
2012/09/19	Incorporate Alberta Corporation
2014/10/23	Capture Microfilm/Electronic Attachments
2015/08/13	Name Change Alberta Corporation
2016/04/06	Change Address
2016/09/02	Name/Structure Change Alberta Corporation
2017/12/07	Change Director / Shareholder
2018/11/13	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2012/09/19
Other Rules or Provisions	ELECTRONIC	2012/09/19
Consent and Undertaking	10000907120075165	2014/10/20
Consolidation, Split, Exchange	ELECTRONIC	2016/09/02

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2019/02/25

Time of Search: 08:22 AM

Service Request Number: 30531662

Customer Reference Number: 02368716-EDD3_5_497599

Corporate Access Number: 2020145211

Legal Entity Name: DISTINCT INFRASTRUCTURE GROUP WEST INC.

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Method of Registration: Amalgamation

Registration Date: 2017/01/03 YYYY/MM/DD

Registered Office:

Street: 2300, 10180-101 STREET

City: EDMONTON

Province: ALBERTA

Postal Code: T5J 1V3

Records Address:

Street: 2300, 10180-101 STREET

City: EDMONTON

Province: ALBERTA

Postal Code: T5J 1V3

Directors:

Last Name: AGIUS

First Name: ALEXANDER

Middle Name: JOSEPH

Street/Box Number: 2938 COULSON COURT

City: MISSISSAUGA

Province: ONTARIO

Postal Code: L5M 5S8

Last Name: BETTENCOURT
First Name: EMANUEL (MANNY)
Street/Box Number: 305 GLEBEHOLME BLVD.
City: TORONTO
Province: ONTARIO
Postal Code: M4J 1T1

Last Name: LANNI
First Name: GIUSEPPE (JOE)
Street/Box Number: 9 WARWOOD ROAD
City: ETOBICOKE
Province: ONTARIO
Postal Code: M9B 5B2

Voting Shareholders:

Legal Entity Name: DISTINCT INFRASTRUCTURE GROUP INC.
Corporate Access Number: 2017017928
Street: 2300, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J 1V3
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions: SEE ATTACHED SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED SCHEDULE "C"

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
206383572	DISTINCT INFRASTRUCTURE GROUP (ALBERTA) LTD.
207962010	PILLAR CONTRACTING LTD.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2018	2018/03/01

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2017/01/03	Amalgamate Alberta Corporation
2018/03/01	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Amalgamation Agreement	10000507114945479	2017/01/03
Statutory Declaration	10000107114945476	2017/01/03
Share Structure	ELECTRONIC	2017/01/03
Restrictions on Share Transfers	ELECTRONIC	2017/01/03
Other Rules or Provisions	ELECTRONIC	2017/01/03

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.

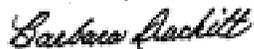


Request ID: 022749535
Transaction ID: 70918539
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:46
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1940885	DISTINCTTECH INC.	2015/08/13
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
GEORGE PARSELIAS 87 DISCO ROAD	NOT APPLICABLE	A
	New Amal. Number	Notice Date
ETOBICOKE ONTARIO CANADA M9W 1M3	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
		NOT APPLICABLE
77 BELFIELD ROAD	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
TORONTO ONTARIO CANADA M9W 1G6	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 022749535
Transaction ID: 70918539
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:46
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1940885

Corporation Name

DISTINCTTECH INC.

Corporate Name History

DISTINCTTECH INC.

Effective Date

2015/08/13

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

DISTINCTTECH INC.

2471685 ONTARIO LTD.

Corporate Number

1934005

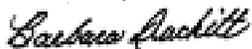
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Request ID: 022749535
Transaction ID: 70918539
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:46
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1940885

Corporation Name

DISTINCTTECH INC.

Administrator:

Name (Individual / Corporation)

ALEX

AGIUS

Address

2938 COULSON COURT

MISSISSAUGA
ONTARIO
CANADA L5M 5S8

Date Began

2015/08/13

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Administrator:

Name (Individual / Corporation)

ALEX

AGIUS

Address

2938 COULSON COURT

MISSISSAUGA
ONTARIO
CANADA L5M 5S8

Date Began

2015/08/13

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

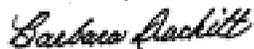
Y

Request ID: 022749535
Transaction ID: 70918539
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:46
Page: 4

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1940885

Corporation Name

DISTINCTTECH INC.

Administrator:

Name (Individual / Corporation)

ALEX
AGIUS

Address

2938 COULSON COURT

MISSISSAUGA
ONTARIO
CANADA L5M 5S8

Date Began

2015/08/13

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Administrator:

Name (Individual / Corporation)

MANNY
BETTENCOURT

Address

305 GLEBEHOLME BOULEVARD

TORONTO
ONTARIO
CANADA M4J 1T1

Date Began

2015/08/13

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF FINANCIAL OFFICER

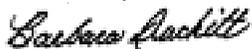
Resident Canadian

Request ID: 022749535
Transaction ID: 70918539
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:46
Page: 5

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1940885

Corporation Name

DISTINCTTECH INC.

Administrator:

Name (Individual / Corporation)

GIUSEPPE (JOE)
LANNI

Address

9 WARWOOD ROAD

TORONTO
ONTARIO
CANADA M9B 5B2

Date Began

2015/08/13

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Administrator:

Name (Individual / Corporation)

GIUSEPPE (JOE)
LANNI

Address

9 WARWOOD ROAD

TORONTO
ONTARIO
CANADA M9B 5B2

Date Began

2015/08/13

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

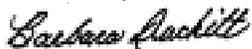
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Request ID: 022749535
Transaction ID: 70918539
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:46
Page: 6

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1940885

Corporation Name

DISTINCTTECH INC.

Administrator:

Name (Individual / Corporation)

GIUSEPPE (JOE)
LANNI

Address

9 WARWOOD ROAD

TORONTO
ONTARIO
CANADA M9B 5B2

Date Began

2015/08/13

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

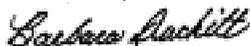
Resident Canadian

Request ID: 022749535
Transaction ID: 70918539
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:46
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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1940885

Corporation Name

DISTINCTTECH INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2015	1C	2018/02/08 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

PLEASE NOTE THAT WHEN THE SAME INDIVIDUAL HOLDS MULTIPLE 'OTHER UNTITLED' OFFICER POSITIONS, AS INDICATED ON A FORM 1 UNDER THE *CORPORATIONS INFORMATION ACT*, ONLY ONE OF THESE 'OTHER UNTITLED' POSITIONS HELD BY THAT INDIVIDUAL WILL BE REFLECTED ON THIS REPORT.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

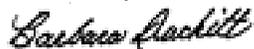
The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.

Request ID: 022749528
Transaction ID: 70918524
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:20
Page: 1

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

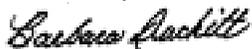
Ontario Corp Number	Corporation Name	Incorporation Date
2390280	IVAC SERVICES INC.	2013/10/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
GEORGE PARSELIAS 77 BELFIELD ROAD		NOT APPLICABLE
Suite # 100		New Amal. Number
TORONTO		NOT APPLICABLE
ONTARIO		Notice Date
CANADA M9W 1G6		NOT APPLICABLE
Mailing Address		Letter Date
		NOT APPLICABLE
77 BELFIELD ROAD		Revival Date
		NOT APPLICABLE
TORONTO		Continuation Date
ONTARIO		NOT APPLICABLE
CANADA M9W 1G6		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum	in Ontario
	Maximum	
	00001	00010
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 022749528
Transaction ID: 70918524
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:20
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2390280	IVAC SERVICES INC.

Corporate Name History	Effective Date
IVAC SERVICES INC.	2014/10/22
IVACS INC.	2014/03/31
2390280 ONTARIO INC.	2013/10/01

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
ALEXANDER AGIUS	2938 COULSON COURT MISSISSAUGA ONTARIO CANADA L5M 5S8

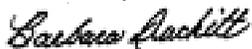
Date Began	First Director	
2013/10/01	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 022749528
Transaction ID: 70918524
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:20
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2390280

Corporation Name

IVAC SERVICES INC.

Administrator:

Name (Individual / Corporation)

ALEXANDER
AGIUS

Address

2938 COULSON COURT

MISSISSAUGA
ONTARIO
CANADA L5M 5S8

Date Began

2013/10/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

ALEXANDER
AGIUS

Address

2938 COULSON COURT

MISSISSAUGA
ONTARIO
CANADA L5M 5S8

Date Began

2013/10/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

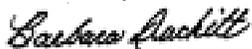
Resident Canadian

Request ID: 022749528
Transaction ID: 70918524
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:20
Page: 4

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2390280

Corporation Name

IVAC SERVICES INC.

Administrator:

Name (Individual / Corporation)

MANNY
BETTENCOURT

Address

305 GLEBEHOLME BOULEVARD

TORONTO
ONTARIO
CANADA M4J 1T1

Date Began

2016/01/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF FINANCIAL OFFICER

Resident Canadian

Administrator:

Name (Individual / Corporation)

GIUSEPPE
LANNI

Address

9 WARWOOD ROAD

TORONTO
ONTARIO
CANADA M9B 5B2

Date Began

2013/10/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

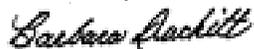
Resident Canadian

Request ID: 022749528
Transaction ID: 70918524
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:20
Page: 5

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2390280

Corporation Name

IVAC SERVICES INC.

Administrator:

Name (Individual / Corporation)

GIUSEPPE
LANNI

Address

9 WARWOOD ROAD

TORONTO
ONTARIO
CANADA M9B 5B2

Date Began

2013/10/01

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

GIUSEPPE
LANNI

Address

9 WARWOOD ROAD

TORONTO
ONTARIO
CANADA M9B 5B2

Date Began

2013/10/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 022749528
Transaction ID: 70918524
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/02/25
Time Report Produced: 10:18:20
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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2390280

IVAC SERVICES INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA ANNUAL RETURN 2015

1C

2017/02/27 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

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ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2019/02/25
Time of Search: 08:21 AM

Service Request Number: 30531658
Customer Reference Number: 02368714-EDD3_5_497597

Corporate Access Number: 2020144685
Legal Entity Name: IVAC SERVICES WEST INC.
Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2017/01/03 YYYY/MM/DD

Registered Office:
Street: 2300, 10180-101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J 1V3

Records Address:
Street: 2300, 10180-101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J 1V3

Directors:
Last Name: AGIUS
First Name: ALEXANDER
Middle Name: JOSEPH
Street/Box Number: 2938 COULSON COURT
City: MISSISSAUGA
Province: ONTARIO
Postal Code: L5M 5S8

Last Name: BETTENCOURT
First Name: EMANUEL (MANNY)
Street/Box Number: 305 GLEBEHOLME BLVD.
City: TORONTO
Province: ONTARIO
Postal Code: M4J 1T1

Last Name: LANNI
First Name: GIUSEPPE (JOE)
Street/Box Number: 9 WARWOOD ROAD
City: ETOBICOKE
Province: ONTARIO
Postal Code: M9B 5B2

Voting Shareholders:

Legal Entity Name: DISTINCT INFRASTRUCTURE GROUP INC.
Corporate Access Number: 2017017928
Street: 2300, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J 1V3
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions: SEE ATTACHED SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED SCHEDULE "C"

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
2018107868	IVAC SERVICES LTD.
2010032585	MEGA DIESEL EXCAVATING LTD.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2018	2018/03/01

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2017/01/03	Amalgamate Alberta Corporation
2018/03/01	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Statutory Declaration	10000907114945477	2017/01/03
Share Structure	ELECTRONIC	2017/01/03
Restrictions on Share Transfers	ELECTRONIC	2017/01/03
Other Rules or Provisions	ELECTRONIC	2017/01/03

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



File Summary

Registry No : 4423926
Entity Name : CROWN UTILITIES LTD.

As of : 25-Feb-2019

Entity Name : CROWN UTILITIES LTD.
Registry No : 4423926
Business No : 132180175MC0001
Current Status : DEFAULT

Entity Type : BUSINESS CORPORATION
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 31-Jul-2001
Home Jurisdiction : MANITOBA
Annual Return/Renewal Date : 31-Aug-2018
Year of Last A/R - Renewal : 2017
Nature of Business : CONSTRUCTION
NAICS Code : 23

Registered Office Address :

Address : BOOTH, DENNEHY LLP, 387 BROADWAY
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3C 0V5

Mailing Address :

Name :
Address : BOOTH, DENNEHY LLP, 387 BROADWAY
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3C 0V5
Attention : G M DENNEHY

Director Information :

Date Became : 21-Nov-2017
Name : AGIUS, ALEX
Address : 2938 COULSON COURT
City/Province : MISSISSAUGA, ON
Country/Postal Code : CANADA, L5M 5S8

Date Became : 21-Nov-2017
Name : BETTENCOURT, MANNY
Address : 308 GLENBEHOLME BLVD
City/Province : TORONTO, ON
Country/Postal Code : CANADA, L4Y 3C8

Date Became : 21-Nov-2017
Name : LANNI, JOE
Address : 9 WARWOOD ROAD
City/Province : ETOBICOKE, ON
Country/Postal Code : CANADA, M9B 5B2

Officer Information :

Name : AGIUS, ALEX
Address : 2938 COULSON COURT
City/Province : MISSISSAUGA, ON
Country/Postal Code : CANADA, L5M 5S8
Position Held as Officer : CO-CHIEF EXECUTIVE OFFICER
Name : BETTENCOURT, MANNY

Address : 308 GLENBEHOLME BLVD
City/Province : TORONTO, ON
Country/Postal Code : CANADA, L4Y 3C8
Position Held as Officer : CHIEF FINANCIAL OFFICER
Name : LANNI, JOE
Address : 9 WARWOOD ROAD
City/Province : ETOBICOKE, ON
Country/Postal Code : CANADA, M9B 5B2
Position Held as Officer : CO-CHIEF EXECUTIVE OFFICER

Shareholders Information (holders of 10% or more of Issued Voting Shares) :

Firm Name : DISTINCT INFRASTRUCTURE GROUP INC.
Class Name : Class I Prefer
Shares Held : 4500000.00
Class Name : Class II Common
Shares Held : 558.00

Share Structure :

Class	Authorized Number
Class I Common	UNLIMITED
Class I Prefer	UNLIMITED
Class II Common	UNLIMITED
Class II Prefer	UNLIMITED
Class III Common	UNLIMITED
Class III Prefer	UNLIMITED
Class IV Common	UNLIMITED
Class IV Prefer	UNLIMITED
Class V Common	UNLIMITED
Class V Prefer	UNLIMITED
Class VI Common	UNLIMITED
Class VI Prefer	UNLIMITED
Class VII Prefer	UNLIMITED

Shares are distributed to the public : No

Power(s) of Attorney :

Name : DENNEHY, G. MICHAEL
Address : 387 BROADWAY
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3C 0V5

Corporations involved to form Amalgamation :

Registry No : 2840251
Entity Name : CROWN UTILITIES LTD.
Registry No : 3691030
Entity Name : CROWN HOME RENOVATIONS LTD.

Event History :

Event	Date :	Filing Year :
FILINGS RECORDED IN THE PREVIOUS SYSTEM ARE NOT INCLUDED		
ANNUAL RETURN	05-Sep-2017	2017
AMENDMENT	09-Nov-2017	
CHANGE OF SHAREHOLDERS	20-Nov-2017	
UNAN. SHAREHOLDER AGREE. TERMINATED	22-Nov-2017	
CHANGE OF DIRECTORS/OFFICERS	22-Nov-2017	
CHANGE OF DIRECTORS/OFFICERS	22-Nov-2017	
CHANGE OF SHAREHOLDERS	22-Nov-2017	
POWER OF ATTORNEY	23-Nov-2017	

The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

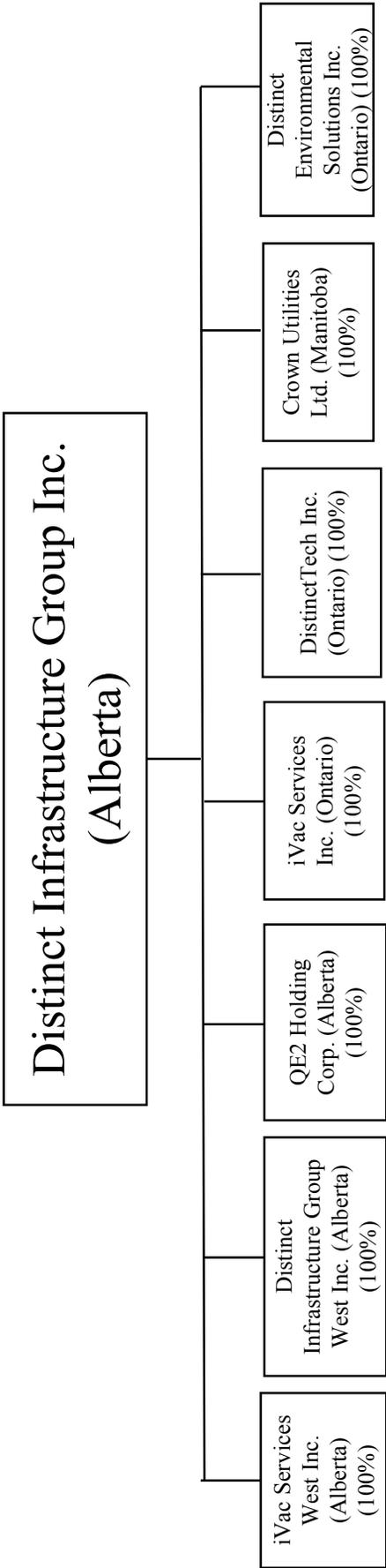
This is **Exhibit "B"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R Bengino

A Commissioner for taking Affidavits, etc.

Rachel Bengino

DISTINCT INFRASTRUCTURE GROUP INC.
CORPORATE STRUCTURE
SUBSIDIARIES, AFFILIATES, JOINT VENTURES AND PARTNERSHIPS



This is **Exhibit "C"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019..



A Commissioner for taking Affidavits, etc.

CONSULTING AGREEMENT
made as of the 1st day of October, 2015

B E T W E E N :

DISTINCT INFRASTRUCTURE GROUP INC.
a company incorporated under the laws of
the Province of Alberta

(the "Company")

OF THE FIRST PART

2460485 ONTARIO LTD.
a company incorporated under the laws of
the Province of Ontario

(the "Consultant")

OF THE SECOND PART.

WHEREAS the Company is desirous of retaining the Consultant to provide services in connection with the business of the Company;

AND WHEREAS the Consultant is desirous of providing such services to the Company, on the terms and subject to the conditions herein set out;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE
CONSULTING SERVICES

- 1.1 **Retainer.** The Company hereby agrees to retain the Consultant to provide the Company with consulting services (the "Services") and the Company hereby agrees that Alex (Alexander) Agius ("Agius"), the president of the Consultant, shall serve in the capacity of Co-Chief Executive Officer and Senior Vice-President Sales and Marketing, of the Company and to serve in such capacity as the Company's needs may from time to time require and as are made known to him by the Company or its authorized representatives.
- 1.2 **Term of Agreement.** Subject to the automatic extension provided for below, the terms of this Agreement shall be for five (5) years commencing on October 1, 2015 (the "Initial Term"). At the expiration of the Initial Term, this Agreement shall automatically be extended by an additional year unless, not less than 90 days prior to the expiration of the Initial Term, the Company shall have given written notice to the Consultant that it does not wish to further extend this Agreement (the "Non-Renewal Notice"). Notwithstanding the expiration of this Agreement, the obligations of the Company shall survive such expiration if there is a change in control prior to the expiration of this Agreement.

- 1.3 **Provision of Services.** The Services to be provided hereunder to the Company by the Consultant shall be provided by Agius. Agius shall devote a minimum of forty (40) hours per week in the provision of the Services to the Company. It is agreed and acknowledged that the Consultant and Agius may from time to time provide services to other persons, firms and corporations, provided that the Consultant and Agius shall at no time while this Agreement remains in force provide ongoing services to any competitor of the Company that is not an affiliate (for the purposes of this Agreement "affiliate" shall mean any person, firm or corporation that is affiliated with the Company within the meaning of the *Business Corporations Act* (Ontario)).
- 1.4 **Board Policy and Instructions.** The Consultant and Agius covenants with the Company that they will act in accordance with any policy of and carry out all reasonable instructions of the board of directors of the Company. The Consultant and Agius acknowledge that such policies and instructions may limit, restrict or remove any power or discretion that might otherwise have been exercised by the Consultant and Agius.
- 1.5 **Remuneration.** In consideration for the services rendered by the Consultant and Agius hereunder, the Company shall pay to the Consultant an annual fee of \$365,000 or a bi-weekly fee of \$15,208.33 exclusive of bonuses, benefits and other compensation. The monthly fee payable to the Consultant pursuant to the provisions of this section 1.5 shall be payable in arrears on a bi-weekly basis or in such other manner as may be mutually agreed upon, less, in any case, any deductions or withholdings required by law.
- 1.6 **Expenses.** The Consultant and Agius shall be reimbursed for all out of pocket expenses, including travel costs, actually and properly incurred by the Consultant and Agius in connection with providing the Services hereunder. The Consultant and Agius shall furnish statements and vouchers to the Company for all such expenses. Such reimbursement shall be paid within fifteen (15) days of submission of the invoice. In any event, the Consultant and Agius shall obtain written approval from the Chairman of the Board of Directors for all expenses over \$25,000.
- 1.8 **Bonus.** The Consultant shall be entitled to an annual performance bonus, the amount to be agreed to in consultation with the board of directors. No performance bonus shall apply in the first year of this agreement. The board, in consultation with Agius, shall determine an appropriate bonus structure for the remaining years of the agreement.
- 1.9 **Options.** In addition to any other compensation and/or bonus provided hereunder, the Consultant shall be entitled to receive options pursuant to the terms and conditions of the Company's stock option plan as and when granted by the board of directors.
- 1.10 **Vacation.** Agius shall be entitled to the greater of six (6) weeks paid vacation or such minimum number of weeks as may be otherwise required by law, per fiscal year of the Company at a time approved in advance by the Chairman of the Board of Directors of the Company, which approval shall not be unreasonably withheld but shall take into account the staffing requirements of the Company and the need for the timely performance of Agius' responsibilities. In the event that Agius decides not to take all the vacation to which he is entitled in any fiscal year, Agius shall be entitled to take up to a maximum of two (2) week of such vacation in the next following fiscal year at a time approved in advance by the Chairman of the Board of Directors of the Company.

- 1.11 **Benefits.** The Company shall provide to Agius the option to purchase, at his own expense, a benefits package comparable to those provided by the Company from time to time to senior employees of the Company and shall permit Agius to participate in any share option plan, share purchase plan, retirement plan or similar plan offered by the Company from time to time to its senior employees in the manner and to the extent authorized by the board of directors of the Company.
- 1.12 **Company Vehicle.** The Company shall provide the Consultant with a company owned vehicle and shall reimburse the Consultant for all reasonable out of pocket expenses incurred in relation thereto.

ARTICLE TWO COVENANTS

- 2.1 **No Delegation of Services.** The Consultant and Agius covenant and agree with the Company that they shall not delegate performance of the Services to anyone without the prior written consent of the Company.
- 2.2 **Provision of Amenities.** The Company covenants and agrees with the Consultant and Agius to provide, for the use of the Consultant, a reasonably furnished office, and administrative and reception services at the offices of the Company.

ARTICLE THREE CONFIDENTIALITY AND NON-SOLICITATION AND NON-COMPETITION

- 3.1 **Confidential Information.** The Consultant and Agius acknowledge that they are in a position of trust and in the course of carrying out, performing and fulfilling their duties under this Agreement they will have access to and will be entrusted with confidential information concerning the business of the Company, including but not limited to assay results, technology, trade secrets, customers, products, systems, client lists and all other information of every kind or nature pertaining to the business of the Company ("Confidential Information"). The Consultant and Agius covenants and agrees that they shall not disclose to anyone the Confidential Information with respect to the business or affairs of the Company except as may be necessary or desirable to further the business interests of the Company. This obligation shall survive the expiry or termination of this Agreement.
- 3.2 **Return of Property.** All letters, notes, data, photographs, sketches, drawings, lists of customers, or users, publications, manuals, books, tools, instruments, equipment, supplies, keys and any other property pertaining to the business of the Company, its operations and processes are, and shall remain, the sole and exclusive property of the Company. Upon expiry or termination of this Agreement the Consultant and Agius shall return to the Company all such property which may be under their control or in their possession if requested at any time during the term hereof or upon termination of this Agreement for any reason whatsoever.
- 3.3 **Promotion of Company's Interests.** The Consultant and Agius shall and will faithfully serve and use their best efforts to promote the interests of the Company, shall not use any information they may acquire with respect to the business and affairs of the Company or its affiliates for their own purposes or for any purposes other than those of the Company or its affiliates.

- 3.4 **Non-Competition.** The Consultant and Agius covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement with the geographical region of Southern Ontario, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person or persons, firm, partnership, company, or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever, carry on, be engaged in, employed by, or have any interest in any business similar to the business now or at any time during the retention of the Consultant hereunder was carried on by the Company.
- 3.5 **Non-Solicitation.** The Consultant and Agius covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person, firm, partnership, company or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever:
- (a) attempt to solicit any customers from the Company; or
 - (b) offer employment to or endeavour in any way to entice away from the Company any person who is employed by the Company, or interfere in any way with employer/employee relations between such employee and the Company; or
 - (c) otherwise take any action that may impair the relations between the Company and its respective suppliers, customers, employees or others or that may otherwise be detrimental to the business of the Company.

ARTICLE FOUR TERMINATION

- 4.1 For the purpose of this section, the following terms shall have the following meanings, respectively:
- (a) “Control Change” shall mean the occurrence, without the consent of the Consultant and Agius, at any date hereafter of any of the following events:
 - (i) a bona fide offer by, or the actual acquisition or continuing ownership of, securities (“Convertible Securities”) convertible into, exchangeable for or representing the right to acquire shares of the Company and/or shares of the Company as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated within the meaning of the *Business Corporations Act* (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, “Acquirors”), may or do beneficially own shares of the Company and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own shares that would entitle the holders thereof to cast more than 20% of the votes attaching to all shares in the capital of the Company that may be cast to elect directors of the Company; or

- (ii) the exercise of the voting power of all or any such shares so as to cause or result in the election of a number of directors greater than 50% of the total number of directors of the Company who were not incumbent directors; or
 - (iii) the shareholders of the Company approving a resolution authorizing the Company to enter into a transaction involving, directly or indirectly, (a) the merger, amalgamation or other combination of the Company or its principal business with one or more other entities; or (b) the sale of all or substantially all the assets of the Company; or
 - (iv) any transaction or series of transactions, the effect of which would cause the Employee and/or the directors of the Company, or any Company, partnership, limited partnership, or any other legal entity of which they exercise control, to own less than ten percent (10%) of the issued and outstanding voting shares of the Company.
- (b) “Disability” shall mean Agius’ failure to substantially perform his duties on a full-time basis for a period of six (6) months out of any 12-month period, where such inability is a result of physical or mental illness.
- (c) “Fair Market Value” shall be the average closing price of the Company’s common shares for the previous 30 days as reported by the TSX, TSX Venture Exchange or by any other recognized stock exchange. In the event that the Company’s common shares are not listed on any recognized stock exchange, the fair market value shall be determined within 90 days of the delivery of such notice at the Company’s expense by a valuator satisfactory to both the Company and the Employee and such determination shall be final and binding]
- (d) “Good Reason” shall include, without limitation, the occurrence of any of the following without the Consultant’s and Agius’ written consent (except in connection with the termination of the employment of the Consultant and Agius for Just Cause or Disability):
- (i) a change (other than those that are clearly consistent with a promotion) in the Consultant’s and Agius’ position or duties (including any position or duties as a director of the Company), responsibilities (including, without limitation, to whom Agius reports and who reports to Agius), title or office in effect immediately prior to a Control Change, which includes any removal of the Employee from or any failure to reelect or reappoint Agius to any such positions or offices;
 - (ii) a reduction by the Company of the Consultant’s compensation, benefits or any other form of remuneration or any change in the basis upon which the Compensation’s compensation, benefits or any other form of remuneration payable by the Company is determined or any failure by the Company to increase the Consultant’s compensation, benefits or any other forms of remuneration payable by the Company in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or

- (iii) any failure by the Company to continue in effect any benefit, bonus, profit sharing, incentive, remuneration or compensation plan, stock ownership or purchase plan, pension plan or retirement plan in which the Consultant is participating or entitled to participate immediately prior to the Control Change, or the Company taking any action or failing to take any action that would adversely affect the Consultant's participation in or reduce its rights or benefits under or pursuant to any such plan, or the Company failing to increase or improve such rights or benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or
 - (iv) the Company relocating Agius to any place other than the location at which he reported for work on a regular basis immediately prior to the Control Change or a place within 50 kilometers of that location; or
 - (v) any failure by the Company to provide Agius with the number of paid vacation days to which he was entitled immediately prior to the Control Change or the Company failing to increase such paid vacation on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to Agius; or
 - (vi) the Company taking any action to deprive the Consultant and Agius of any material fringe benefit not hereinbefore mentioned and enjoyed by them immediately prior to the Control Change, or the Company failing to increase or improve such material fringe benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant and Agius; or
 - (vii) any breach by the Company of any provision of this Agreement: or
 - (viii) the good faith determination by the Consultant and Agius that, as a result of the Control Change or any action or event thereafter, the Consultant's and Agius' status or responsibility in the Company have been diminished or Agius is being effectively prevented from carrying out his duties responsibilities as they existed immediately prior to the Control Change; or
 - (ix) the failure by the Company to obtain, in a form satisfactory to the Consultant and Agius, an effective assumption of its obligations hereunder by any successor to the Company, including a successor to a material portion of its business.
- (e) "Just Cause" shall mean:
- (i) the continued failure by the Consultant and Agius to substantially perform their duties according to the terms of this Agreement (other than those: (1) that follow a change (other than those clearly consistent with a promotion) in his position or duties; or (2) resulting from Agius' Disability) after the Company has given the

Consultant and Agius reasonable notice of such failure and a reasonable opportunity to correct it;

- (ii) the engaging by the Consultant and Agius in any act that is materially injurious to the Company, momentarily or otherwise, but not including, following a Control Change, the expression of opinions contrary to those of directors and/of officers of the Company who are not incumbent directors and/or officers or those of the new shareholders of the Company subsequent to the Control Change; or
 - (iii) the engaging by the Consultant and Agius in any criminal acts of dishonesty resulting or intended to result directly or indirectly in personal gain of the Consultant and Agius at the Company's expense.
- (f) "Retirement" shall mean the retirement of Agius as prescribed by any applicable legislation or when Agius turns 75 years of age, whichever date occurs first.

4.2 The Company shall have the following obligations in the event that the Consultant and Agius' retainer is terminated:

- (a) *Death.* If Agius' retainer is terminated by reason of Agius' death, Agius' family shall be entitled to receive benefits in a manner consistent with and at least equal in amount to those provided by the Company to surviving families of the senior employees of the Company under such plans, programs and policies relating to family death benefits, if any, as are in effect at the date of Agius' death. In the event that no such plans, programs and policies are in effect at the date of Agius' death, Agius' family shall be entitled to receive an amount equal to one (1) times the annual compensation for the remaining years under the Agreement and any such extensions and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (b) *Disability.* Unless otherwise determined by the Chairman of the Board of Directors of the Company, the retainer of Agius shall automatically terminate in the event of disability. If Agius' retainer is terminated by reason of disability, Agius and/or Agius' family shall be entitled thereafter to receive reasonable termination and severance payments and allowances and disability and other benefits in a manner consistent with and at least equal in amount to those provided by the Company to disabled senior employees of the Company and/or their families in accordance with such plans, programs and policies relating to disability, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Agius' disability, Agius and/or Agius' family shall be entitled to receive an amount equal to one (1) times the annual compensation at the time of Agius' Disability and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (c) *Retirement.* If Agius' retainer is terminated by reason of Retirement, Agius shall be entitled thereafter to receive reasonable retirement benefits at least equal to those provided by the Company to senior employees in accordance with such plans, programs and policies relating to retirement, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Agius' Retirement, Agius shall be entitled to receive an amount equal to one (1) times the annual salary at the time of

Retirement and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.

- (d) *Termination by the Company for Just Cause and Termination by the Consultant Other Than for Good Reason.* If the Consultant's retainer is terminated by the Company for Just Cause, or is terminated by the Consultant other than for Good Reason, the Company shall pay to the Consultant, if not theretofore paid, the fraction of the annual salary earned by or payable to the Consultant by the Company during the then current fiscal year of the Company for the period to and including the date of termination, and the Company shall have no further obligations to the Consultant under this Agreement.
- (e) *Termination by the Company Other Than for Just Cause, Disability or Death and Termination by the Consultant for Good Reason.* If the Consultant's retainer is terminated by the Company other than for Just Cause, Disability or death or is terminated by the Consultant for Good Reason:
- (i) the Company shall pay to or to the order of the Consultant by no more than two (2) lump sum payments in cash or certified cheque within 45 days after the date of termination, the aggregate of the following amounts (less any deductions required by law):
- (A) if not theretofore paid, the Consultant's annual compensation for the then current fiscal year of the Company for the period to and including the date of termination; and
- (B) an amount equal to the lesser of: (i) two (2) times the annual compensation; and (ii) an amount equal to the result obtained when the annual compensation is multiplied by a fraction, the numerator of which is the number of days between the date of termination and Agius' retirement date and the denominator of which is 365;
- (ii) if the Consultant holds any options, rights, warrants or other entitlements for the purchase or acquisition of shares in the capital of the Company or any affiliate thereof (collectively, the "Rights"), regardless of whether such Rights may then be exercised or if Rights would have been issued to the Consultant had its retainer not been terminated until the earlier of Agius' retirement date and three (3) years following the date of termination, and had the Consultant been granted such Rights on a basis consistent with those extended to other senior employees of the Company, all such Rights shall then be deemed to be granted to the Consultant and available for exercise and, if the Consultant so elects by notice in writing to the Company, such Rights shall be deemed to have been exercised at the price provided for in such Rights and the Consultant shall be deemed to have immediately sold the securities arising from such exercise to the Company for the Fair Market Value. The Company shall pay to the Consultant, in the manner and at the time contemplated by clause 4.2(e)(i), the difference between the aggregate exercise price for such securities and the deemed acquisition price to the Company;

- (iii) the Company shall pay, in the manner and at the time contemplated by clause 4.1(e)(i) above, an amount equal to the present value (as determined at the Company's expense by an actuary acceptable to the Company and the Consultant, which determination shall be final and binding) of all pension benefits as they existed at the date of the Control Change or the date of termination, whichever is more favorable to the Consultant, and any pension benefits to which the Consultant and Agius would have been entitled had the retainer continued until the earlier of Agius' retirement date and three (3) years following the date of termination and had Agius' pension benefits been increased in a manner consistent with that for senior employees of the Company generally;
 - (iv) the Company shall not seek in any way to amend the terms of any loans from the Company to the Consultant and Agius;
 - (v) the Company shall provide Agius with the job relocation counseling services of a firm chosen from time to time, at a cost to the Company not to exceed \$16,000; and
 - (vi) the Company shall pay to the Consultant and Agius all outstanding and accrued regular and special vacation pay to the date of termination.
- (f) *Non-Renewal of Agreement.* If the Company delivers to the Consultant the Non-Renewal Notice, the Company shall pay to the Consultant, as partial compensation for the Consultant's loss of revenue, an amount equal to the sum of: (i) two (2) times the annual compensation; and (ii) an amount equal to the average annual bonus paid to the Consultant in the previous two (2) years.
- 4.3 The benefits payable under this Article 4 shall not be reduced in any respect in the event that the Consultant shall secure or shall not reasonably pursue alternative retainer following the termination of the Consultant's retainer.

ARTICLE FIVE CAPACITY

- 5.1 ***Capacity of Consultant.*** It is acknowledged by the parties hereto that the Company is retaining the Consultant in the capacity of independent contractor and not as an employee of the Company. The Consultant and the Company acknowledge and agree that this Agreement does not create a partnership or joint venture between them.
- 5.2 ***Responsibilities of Consultant.*** The Consultant hereby acknowledges that it will be responsible for remitting any provincial, state or federal tax payable, on account of income or otherwise, and any contribution, premium or assessment owing under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation as a result of payments under this Agreement. The Consultant agrees to indemnify the Company in respect of any failure by it to withhold any such provincial, state or federal tax, contribution, premium or assessment which may be found to be required to be withheld by the Company under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation and such indemnity extends to any interest or penalties that may be payable by the Company as a result of such failure to withhold.

ARTICLE SIX GENERAL CONTRACT PROVISIONS

6.1 **Notices.** All notices, requests, demands or other communications (collectively, Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

(a) to the Company at:

77 Belfield Road, Unit 102
Toronto, Ontario M9W 1G6

(b) to the Consultant at:

2938 Coulson Court
Mississauga, Ontario L5M 5S8

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

6.2 **Additional Conditions.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

6.3 **Counterparts.** This Agreement may be executed in several counter parts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

6.4 **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

6.5 **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

- 6.6 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.
- 6.7 **Assignment.** This Agreement is personal to the Consultant and may not be assigned by the Consultant.
- 6.8 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.
- 6.9 **Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 6.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the nonexclusive jurisdiction of the Courts of such Province.
- 6.11 **Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word “person” shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.
- 6.12 **Calculation of time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.
- 6.13 **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 6.14 **Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

IN WITNESS WHEREOF the parties hereto as of the date first above written have executed this agreement.

SIGNED, SEALED & DELIVERED
in the presence of:

Distinct Infrastructure Group Inc.



)
)
)
) per:

Name: David O'Brien
Title: Chairman of the Board
(I have the authority to bind the company)

)
)
)
) per:



Name: Garry Wetsch
Title: Chairman of the Compensation and Corporate
Governance Committee
(I have the authority to bind the company)

2460485 ONTARIO LTD.

)
)
)
) per:



Name: Alex Agius
Title: President
(I have the authority to bind the company)

Schedule "A"
Description of Services

Co-Chief Executive Officer

Reports To

Chairman Board of Directors of Distinct Infrastructure Group Inc.

Summary

As a visionary, the Co-Chief Executive Officer ("CEO") is directly responsible for the health and performance of the organization, the success of its operations, and strategic planning. Internally, the CEO will focus on the ongoing improvement of the organizations business model to ensure maximum productivity and revenue. Externally, the CEO will establish key long-term relationships with business partners that enhance the organizations profitability and market position. This individual will also provide financial leadership by managing budgets and monitoring long-term strategic fiscal plans.

Core Competencies

- Customer Focus
- Communication
- Energy & Stress
- Team Work
- Quality Orientation
- Time Management
- Adaptability/ Flexibility
- Creative and Innovative Thinking
- Decision Making and Judgement
- Planning and Organizing
- Problem Solving
- Result Focus
- Accountability and Dependability
- Ethics and Integrity
- Mediating and Negotiating
- Providing Consultation
- Leadership
- Coaching and Mentoring
- Staff Management
- Enforcing Laws, Rules and Regulations
- Mathematical Reasoning
- Development and Continual Learning

Job Duties

- Develop and implement both short and long-term tactical and strategic plans in accordance with business goals and objectives.
- Collaborate with the executive team to develop strategic plans for all aspects of the organization.
- Provide leadership for strategic business development and key corporate planning issues on major business decisions.

- Assist the Chief Financial Officer in managing project budgets, forecasts, and long-term financial plans; ensure corporate adherence to annual budgets.
- Regularly report to the Board of Directors on the company's status against, and ability to meet, its strategic and operational objectives.
- Communicate and collaborate with departmental leaders to control spending, budgeting, reporting, and operational excellence.
- Develop and maintain effective relationships with municipal, state/provincial, and federal government agencies, as well as professional organizations such as consultancy firms and auditors.
- Facilitate and oversee any auditing conducted by third parties to ensure effective resolution and swift closure of auditing activities.
- Establish and maintain key relationships with strategic business partners, such as suppliers, wholesalers, retailers, and so on.
- Help determine resource allocation among business units and/or departments.
- Ensure proper reporting structure within and between all business units and/or departments.
- Keep the Board of Directors informed about business activities, potential threats, opportunities, and recommended actions.
- Monitor departmental performance against goals to ensure that progress is being made, and that corrective action is taken if necessary.
- Monitor legislation, regulations, policies, and procedures applicable to company operations.
- Meet regularly with department heads/business unit leaders; facilitate resolution of issues/problems between business units and/or departments.

Senior Vice President Sales and Marketing

Reports To

Co-Chief Executive Officer and Board of Directors

Summary

The SVP of Sales and Marketing is directly responsible for driving divisional, regional, and international sales and marketing, as well as overseeing all functions of the sales and marketing operations. This individual achieves quarterly/annual sales goals, developing distribution channels, building strategic business relationships, and providing vision for all sales and marketing strategies and their execution. The SVP of Sales and Marketing is also responsible for containing the costs of selling in order to achieve predetermined profit yields. She/he supervises all marketing efforts made by the marketing department to promote all Distinct Tech products, services, image and mission statements. This individual will serve as the subject matter expert in all marketing and sales related activities through various channels with the objective of motivating, driving and assisting in the attainment of sales. The SVP of Sales and Marketing also launches and manages new products, services, and associated brands to meet profitability goals through effective marketing programs. She/he will be responsible for providing executive leadership and management of the company's marketing organization and in-bound and out-bound marketing activities worldwide, which include: corporate marketing, partner/channel marketing, product marketing, and product management. The SVP- Sales and Marketing will drive the company's efforts to position itself as a visionary leader in its emerging market and to achieve its revenue goals.

Core Competencies

- Customer Focus
- Communication
- Energy and Stress
- Team Work
- Quality Orientation
- Time Management
- Adaptability/ Flexibility
- Creative and Innovative Thinking
- Decision Making and Judgement
- Planning and Organizing
- Problem Solving
- Result Focus
- Accountability and Dependability
- Ethics and Integrity
- Mediating and Negotiating
- Providing Consultation
- Leadership
- Coaching and Mentoring
- Staff Management
- Enforcing Laws, Rules and Regulations
- Mathematical Reasoning

- Development and Continual Learning

Job Duties

- Develop, administer and maintain a comprehensive sales and marketing program that ensures continued growth and industry leadership.
- Provide vision and leadership that encourages growth and viability of the company.
- Demonstrate and encourage teamwork and cooperation with all members of the BIN group and with other divisions within Distinct Tech.
- Uphold the Statement of Values as established by the Board.
- Work with senior management and accounting staff to establish annual sales and expense budgets.
- Provide written and verbal reports on sales and marketing activities in all locations on an ongoing basis and other written reports as requested from time to time.
- Establish, with the assistance of the President, certain performance goals such as sales, profit margins and expense ratios.
- Be a role model for the company culture.
- Implement strategic planning including corporate positioning market and competitive analysis, customer segment selection and penetration plans, and related product positioning.
- Oversee marketing communications including branding, public relations, advertising, white papers, trade shows, seminars and events collateral materials, analyst and market research management, and website design and content either directly or on an outsourced basis.
- Define and direct marketing programs for demand creation, lead generation.
- Oversee product management including market and customer research for market and product requirements, interface with engineering for product development, product pricing and product lifecycle management.
- Oversee product marketing including product launch management, sales training, presentations, sales tools, competitive analysis and general sales support.
- Work with the CEO and the other executive team members to identify and develop strategic alliances, raise venture/public financing, communicate with members, and close/grow major customer accounts.
- Develop and manage the company's marketing and sales budget.
- Develop and track metrics and success criteria for all marketing programs and activities.
- Act as spokesperson for the company with press and analysts and at industry events.
- Devise and deploy all sales goals and objectives across the organization, including the preparation of sales quotas and budgets.
- Integrate and align sales strategies with available talent, processes, IT systems, and other areas to increase sales force capability and success.
- Develop and implement quarterly and/or annual sales plans, policies, and programs for all sales managers.
- Manage the activities and performance of all sales and marketing units, including regional managers, account managers, and staff.
- Create training and development plans for sales and marketing managers.
- Conduct analysis to manage sales and marketing performance against corporate objectives and market developments.
- Develop and implement distribution strategies, reselling agreements, and other growth opportunities.

- Create product segmentation strategies where needed to maximize business opportunities across various sales channels.
- Develop, manage, and nurture new business accounts and partnerships to accomplish profit and volume goals.
- Maximize relationships with key retail and wholesale partners.
- Communicate brand identity internally to pertinent business units, key business partners, and the customer base.
- Conduct regular analysis on pricing effectiveness and recurring trends; create actionable item lists based on findings.
- Other duties as required.

CONSULTING AGREEMENT
made as of the 1st day of October, 2015

B E T W E E N :

DISTINCT INFRASTRUCTURE GROUP INC.
a company incorporated under the laws of
the Province of Alberta

(the "Company")

OF THE FIRST PART

2460481 ONTARIO LTD.
a company incorporated under the laws of
the Province of Ontario

(the "Consultant")

OF THE SECOND PART.

WHEREAS the Company is desirous of retaining the Consultant to provide services in connection with the business of the Company;

AND WHEREAS the Consultant is desirous of providing such services to the Company, on the terms and subject to the conditions herein set out;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE
CONSULTING SERVICES

- 1.1 **Retainer.** The Company hereby agrees to retain the Consultant to provide the Company with consulting services (the "Services") and the Company hereby agrees that Joe (Giuseppe) Lanni ("Lanni"), the president of the Consultant, shall serve in the capacity of Co-Chief Executive Officer of the Company and to serve in such capacity as the Company's needs may from time to time require and as are made known to him by the Company or its authorized representatives.
- 1.2 **Term of Agreement.** Subject to the automatic extension provided for below, the terms of this Agreement shall be for five (5) years commencing on October 1, 2015 (the "Initial Term"). At the expiration of the Initial Term, this Agreement shall automatically be extended by an additional year unless, not less than 90 days prior to the expiration of the Initial Term, the Company shall have given written notice to the Consultant that it does not wish to further extend this Agreement (the "Non-Renewal Notice"). Notwithstanding the expiration of this Agreement, the obligations of the Company shall survive such expiration if there is a change in control prior to the expiration of this Agreement.

- 1.3 **Provision of Services.** The Services to be provided hereunder to the Company by the Consultant shall be provided by Lanni. Lanni shall devote a minimum of forty (40) hours per week in the provision of the Services to the Company. It is agreed and acknowledged that the Consultant and Lanni may from time to time provide services to other persons, firms and corporations, provided that the Consultant and Lanni shall at no time while this Agreement remains in force provide ongoing services to any competitor of the Company that is not an affiliate (for the purposes of this Agreement "affiliate" shall mean any person, firm or corporation that is affiliated with the Company within the meaning of the *Business Corporations Act* (Ontario)).
- 1.4 **Board Policy and Instructions.** The Consultant and Lanni covenants with the Company that they will act in accordance with any policy of and carry out all reasonable instructions of the board of directors of the Company. The Consultant and Lanni acknowledge that such policies and instructions may limit, restrict or remove any power or discretion that might otherwise have been exercised by the Consultant and Lanni.
- 1.5 **Remuneration.** In consideration for the services rendered by the Consultant and Lanni hereunder, the Company shall pay to the Consultant an annual fee of \$365,000 or a bi-weekly fee of \$15,208.33 exclusive of bonuses, benefits and other compensation. The monthly fee payable to the Consultant pursuant to the provisions of this section 1.5 shall be payable in arrears on a bi-weekly basis or in such other manner as may be mutually agreed upon, less, in any case, any deductions or withholdings required by law.
- 1.6 **Expenses.** The Consultant and Lanni shall be reimbursed for all out of pocket expenses, including travel costs, actually and properly incurred by the Consultant and Lanni in connection with providing the Services hereunder. The Consultant and Lanni shall furnish statements and vouchers to the Company for all such expenses. Such reimbursement shall be paid within fifteen (15) days of submission of the invoice. In any event, the Consultant and Lanni shall obtain written approval from the Chairman of the Board of Directors for all expenses over \$25,000.
- 1.8 **Bonus.** The Consultant shall be entitled to an annual performance bonus, the amount to be agreed to in consultation with the board of directors. No performance bonus shall apply in the first year of this agreement. The board, in consultation with Lanni, shall determine an appropriate bonus structure for the remaining years of the agreement.
- 1.9 **Options.** In addition to any other compensation and/or bonus provided hereunder, the Consultant shall be entitled to receive options pursuant to the terms and conditions of the Company's stock option plan as and when granted by the board of directors.
- 1.10 **Vacation.** Lanni shall be entitled to the greater of six (6) weeks paid vacation or such minimum number of weeks as may be otherwise required by law, per fiscal year of the Company at a time approved in advance by the Chairman of the Board of Directors of the Company, which approval shall not be unreasonably withheld but shall take into account the staffing requirements of the Company and the need for the timely performance of Lanni's responsibilities. In the event that Lanni decides not to take all the vacation to which he is entitled in any fiscal year, Lanni shall be entitled to take up to a maximum of two (2) week of such vacation in the next following fiscal year at a time approved in advance by the Chairman of the Board of Directors of the Company.

- 1.11 **Benefits.** The Company shall provide to Lanni the option to purchase, at his own expense, a benefits package comparable to those provided by the Company from time to time to senior employees of the Company and shall permit Lanni to participate in any share option plan, share purchase plan, retirement plan or similar plan offered by the Company from time to time to its senior employees in the manner and to the extent authorized by the board of directors of the Company.
- 1.12 **Company Vehicle.** The Company shall provide the Consultant with a company owned vehicle and shall reimburse the Consultant for all reasonable out of pocket expenses incurred in relation thereto.

ARTICLE TWO COVENANTS

- 2.1 **No Delegation of Services.** The Consultant and Lanni covenant and agree with the Company that they shall not delegate performance of the Services to anyone without the prior written consent of the Company.
- 2.2 **Provision of Amenities.** The Company covenants and agrees with the Consultant and Lanni to provide, for the use of the Consultant, a reasonably furnished office, and administrative and reception services at the offices of the Company.

ARTICLE THREE CONFIDENTIALITY AND NON-SOLICITATION AND NON-COMPETITION

- 3.1 **Confidential Information.** The Consultant and Lanni acknowledge that they are in a position of trust and in the course of carrying out, performing and fulfilling their duties under this Agreement they will have access to and will be entrusted with confidential information concerning the business of the Company, including but not limited to assay results, technology, trade secrets, customers, products, systems, client lists and all other information of every kind or nature pertaining to the business of the Company ("Confidential Information"). The Consultant and Lanni covenants and agrees that they shall not disclose to anyone the Confidential Information with respect to the business or affairs of the Company except as may be necessary or desirable to further the business interests of the Company. This obligation shall survive the expiry or termination of this Agreement.
- 3.2 **Return of Property.** All letters, notes, data, photographs, sketches, drawings, lists of customers, or users, publications, manuals, books, tools, instruments, equipment, supplies, keys and any other property pertaining to the business of the Company, its operations and processes are, and shall remain, the sole and exclusive property of the Company. Upon expiry or termination of this Agreement the Consultant and Lanni shall return to the Company all such property which may be under their control or in their possession if requested at any time during the term hereof or upon termination of this Agreement for any reason whatsoever.
- 3.3 **Promotion of Company's Interests.** The Consultant and Lanni shall and will faithfully serve and use their best efforts to promote the interests of the Company, shall not use any information they may acquire with respect to the business and affairs of the Company or its affiliates for their own purposes or for any purposes other than those of the Company or its affiliates.

- 3.4 **Non-Competition.** The Consultant and Lanni covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement with the geographical region of Southern Ontario, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person or persons, firm, partnership, company, or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever, carry on, be engaged in, employed by, or have any interest in any business similar to the business now or at any time during the retention of the Consultant hereunder was carried on by the Company.
- 3.5 **Non-Solicitation.** The Consultant and Lanni covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person, firm, partnership, company or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever:
- (a) attempt to solicit any customers from the Company; or
 - (b) offer employment to or endeavour in any way to entice away from the Company any person who is employed by the Company, or interfere in any way with employer/employee relations between such employee and the Company; or
 - (c) otherwise take any action that may impair the relations between the Company and its respective suppliers, customers, employees or others or that may otherwise be detrimental to the business of the Company.

ARTICLE FOUR TERMINATION

- 4.1 For the purpose of this section, the following terms shall have the following meanings, respectively:
- (a) “Control Change” shall mean the occurrence, without the consent of the Consultant and Lanni, at any date hereafter of any of the following events:
 - (i) a bona fide offer by, or the actual acquisition or continuing ownership of, securities (“Convertible Securities”) convertible into, exchangeable for or representing the right to acquire shares of the Company and/or shares of the Company as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated within the meaning of the *Business Corporations Act* (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, “Acquirors”), may or do beneficially own shares of the Company and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own shares that would entitle the holders thereof to cast more than 20% of the votes attaching to all shares in the capital of the Company that may be cast to elect directors of the Company; or

- (ii) the exercise of the voting power of all or any such shares so as to cause or result in the election of a number of directors greater than 50% of the total number of directors of the Company who were not incumbent directors; or
 - (iii) the shareholders of the Company approving a resolution authorizing the Company to enter into a transaction involving, directly or indirectly, (a) the merger, amalgamation or other combination of the Company or its principal business with one or more other entities; or (b) the sale of all or substantially all the assets of the Company; or
 - (iv) any transaction or series of transactions, the effect of which would cause the Employee and/or the directors of the Company, or any Company, partnership, limited partnership, or any other legal entity of which they exercise control, to own less than ten percent (10%) of the issued and outstanding voting shares of the Company.
- (b) “Disability” shall mean Lanni’s failure to substantially perform his duties on a full-time basis for a period of six (6) months out of any 12-month period, where such inability is a result of physical or mental illness.
- (c) “Fair Market Value” shall be the average closing price of the Company’s common shares for the previous 30 days as reported by the TSX, TSX Venture Exchange or by any other recognized stock exchange. In the event that the Company’s common shares are not listed on any recognized stock exchange, the fair market value shall be determined within 90 days of the delivery of such notice at the Company’s expense by a valuator satisfactory to both the Company and the Employee and such determination shall be final and binding]
- (d) “Good Reason” shall include, without limitation, the occurrence of any of the following without the Consultant’s and Lanni’s written consent (except in connection with the termination of the employment of the Consultant and Lanni for Just Cause or Disability):
- (i) a change (other than those that are clearly consistent with a promotion) in the Consultant’s and Lanni’s position or duties (including any position or duties as a director of the Company), responsibilities (including, without limitation, to whom Lanni reports and who reports to Lanni), title or office in effect immediately prior to a Control Change, which includes any removal of the Employee from or any failure to reelect or reappoint Lanni to any such positions or offices;
 - (ii) a reduction by the Company of the Consultant’s compensation, benefits or any other form of remuneration or any change in the basis upon which the Compensation’s compensation, benefits or any other form of remuneration payable by the Company is determined or any failure by the Company to increase the Consultant’s compensation, benefits or any other forms of remuneration payable by the Company in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or

- (iii) any failure by the Company to continue in effect any benefit, bonus, profit sharing, incentive, remuneration or compensation plan, stock ownership or purchase plan, pension plan or retirement plan in which the Consultant is participating or entitled to participate immediately prior to the Control Change, or the Company taking any action or failing to take any action that would adversely affect the Consultant's participation in or reduce its rights or benefits under or pursuant to any such plan, or the Company failing to increase or improve such rights or benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or
 - (iv) the Company relocating Lanni to any place other than the location at which he reported for work on a regular basis immediately prior to the Control Change or a place within 50 kilometers of that location; or
 - (v) any failure by the Company to provide Lanni with the number of paid vacation days to which he was entitled immediately prior to the Control Change or the Company failing to increase such paid vacation on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to Lanni; or
 - (vi) the Company taking any action to deprive the Consultant and Lanni of any material fringe benefit not hereinbefore mentioned and enjoyed by them immediately prior to the Control Change, or the Company failing to increase or improve such material fringe benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant and Lanni; or
 - (vii) any breach by the Company of any provision of this Agreement: or
 - (viii) the good faith determination by the Consultant and Lanni that, as a result of the Control Change or any action or event thereafter, the Consultant's and Lanni's status or responsibility in the Company have been diminished or Lanni is being effectively prevented from carrying out his duties responsibilities as they existed immediately prior to the Control Change; or
 - (ix) the failure by the Company to obtain, in a form satisfactory to the Consultant and Lanni, an effective assumption of its obligations hereunder by any successor to the Company, including a successor to a material portion of its business.
- (e) "Just Cause" shall mean:
- (i) the continued failure by the Consultant and Lanni to substantially perform their duties according to the terms of this Agreement (other than those: (1) that follow a change (other than those clearly consistent with a promotion) in his position or duties; or (2) resulting from Lanni's Disability) after the Company has given the

Consultant and Lanni reasonable notice of such failure and a reasonable opportunity to correct it;

- (ii) the engaging by the Consultant and Lanni in any act that is materially injurious to the Company, momentarily or otherwise, but not including, following a Control Change, the expression of opinions contrary to those of directors and/of officers of the Company who are not incumbent directors and/or officers or those of the new shareholders of the Company subsequent to the Control Change; or
 - (iii) the engaging by the Consultant and Lanni in any criminal acts of dishonesty resulting or intended to result directly or indirectly in personal gain of the Consultant and Lanni at the Company's expense.
- (f) "Retirement" shall mean the retirement of Lanni as prescribed by any applicable legislation or when Lanni turns 75 years of age, whichever date occurs first.

4.2 The Company shall have the following obligations in the event that the Consultant and Lanni's retainer is terminated:

- (a) *Death.* If Lanni's retainer is terminated by reason of Lanni's death, Lanni's family shall be entitled to receive benefits in a manner consistent with and at least equal in amount to those provided by the Company to surviving families of the senior employees of the Company under such plans, programs and policies relating to family death benefits, if any, as are in effect at the date of Lanni's death. In the event that no such plans, programs and policies are in effect at the date of Lanni's death, Lanni's family shall be entitled to receive an amount equal to one (1) times the annual compensation for the remaining years under the Agreement and any such extensions and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (b) *Disability.* Unless otherwise determined by the Chairman of the Board of Directors of the Company, the retainer of Lanni shall automatically terminate in the event of disability. If Lanni's retainer is terminated by reason of disability, Lanni and/or Lanni's family shall be entitled thereafter to receive reasonable termination and severance payments and allowances and disability and other benefits in a manner consistent with and at least equal in amount to those provided by the Company to disabled senior employees of the Company and/or their families in accordance with such plans, programs and policies relating to disability, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Lanni's disability, Lanni and/or Lanni's family shall be entitled to receive an amount equal to one (1) times the annual compensation at the time of Lanni's Disability and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (c) *Retirement.* If Lanni's retainer is terminated by reason of Retirement, Lanni shall be entitled thereafter to receive reasonable retirement benefits at least equal to those provided by the Company to senior employees in accordance with such plans, programs and policies relating to retirement, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Lanni's Retirement, Lanni shall be entitled to receive an amount equal to one (1) times the annual salary at the time

of Retirement and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.

- (d) *Termination by the Company for Just Cause and Termination by the Consultant Other Than for Good Reason.* If the Consultant's retainer is terminated by the Company for Just Cause, or is terminated by the Consultant other than for Good Reason, the Company shall pay to the Consultant, if not theretofore paid, the fraction of the annual salary earned by or payable to the Consultant by the Company during the then current fiscal year of the Company for the period to and including the date of termination, and the Company shall have no further obligations to the Consultant under this Agreement.
- (e) *Termination by the Company Other Than for Just Cause, Disability or Death and Termination by the Consultant for Good Reason.* If the Consultant's retainer is terminated by the Company other than for Just Cause, Disability or death or is terminated by the Consultant for Good Reason:
- (i) the Company shall pay to or to the order of the Consultant by no more than two (2) lump sum payments in cash or certified cheque within 45 days after the date of termination, the aggregate of the following amounts (less any deductions required by law):
 - (A) if not theretofore paid, the Consultant's annual compensation for the then current fiscal year of the Company for the period to and including the date of termination; and
 - (B) an amount equal to the lesser of: (i) two (2) times the annual compensation; and (ii) an amount equal to the result obtained when the annual compensation is multiplied by a fraction, the numerator of which is the number of days between the date of termination and Lanni's retirement date and the denominator of which is 365;
 - (ii) if the Consultant holds any options, rights, warrants or other entitlements for the purchase or acquisition of shares in the capital of the Company or any affiliate thereof (collectively, the "Rights"), regardless of whether such Rights may then be exercised or if Rights would have been issued to the Consultant had its retainer not been terminated until the earlier of Lanni's retirement date and three (3) years following the date of termination, and had the Consultant been granted such Rights on a basis consistent with those extended to other senior employees of the Company, all such Rights shall then be deemed to be granted to the Consultant and available for exercise and, if the Consultant so elects by notice in writing to the Company, such Rights shall be deemed to have been exercised at the price provided for in such Rights and the Consultant shall be deemed to have immediately sold the securities arising from such exercise to the Company for the Fair Market Value. The Company shall pay to the Consultant, in the manner and at the time contemplated by clause 4.2(e)(i), the difference between the aggregate exercise price for such securities and the deemed acquisition price to the Company;

- (iii) the Company shall pay, in the manner and at the time contemplated by clause 4.1(e)(i) above, an amount equal to the present value (as determined at the Company's expense by an actuary acceptable to the Company and the Consultant, which determination shall be final and binding) of all pension benefits as they existed at the date of the Control Change or the date of termination, whichever is more favorable to the Consultant, and any pension benefits to which the Consultant and Lanni would have been entitled had the retainer continued until the earlier of Lanni's retirement date and three (3) years following the date of termination and had Lanni's pension benefits been increased in a manner consistent with that for senior employees of the Company generally;
 - (iv) the Company shall not seek in any way to amend the terms of any loans from the Company to the Consultant and Lanni;
 - (v) the Company shall provide Lanni with the job relocation counseling services of a firm chosen from time to time, at a cost to the Company not to exceed \$16,000; and
 - (vi) the Company shall pay to the Consultant and Lanni all outstanding and accrued regular and special vacation pay to the date of termination.
- (f) *Non-Renewal of Agreement.* If the Company delivers to the Consultant the Non-Renewal Notice, the Company shall pay to the Consultant, as partial compensation for the Consultant's loss of revenue, an amount equal to the sum of: (i) two (2) times the annual compensation; and (ii) an amount equal to the average annual bonus paid to the Consultant in the previous two (2) years.

4.3 The benefits payable under this Article 4 shall not be reduced in any respect in the event that the Consultant shall secure or shall not reasonably pursue alternative retainer following the termination of the Consultant's retainer.

ARTICLE FIVE CAPACITY

5.1 ***Capacity of Consultant.*** It is acknowledged by the parties hereto that the Company is retaining the Consultant in the capacity of independent contractor and not as an employee of the Company. The Consultant and the Company acknowledge and agree that this Agreement does not create a partnership or joint venture between them.

5.2 ***Responsibilities of Consultant.*** The Consultant hereby acknowledges that it will be responsible for remitting any provincial, state or federal tax payable, on account of income or otherwise, and any contribution, premium or assessment owing under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation as a result of payments under this Agreement. The Consultant agrees to indemnify the Company in respect of any failure by it to withhold any such provincial, state or federal tax, contribution, premium or assessment which may be found to be required to be withheld by the Company under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation and such indemnity extends to any interest or penalties that may be payable by the Company as a result of such failure to withhold.

ARTICLE SIX GENERAL CONTRACT PROVISIONS

6.1 **Notices.** All notices, requests, demands or other communications (collectively, Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

(a) to the Company at:

77 Belfield Road, Unit 102
Toronto, Ontario M9W 1G6

(b) to the Consultant at:

9 Warwood Road
Etobicoke, Ontario M9B 5B2

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

6.2 **Additional Conditions.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

6.3 **Counterparts.** This Agreement may be executed in several counter parts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

6.4 **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

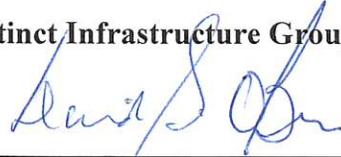
6.5 **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

- 6.6 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.
- 6.7 **Assignment.** This Agreement is personal to the Consultant and may not be assigned by the Consultant.
- 6.8 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.
- 6.9 **Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 6.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the nonexclusive jurisdiction of the Courts of such Province.
- 6.11 **Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word “person” shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.
- 6.12 **Calculation of time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.
- 6.13 **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 6.14 **Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

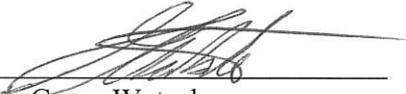
IN WITNESS WHEREOF the parties hereto as of the date first above written have executed this agreement.

SIGNED, SEALED & DELIVERED
in the presence of:

) **Distinct Infrastructure Group Inc.**
)
)
)

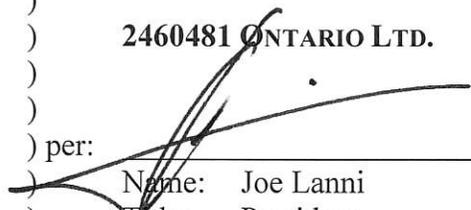


) per: _____
) Name: David O'Brien
) Title: Chairman of the Board
) *(I have the authority to bind the company)*
)
)
)



) per: _____
) Name: Garry Wetsch
) Title: Chairman of the Compensation and Corporate
) Governance Committee
) *(I have the authority to bind the company)*
)
)
)

) **2460481 ONTARIO LTD.**
)
)
)



) per: _____
) Name: Joe Lanni
) Title: President
) *(I have the authority to bind the company)*
)

Schedule "A"
Description of Services

Co-Chief Executive Officer

Reports To

Chairman Board of Directors of Distinct Infrastructure Group Inc.

Summary

As a visionary, the Co-Chief Executive Officer ("CEO") is directly responsible for the health and performance of the organization, the success of its operations, and strategic planning. Internally, the CEO will focus on the ongoing improvement of the organizations business model to ensure maximum productivity and revenue. Externally, the CEO will establish key long-term relationships with business partners that enhance the organizations profitability and market position. This individual will also provide financial leadership by managing budgets and monitoring long-term strategic fiscal plans.

Core Competencies

- Customer Focus
- Communication
- Energy & Stress
- Team Work
- Quality Orientation
- Time Management
- Adaptability/ Flexibility
- Creative and Innovative Thinking
- Decision Making and Judgement
- Planning and Organizing
- Problem Solving
- Result Focus
- Accountability and Dependability
- Ethics and Integrity
- Mediating and Negotiating
- Providing Consultation
- Leadership
- Coaching and Mentoring
- Staff Management
- Enforcing Laws, Rules and Regulations
- Mathematical Reasoning
- Development and Continual Learning

Job Duties

- Develop and implement both short and long-term tactical and strategic plans in accordance with business goals and objectives.
- Collaborate with the executive team to develop strategic plans for all aspects of the organization.
- Provide leadership for strategic business development and key corporate planning issues on major business decisions.

- Assist the Chief Financial Officer in managing project budgets, forecasts, and long-term financial plans; ensure corporate adherence to annual budgets.
- Regularly report to the Board of Directors on the company's status against, and ability to meet, its strategic and operational objectives.
- Communicate and collaborate with departmental leaders to control spending, budgeting, reporting, and operational excellence.
- Develop and maintain effective relationships with municipal, state/provincial, and federal government agencies, as well as professional organizations such as consultancy firms and auditors.
- Facilitate and oversee any auditing conducted by third parties to ensure effective resolution and swift closure of auditing activities.
- Establish and maintain key relationships with strategic business partners, such as suppliers, wholesalers, retailers, and so on.
- Help determine resource allocation among business units and/or departments.
- Ensure proper reporting structure within and between all business units and/or departments.
- Keep the Board of Directors informed about business activities, potential threats, opportunities, and recommended actions.
- Monitor departmental performance against goals to ensure that progress is being made, and that corrective action is taken if necessary.
- Monitor legislation, regulations, policies, and procedures applicable to company operations.
- Meet regularly with department heads/business unit leaders; facilitate resolution of issues/problems between business units and/or departments.

CONSULTING AGREEMENT
made as of the 18th day of January, 2016

B E T W E E N :

DISTINCT INFRASTRUCTURE GROUP INC.
a company incorporated under the laws of
the Province of Alberta

(the "Company")

OF THE FIRST PART

BRIMSTONE GROUP INC.
a company incorporated under the laws of
the Province of Ontario

(the "Consultant")

OF THE SECOND PART.

WHEREAS the Company is desirous of retaining the Consultant to provide services in connection with the business of the Company;

AND WHEREAS the Consultant is desirous of providing such services to the Company, on the terms and subject to the conditions herein set out;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE
CONSULTING SERVICES

- 1.1 **Retainer.** The Company hereby agrees to retain the Consultant to provide the Company with consulting services (the "Services") and the Company hereby agrees that Jay Vieira ("Vieira") shall serve in the capacity of Vice President, Corporate & Legal Affairs of the Company and to serve in such capacity as the Company's needs may from time to time require and as are made known to him by the Company or its authorized representatives.
- 1.2 **Term of Agreement.** Subject to the automatic extension provided for below, the terms of this Agreement shall be for five (5) years commencing on January 18, 2016 (the "Initial Term"). At the expiration of the Initial Term, this Agreement shall automatically be extended by an additional year unless, not less than 90 days prior to the expiration of the Initial Term, the Company shall have given written notice to the Consultant that it does not wish to further extend this Agreement (the "Non-Renewal Notice"). Notwithstanding the expiration of this Agreement, the obligations of the Company shall survive such expiration if there is a change in control prior to the expiration of this Agreement.

- 1.3 **Provision of Services.** The Services to be provided hereunder to the Company by the Consultant shall be provided by Vieira. Vieira shall devote a minimum of forty (40) hours per week in the provision of the Services to the Company. It is agreed and acknowledged that the Consultant and Vieira may from time to time provide services to other persons, firms and corporations, provided that the Consultant and Vieira shall at no time while this Agreement remains in force provide ongoing services to any competitor of the Company that is not an affiliate (for the purposes of this Agreement “affiliate” shall mean any person, firm or corporation that is affiliated with the Company within the meaning of the *Business Corporations Act* (Ontario)).
- 1.4 **Board Policy and Instructions.** The Consultant and Vieira covenants with the Company that they will act in accordance with any policy of and carry out all reasonable instructions of the Co-Chief Executive Officers of the Company. The Consultant and Vieira acknowledge that such policies and instructions may limit, restrict or remove any power or discretion that might otherwise have been exercised by the Consultant and Vieira.
- 1.5 **Remuneration.** In consideration for the services rendered by the Consultant and Vieira hereunder, the Company shall pay to the Consultant an annual fee of \$235,000 or a bi-weekly fee of \$9,038.46 exclusive of bonuses, benefits and other compensation. The monthly fee payable to the Consultant pursuant to the provisions of this section 1.5 shall be payable in arrears on a bi-weekly basis or in such other manner as may be mutually agreed upon, less, in any case, any deductions or withholdings required by law.
- 1.6 **Expenses.** The Consultant and Vieira shall be reimbursed for all out of pocket expenses, including travel costs, actually and properly incurred by the Consultant and Vieira in connection with providing the Services hereunder. The Consultant and Vieira shall furnish statements and vouchers to the Company for all such expenses. Such reimbursement shall be paid within fifteen (15) days of submission of the invoice. In any event, the Consultant and Vieira shall obtain written approval from the Co-Chief Executive Officers for all expenses over \$5,000.
- 1.8 **Bonus.** The Consultant shall be entitled to an annual performance bonus, the amount to be agreed to in consultation with the board of directors. No performance bonus shall apply in the first year of this agreement. The board, in consultation with Vieira, shall determine an appropriate bonus structure for the remaining years of the agreement.
- 1.9 **Options.** In addition to any other compensation and/or bonus provided hereunder, the Consultant shall be entitled to receive options pursuant to the terms and conditions of the Company’s stock option plan as and when granted by the board of directors.
- 1.10 **Vacation.** Vieira shall be entitled to the greater of four (4) weeks paid vacation or such minimum number of weeks as may be otherwise required by law, per fiscal year of the Company at a time approved in advance by the Co-Chief Executive Officers of the Company, which approval shall not be unreasonably withheld but shall take into account the staffing requirements of the Company and the need for the timely performance of Vieira’s responsibilities. In the event that Vieira decides not to take all the vacation to which he is entitled in any fiscal year, Vieira shall be entitled to take up to a maximum of two (2) week of such vacation in the next following fiscal year at a time approved in advance by the Co-Chief Executive Officers of the Company.

- 1.11 **Benefits.** The Company shall provide to Vieira the option to purchase, at his own expense, a benefits package comparable to those provided by the Company from time to time to senior employees of the Company and shall permit Vieira to participate in any share option plan, share purchase plan, retirement plan or similar plan offered by the Company from time to time to its senior employees in the manner and to the extent authorized by the board of directors of the Company.
- 1.12 **Vehicle Allowance.** The Company shall provide the Consultant a monthly car allowance of \$750 which shall cover all lease payments, insurance and all reasonable out of pocket maintenance expenses incurred in relation thereto.

ARTICLE TWO COVENANTS

- 2.1 **No Delegation of Services.** The Consultant and Vieira covenant and agree with the Company that they shall not delegate performance of the Services to anyone without the prior written consent of the Company.
- 2.2 **Provision of Amenities.** The Company covenants and agrees with the Consultant and Vieira to provide, for the use of the Consultant, a reasonably furnished office, and administrative and reception services at the offices of the Company.

ARTICLE THREE CONFIDENTIALITY AND NON-SOLICITATION AND NON-COMPETITION

- 3.1 **Confidential Information.** The Consultant and Vieira acknowledge that they are in a position of trust and in the course of carrying out, performing and fulfilling their duties under this Agreement they will have access to and will be entrusted with confidential information concerning the business of the Company, including but not limited to assay results, technology, trade secrets, customers, products, systems, client lists and all other information of every kind or nature pertaining to the business of the Company (“Confidential Information”). The Consultant and Vieira covenants and agrees that they shall not disclose to anyone the Confidential Information with respect to the business or affairs of the Company except as may be necessary or desirable to further the business interests of the Company. This obligation shall survive the expiry or termination of this Agreement.
- 3.2 **Return of Property.** All letters, notes, data, photographs, sketches, drawings, lists of customers, or users, publications, manuals, books, tools, instruments, equipment, supplies, keys and any other property pertaining to the business of the Company, its operations and processes are, and shall remain, the sole and exclusive property of the Company. Upon expiry or termination of this Agreement the Consultant and Vieira shall return to the Company all such property which may be under their control or in their possession if requested at any time during the term hereof or upon termination of this Agreement for any reason whatsoever.
- 3.3 **Promotion of Company’s Interests.** The Consultant and Vieira shall and will faithfully serve and use their best efforts to promote the interests of the Company, shall not use any information they may acquire with respect to the business and affairs of the Company or its affiliates for their own purposes or for any purposes other than those of the Company or its affiliates.

- 3.4 **Non-Competition.** The Consultant and Vieira covenant and agree that they will not, during the term of this Agreement, or at any time within a period of one (1) year following the date of termination of this Agreement with the geographical region of Southern Ontario, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person or persons, firm, partnership, company, or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever, carry on, be engaged in, employed by, or have any interest in any business similar to the business now or at any time during the retention of the Consultant hereunder was carried on by the Company.
- 3.5 **Non-Solicitation.** The Consultant and Vieira covenant and agree that they will not, during the term of this Agreement, or at any time within a period of one (1) year following the date of termination of this Agreement, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person, firm, partnership, company or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever:
- (a) attempt to solicit any customers from the Company; or
 - (b) offer employment to or endeavour in any way to entice away from the Company any person who is employed by the Company, or interfere in any way with employer/employee relations between such employee and the Company; or
 - (c) otherwise take any action that may impair the relations between the Company and its respective suppliers, customers, employees or others or that may otherwise be detrimental to the business of the Company.

ARTICLE FOUR TERMINATION

- 4.1 For the purpose of this section, the following terms shall have the following meanings, respectively:
- (a) “Control Change” shall mean the occurrence, without the consent of the Consultant and Vieira, at any date hereafter of any of the following events:
 - (i) a bona fide offer by, or the actual acquisition or continuing ownership of, securities (“Convertible Securities”) convertible into, exchangeable for or representing the right to acquire shares of the Company and/or shares of the Company as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated within the meaning of the *Business Corporations Act* (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, “Acquirors”), may or do beneficially own shares of the Company and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own shares that would entitle the holders thereof to cast more than 20% of the votes attaching to all shares in the capital of the Company that may be cast to elect directors of the Company; or

- (ii) the exercise of the voting power of all or any such shares so as to cause or result in the election of a number of directors greater than 50% of the total number of directors of the Company who were not incumbent directors; or
 - (iii) the shareholders of the Company approving a resolution authorizing the Company to enter into a transaction involving, directly or indirectly, (a) the merger, amalgamation or other combination of the Company or its principal business with one or more other entities; or (b) the sale of all or substantially all the assets of the Company; or
 - (iv) any transaction or series of transactions, the effect of which would cause the Employee and/or the directors of the Company, or any Company, partnership, limited partnership, or any other legal entity of which they exercise control, to own less than ten percent (10%) of the issued and outstanding voting shares of the Company.
- (b) “Disability” shall mean Vieira’s failure to substantially perform his duties on a full-time basis for a period of six (6) months out of any 12-month period, where such inability is a result of physical or mental illness.
- (c) “Fair Market Value” shall be the average closing price of the Company’s common shares for the previous 30 days as reported by the TSX, TSX Venture Exchange or by any other recognized stock exchange. In the event that the Company’s common shares are not listed on any recognized stock exchange, the fair market value shall be determined within 90 days of the delivery of such notice at the Company’s expense by a valuator satisfactory to both the Company and the Employee and such determination shall be final and binding]
- (d) “Good Reason” shall include, without limitation, the occurrence of any of the following without the Consultant’s and Vieira’s written consent (except in connection with the termination of the employment of the Consultant and Vieira for Just Cause or Disability):
- (i) a change (other than those that are clearly consistent with a promotion) in the Consultant’s and Vieira’s position or duties (including any position or duties as a director of the Company), responsibilities (including, without limitation, to whom Vieira reports and who reports to Vieira), title or office in effect immediately prior to a Control Change, which includes any removal of the Employee from or any failure to reelect or reappoint Vieira to any such positions or offices;
 - (ii) a reduction by the Company of the Consultant’s compensation, benefits or any other form of remuneration or any change in the basis upon which the Compensation’s compensation, benefits or any other form of remuneration payable by the Company is determined or any failure by the Company to increase the Consultant’s compensation, benefits or any other forms of remuneration payable by the Company in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or

- (iii) any failure by the Company to continue in effect any benefit, bonus, profit sharing, incentive, remuneration or compensation plan, stock ownership or purchase plan, pension plan or retirement plan in which the Consultant is participating or entitled to participate immediately prior to the Control Change, or the Company taking any action or failing to take any action that would adversely affect the Consultant's participation in or reduce its rights or benefits under or pursuant to any such plan, or the Company failing to increase or improve such rights or benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant; or
 - (iv) the Company relocating Vieira to any place other than the location at which he reported for work on a regular basis immediately prior to the Control Change or a place within 50 kilometers of that location; or
 - (v) any failure by the Company to provide Vieira with the number of paid vacation days to which he was entitled immediately prior to the Control Change or the Company failing to increase such paid vacation on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to Vieira; or
 - (vi) the Company taking any action to deprive the Consultant and Vieira of any material fringe benefit not hereinbefore mentioned and enjoyed by them immediately prior to the Control Change, or the Company failing to increase or improve such material fringe benefits on a basis consistent with practices in effect immediately prior to the Control Change or with practices implemented subsequent to the Control Change with respect to the senior employees of the Company, whichever is more favourable to the Consultant and Vieira; or
 - (vii) any breach by the Company of any provision of this Agreement: or
 - (viii) the good faith determination by the Consultant and Vieira that, as a result of the Control Change or any action or event thereafter, the Consultant's and Vieira's status or responsibility in the Company have been diminished or Vieira is being effectively prevented from carrying out his duties responsibilities as they existed immediately prior to the Control Change; or
 - (ix) the failure by the Company to obtain, in a form satisfactory to the Consultant and Vieira, an effective assumption of its obligations hereunder by any successor to the Company, including a successor to a material portion of its business.
- (e) "Just Cause" shall mean:
- (i) the continued failure by the Consultant and Vieira to substantially perform their duties according to the terms of this Agreement (other than those: (1) that follow a change (other than those clearly consistent with a promotion) in his position or duties; or (2) resulting from Vieira's Disability) after the Company has given the

Consultant and Vieira reasonable notice of such failure and a reasonable opportunity to correct it;

- (ii) the engaging by the Consultant and Vieira in any act that is materially injurious to the Company, momentarily or otherwise, but not including, following a Control Change, the expression of opinions contrary to those of directors and/of officers of the Company who are not incumbent directors and/or officers or those of the new shareholders of the Company subsequent to the Control Change; or
 - (iii) the engaging by the Consultant and Vieira in any criminal acts of dishonesty resulting or intended to result directly or indirectly in personal gain of the Consultant and Vieira at the Company's expense.
- (f) "Retirement" shall mean the retirement of Vieira as prescribed by any applicable legislation or when Vieira turns 75 years of age, whichever date occurs first.

4.2 The Company shall have the following obligations in the event that the Consultant and Vieira's retainer is terminated:

- (a) *Death.* If Vieira's retainer is terminated by reason of Vieira's death, Vieira's family shall be entitled to receive benefits in a manner consistent with and at least equal in amount to those provided by the Company to surviving families of the senior employees of the Company under such plans, programs and policies relating to family death benefits, if any, as are in effect at the date of Vieira's death. In the event that no such plans, programs and policies are in effect at the date of Vieira's death, Vieira's family shall be entitled to receive an amount equal to one (1) times the annual compensation for the remaining years under the Agreement and any such extensions and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (b) *Disability.* Unless otherwise determined by the Chairman of the Board of Directors of the Company, the retainer of Vieira shall automatically terminate in the event of disability. If Vieira's retainer is terminated by reason of disability, Vieira and/or Vieira's family shall be entitled thereafter to receive reasonable termination and severance payments and allowances and disability and other benefits in a manner consistent with and at least equal in amount to those provided by the Company to disabled senior employees of the Company and/or their families in accordance with such plans, programs and policies relating to disability, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Vieira's disability, Vieira and/or Vieira's family shall be entitled to receive an amount equal to one (1) times the annual compensation at the time of Vieira's Disability and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.
- (c) *Retirement.* If Vieira's retainer is terminated by reason of Retirement, Vieira shall be entitled thereafter to receive reasonable retirement benefits at least equal to those provided by the Company to senior employees in accordance with such plans, programs and policies relating to retirement, if any, as are in effect at the date of termination. In the event that no such plans, programs and policies are in effect at the date of Vieira's Retirement, Vieira shall be entitled to receive an amount equal to one (1) times the annual salary at the time

of Retirement and an amount equal to one (1) times the average annual bonus paid to the Consultant in the previous two (2) years.

- (d) *Termination by the Company for Just Cause and Termination by the Consultant Other Than for Good Reason.* If the Consultant's retainer is terminated by the Company for Just Cause, or is terminated by the Consultant other than for Good Reason, the Company shall pay to the Consultant, if not theretofore paid, the fraction of the annual salary earned by or payable to the Consultant by the Company during the then current fiscal year of the Company for the period to and including the date of termination, and the Company shall have no further obligations to the Consultant under this Agreement.

- (e) *Termination by the Company Other Than for Just Cause, Disability or Death and Termination by the Consultant for Good Reason.* If the Consultant's retainer is terminated by the Company other than for Just Cause, Disability or death or is terminated by the Consultant for Good Reason:
 - (i) the Company shall pay to or to the order of the Consultant by no more than two (2) lump sum payments in cash or certified cheque within 45 days after the date of termination, the aggregate of the following amounts (less any deductions required by law):
 - (A) if not theretofore paid, the Consultant's annual compensation for the then current fiscal year of the Company for the period to and including the date of termination; and
 - (B) an amount equal to the lesser of: (i) two (2) times the annual compensation; and (ii) an amount equal to the result obtained when the annual compensation is multiplied by a fraction, the numerator of which is the number of days between the date of termination and Vieira's retirement date and the denominator of which is 365;
 - (ii) if the Consultant holds any options, rights, warrants or other entitlements for the purchase or acquisition of shares in the capital of the Company or any affiliate thereof (collectively, the "Rights"), regardless of whether such Rights may then be exercised or if Rights would have been issued to the Consultant had its retainer not been terminated until the earlier of Vieira's retirement date and three (3) years following the date of termination, and had the Consultant been granted such Rights on a basis consistent with those extended to other senior employees of the Company, all such Rights shall then be deemed to be granted to the Consultant and available for exercise and, if the Consultant so elects by notice in writing to the Company, such Rights shall be deemed to have been exercised at the price provided for in such Rights and the Consultant shall be deemed to have immediately sold the securities arising from such exercise to the Company for the Fair Market Value. The Company shall pay to the Consultant, in the manner and at the time contemplated by clause 4.2(e)(i), the difference between the aggregate exercise price for such securities and the deemed acquisition price to the Company;

- (iii) the Company shall pay, in the manner and at the time contemplated by clause 4.1(e)(i) above, an amount equal to the present value (as determined at the Company's expense by an actuary acceptable to the Company and the Consultant, which determination shall be final and binding) of all pension benefits as they existed at the date of the Control Change or the date of termination, whichever is more favorable to the Consultant, and any pension benefits to which the Consultant and Vieira would have been entitled had the retainer continued until the earlier of Vieira's retirement date and three (3) years following the date of termination and had Vieira's pension benefits been increased in a manner consistent with that for senior employees of the Company generally;
 - (iv) the Company shall not seek in any way to amend the terms of any loans from the Company to the Consultant and Vieira;
 - (v) the Company shall provide Vieira with the job relocation counseling services of a firm chosen from time to time, at a cost to the Company not to exceed \$16,000; and
 - (vi) the Company shall pay to the Consultant and Vieira all outstanding and accrued regular and special vacation pay to the date of termination.
- (f) *Non-Renewal of Agreement.* If the Company delivers to the Consultant the Non-Renewal Notice, the Company shall pay to the Consultant, as partial compensation for the Consultant's loss of revenue, an amount equal to the sum of: (i) two (2) times the annual compensation; and (ii) an amount equal to the average annual bonus paid to the Consultant in the previous two (2) years.
- 4.3 The benefits payable under this Article 4 shall not be reduced in any respect in the event that the Consultant shall secure or shall not reasonably pursue alternative retainer following the termination of the Consultant's retainer.

ARTICLE FIVE CAPACITY

- 5.1 ***Capacity of Consultant.*** It is acknowledged by the parties hereto that the Company is retaining the Consultant in the capacity of independent contractor and not as an employee of the Company. The Consultant and the Company acknowledge and agree that this Agreement does not create a partnership or joint venture between them.
- 5.2 ***Responsibilities of Consultant.*** The Consultant hereby acknowledges that it will be responsible for remitting any provincial, state or federal tax payable, on account of income or otherwise, and any contribution, premium or assessment owing under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation as a result of payments under this Agreement. The Consultant agrees to indemnify the Company in respect of any failure by it to withhold any such provincial, state or federal tax, contribution, premium or assessment which may be found to be required to be withheld by the Company under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation and such indemnity extends to any interest or penalties that may be payable by the Company as a result of such failure to withhold.

**ARTICLE SIX
GENERAL CONTRACT PROVISIONS**

6.1 **Notices.** All notices, requests, demands or other communications (collectively, Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

(a) to the Company at:

77 Belfield Road, Unit 102
Toronto, Ontario M9W 1G6

(b) to the Consultant at:

305 Glebeholme Blvd.
Toronto, Ontario M4J 1T1

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

6.2 **Additional Conditions.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

6.3 **Counterparts.** This Agreement may be executed in several counter parts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

6.4 **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

6.5 **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

- 6.6 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.
- 6.7 **Assignment.** This Agreement is personal to the Consultant and may not be assigned by the Consultant.
- 6.8 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.
- 6.9 **Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 6.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the nonexclusive jurisdiction of the Courts of such Province.
- 6.11 **Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word “person” shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.
- 6.12 **Calculation of time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.
- 6.13 **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 6.14 **Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

IN WITNESS WHEREOF the parties hereto as of the date first above written have executed this agreement.

SIGNED, SEALED & DELIVERED)
in the presence of:)
)
) per: _____
) Name: Joe Lanni
) Title: Co-Chief Executive Officer
) (*I have the authority to bind the company*)
)
)
) per: _____
) Name: Alex Agius
) Title: Co-Chief Executive Officer
) (*I have the authority to bind the company*)
)
) **BRIMSTONE GROUP INC.**
)
)
) per: _____
) Name: Manny Bettencourt
) Title: President
) (*I have the authority to bind the company*)

Schedule “A”
Description of Services

Vice President, Corporate & Legal Affairs

Reports To

Co-Chief Executive Officers

Responsibilities

- Negotiating, writing and executing agreements and contracts on behalf of the company
- Offering counsel on a variety of legal issues
- Working alongside other departments within the company
- Advising on contract status, legal risks, and the legal liabilities associated with different transactions
- Researching and anticipating unique legal issues that could impact the company
- Reviewing advertising and marketing materials to ensure that they are in compliance with legal requirements
- Giving accurate and timely counsel to executives in a variety of legal topics
- Collaborating with management to devise efficient business strategies
- Specifying internal governance policies and regularly monitor compliance
- Research and evaluate different risk factors regarding business decisions and operations
- Apply effective risk management techniques and offer proactive advise on possible legal issues
- Communicate and negotiate with external parties
- Draft and solidify agreements, contracts and other legal documents to ensure the company’s full legal rights
- Deal with complex matters with multiple stakeholders and forces
- Provide clarification on legal language or specifications to everyone in the organization

CONSULTING AGREEMENT
made as of the 1st day of January, 2018

B E T W E E N :

DISTINCTTECH INC.
a company incorporated under the laws of
the Province of Ontario

(the “Company”)

OF THE FIRST PART

GDNK BUSINESS SOLUTIONS INC.
a company incorporated under the laws of
the Province of Ontario

(the “Consultant”)

OF THE SECOND PART.

WHEREAS the Company is desirous of retaining the Consultant to provide services in connection with the business of the Company;

AND WHEREAS the Consultant is desirous of providing such services to the Company, on the terms and subject to the conditions herein set out;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE
CONSULTING SERVICES

- 1.1 **Retainer.** The Company hereby agrees to retain the Consultant to provide the Company with consulting services (the “Services”) and the Company hereby agrees that George Parselias (“Parselias”), the president of the Consultant, shall serve in the capacity of Controller of the Company and to serve in such capacity as the Company's needs may from time to time require and as are made known to him by the Company or its authorized representatives.
- 1.2 **Term of Agreement.** Subject to the automatic extension provided for below, the terms of this Agreement shall be for two (2) years commencing on January 1, 2014 (the “Initial Term”). At the expiration of the Initial Term, this Agreement shall automatically be extended by an additional year unless, not less than 90 days prior to the expiration of the Initial Term, the Company shall have given written notice to the Consultant that it does not wish to further extend this Agreement (the “Non-Renewal Notice”). Notwithstanding the expiration of this Agreement, the obligations of the Company shall survive such expiration if there is a change in control prior to the expiration of this Agreement.

- 1.3 **Provision of Services.** The Services to be provided hereunder to the Company by the Consultant shall be provided by Parselias. Parselias shall devote a minimum of forty (40) hours per week in the provision of the Services to the Company. It is agreed and acknowledged that the Consultant and Parselias may from time to time provide services to other persons, firms and corporations, provided that the Consultant and Parselias shall at no time while this Agreement remains in force provide ongoing services to any competitor of the Company that is not an affiliate (for the purposes of this Agreement “affiliate” shall mean any person, firm or corporation that is affiliated with the Company within the meaning of the *Business Corporations Act* (Ontario)).
- 1.4 **Instructions.** The Consultant and Parselias covenants with the Company that they will act in accordance with and carry out all reasonable instructions of the Co-Chief Executive Officers of the Company. The Consultant and Parselias acknowledge that such policies and instructions may limit, restrict or remove any power or discretion that might otherwise have been exercised by the Consultant and Parselias.
- 1.5 **Remuneration.** In consideration for the services rendered by the Consultant and Parselias hereunder, the Company shall pay to the Consultant an annual fee of \$125,000 or a bi-weekly fee of \$5,208.33 exclusive of bonuses, benefits and other compensation. The monthly fee payable to the Consultant pursuant to the provisions of this section 1.5 shall be payable in arrears on a bi-weekly basis or in such other manner as may be mutually agreed upon, less, in any case, any deductions or withholdings required by law.
- The annual fee shall increase to \$130,000 or a bi-weekly fee of \$5,416.66 exclusive of bonuses, benefits and other compensation on June 30, 2014.
- 1.6 **Expenses.** The Consultant and Parselias shall be reimbursed for all out of pocket expenses, including travel costs, actually and properly incurred by the Consultant and Parselias in connection with providing the Services hereunder. The Consultant and Parselias shall furnish statements and vouchers to the Company for all such expenses. Such reimbursement shall be paid within fifteen (15) days of submission of the invoice. In any event, the Consultant and Parselias shall obtain written approval from the Chairman of the Board of Directors for all expenses over \$2,500.
- 1.8 **Bonus.** The Consultant shall be entitled to an annual performance bonus, the amount to be agreed to in consultation with the Co-Chief Executive Officers. The board, in consultation with Parselias, shall determine an appropriate bonus structure for the remaining years of the agreement.
- 1.9 **Vacation.** Parselias shall be entitled to the greater of three (3) weeks paid vacation or such minimum number of weeks as may be otherwise required by law, per fiscal year of the Company at a time approved in advance by the Chairman of the Board of Directors of the Company, which approval shall not be unreasonably withheld but shall take into account the staffing requirements of the Company and the need for the timely performance of Parselias’s responsibilities. In the event that Parselias decides not to take all the vacation to which he is entitled in any fiscal year, Parselias shall be entitled to take up to a maximum of two (2) week of such vacation in the next following fiscal year at a time approved in advance by the Chief Financial Officer of the Company.
- 1.10 **Benefits.** The Company shall provide to Parselias the option to purchase, at his own expense, a benefits package comparable to those provided by the Company from time to time to senior employees of the Company and shall permit Parselias to participate in any share option plan, share

purchase plan, retirement plan or similar plan offered by the Company from time to time to its senior employees in the manner and to the extent authorized by the board of directors of the Company.

ARTICLE TWO COVENANTS

- 2.1 **No Delegation of Services.** The Consultant and Parselias covenant and agree with the Company that they shall not delegate performance of the Services to anyone without the prior written consent of the Company.
- 2.2 **Provision of Amenities.** The Company covenants and agrees with the Consultant and Parselias to provide, for the use of the Consultant, a reasonably furnished office, and administrative and reception services at the offices of the Company.

ARTICLE THREE CONFIDENTIALITY AND NON-SOLICITATION AND NON-COMPETITION

- 3.1 **Confidential Information.** The Consultant and Parselias acknowledge that they are in a position of trust and in the course of carrying out, performing and fulfilling their duties under this Agreement they will have access to and will be entrusted with confidential information concerning the business of the Company, including but not limited to assay results, technology, trade secrets, customers, products, systems, client lists and all other information of every kind or nature pertaining to the business of the Company (“Confidential Information”). The Consultant and Parselias covenants and agrees that they shall not disclose to anyone the Confidential Information with respect to the business or affairs of the Company except as may be necessary or desirable to further the business interests of the Company. This obligation shall survive the expiry or termination of this Agreement.
- 3.2 **Return of Property.** All letters, notes, data, photographs, sketches, drawings, lists of customers, or users, publications, manuals, books, tools, instruments, equipment, supplies, keys and any other property pertaining to the business of the Company, its operations and processes are, and shall remain, the sole and exclusive property of the Company. Upon expiry or termination of this Agreement the Consultant and Parselias shall return to the Company all such property which may be under their control or in their possession if requested at any time during the term hereof or upon termination of this Agreement for any reason whatsoever.
- 3.3 **Promotion of Company's Interests.** The Consultant and Parselias shall and will faithfully serve and use their best efforts to promote the interests of the Company, shall not use any information they may acquire with respect to the business and affairs of the Company or its affiliates for their own purposes or for any purposes other than those of the Company or its affiliates.
- 3.4 **Non-Competition.** The Consultant and Parselias covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement with the geographical region of Southern Ontario, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person or persons, firm, partnership, company, or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever, carry on, be engaged in,

employed by, or have any interest in any business similar to the business now or at any time during the retention of the Consultant hereunder was carried on by the Company.

- 3.5 **Non-Solicitation.** The Consultant and Parselias covenant and agree that they will not, during the term of this Agreement, or at any time within a period of two (2) years following the date of termination of this Agreement, without the prior written consent of the Company, either individually or in partnership or jointly or in conjunction with any other person, firm, partnership, company or other legal entity, whether as principal, agent, shareholder or in any other capacity whatsoever:
- (a) attempt to solicit any customers from the Company; or
 - (b) offer employment to or endeavour in any way to entice away from the Company any person who is employed by the Company, or interfere in any way with employer/employee relations between such employee and the Company; or
 - (c) otherwise take any action that may impair the relations between the Company and its respective suppliers, customers, employees or others or that may otherwise be detrimental to the business of the Company.

ARTICLE FOUR TERMINATION

- 4.1 **Termination of Agreement due to Breach by the Consultant.** The Company may terminate the Agreement immediately without penalty and notice, if the Consultant and/or Parselias breaches the terms of the Agreement.
- 4.2 **Termination by Company without Cause.** The Company may terminate this Agreement without cause, upon twelve (12) months' written notice or upon providing the Consultant with a one-time lump sum payment equivalent to the aggregate of twelve (12) months' compensation. That aggregate amount shall be calculated based on the compensation the Consultant was being paid at the time of termination.
- 4.3 **Termination by Consultant without Cause.** In the even the Consultant wishes to terminate this Agreement, it shall provide three (3) months' written notice. At its sole and absolute discretion, the Company may elect to pay the Consultant in lieu of notice.

ARTICLE FIVE CAPACITY

- 5.1 **Capacity of Consultant.** It is acknowledged by the parties hereto that the Company is retaining the Consultant in the capacity of independent contractor and not as an employee of the Company. The Consultant and the Company acknowledge and agree that this Agreement does not create a partnership or joint venture between them.
- 5.2 **Responsibilities of Consultant.** The Consultant hereby acknowledges that it will be responsible for remitting any provincial, state or federal tax payable, on account of income or otherwise, and any contribution, premium or assessment owing under any applicable taxation, unemployment

insurance, pension, social security or workers' compensation legislation or any other similar legislation as a result of payments under this Agreement. The Consultant agrees to indemnify the Company in respect of any failure by it to withhold any such provincial, state or federal tax, contribution, premium or assessment which may be found to be required to be withheld by the Company under any applicable taxation, unemployment insurance, pension, social security or workers' compensation legislation or any other similar legislation and such indemnity extends to any interest or penalties that may be payable by the Company as a result of such failure to withhold.

ARTICLE SIX GENERAL CONTRACT PROVISIONS

6.1 **Notices.** All notices, requests, demands or other communications (collectively, Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

(a) to the Company at:

87 Disco Road
Toronto, Ontario M9W 1M3

(b) to the Consultant at:

3353 Chimo Court
Mississauga, Ontario

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

6.2 **Additional Conditions.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

6.3 **Counterparts.** This Agreement may be executed in several counter parts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

6.4 **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

- 6.5 **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.
- 6.6 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.
- 6.7 **Assignment.** This Agreement is personal to the Consultant and may not be assigned by the Consultant.
- 6.8 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.
- 6.9 **Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 6.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the nonexclusive jurisdiction of the Courts of such Province.
- 6.11 **Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word “person” shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.
- 6.12 **Calculation of time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.
- 6.13 **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 6.14 **Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

IN WITNESS WHEREOF the parties hereto as of the date first above written have executed this agreement.

SIGNED, SEALED & DELIVERED
in the presence of:

) **DISTINCTTECH INC.**
)
)
) per: _____
) Name: Alex Agius
) Title: Co-Chief Executive Officer
) *(I have the authority to bind the company)*
)
)
)
) per: _____
) Name: Joe Lanni
) Title: Co-Chief Executive Officer
) *(I have the authority to bind the company)*
)
) **GDNK BUSINESS SOLUTIONS INC.**
)
)
) per: _____
) Name: George Parselias
) Title: President
) *(I have the authority to bind the company)*

Schedule "A"
Description of Services

Vice President, Finance

Reports To

Chief Financial Officer

Basic Function

Accountable for the accounting operations of the company, to include the production of periodic financial reports, maintenance of an adequate system of accounting records, and a comprehensive set of controls and budgets designed to mitigate risk, enhance the accuracy of the company's reported financial results, and ensure that reported results comply with international financial reporting standards. Also is responsible for maximizing return on financial assets by establishing financial policies, procedures, controls, and reporting systems.

Job Duties:

- Guides financial decisions by establishing, monitoring, and enforcing policies and procedures.
- Protects assets by establishing, monitoring, and enforcing internal controls.
- Monitors and confirms financial condition by conducting audits; providing information to external auditors.
- Maximizes return, and limits risk, on cash by minimizing bank balances.
- Prepares budgets by establishing schedules; collecting, analyzing, and consolidating financial data; recommending plans.
- Achieves budget objectives by scheduling expenditures; analyzing variances; initiating corrective actions.
- Provides status of financial condition by collecting, interpreting, and reporting financial data.
- Prepares special reports by collecting, analyzing, and summarizing information and trends.
- Complies with federal, provincial, and local legal requirements by studying existing and new legislation; anticipating future legislation; enforcing adherence to requirements; filing financial reports; advising management on needed actions.
- Ensures operation of equipment by establishing preventive maintenance requirements and service contracts; maintaining equipment inventories; evaluating new equipment and techniques.
- Completes operational requirements by scheduling and assigning employees; following up on work results.

- Maintains financial staff by recruiting, selecting, orienting, and training employees.
- Maintains financial staff job results by coaching, counseling, and disciplining employees; planning, monitoring, and appraising job results.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; participating in professional societies.
- Protects operations by keeping financial information and plans confidential.
- Contributes to team effort by accomplishing related results as needed.

This is **Exhibit "D"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R Bengino

A Commissioner for taking Affidavits, etc.

Rachel Bengino

BETWEEN:

DISTINCT INFRASTRUCTURE GROUP INC.
as Borrower

- and -

ROYAL BANK OF CANADA
as Lender

CREDIT AGREEMENT

March 23, 2017

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CREDIT AGREEMENT

THIS AGREEMENT is made as of March 23, 2017

AMONG:

DISTINCT INFRASTRUCTURE GROUP INC.
as Borrower

- and -

ROYAL BANK OF CANADA
as Lender

BACKGROUND:

The Borrower has requested the Lender to make available (i) a committed non-revolving secured term loan in the aggregate principal amount of \$12,000,000 available to the Borrower, and (ii) a committed senior secured revolving credit facility in the aggregate maximum principal amount of \$23,000,000 available to the Borrower, and the Lender has agreed to do so subject to and upon the terms and conditions set out herein.

NOW THEREFORE in consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 General Definitions. Unless the context otherwise requires, in this Agreement:

“**Acceptance**” means a Draft drawn by the Borrower, accepted by the Lender and issued for value pursuant to a Credit Facility.

“**Acceptance Proceeds**” means the cash proceeds realized on the sale of an Acceptance pursuant to this Agreement before deduction of the Stamping Fee.

“**Account Control Agreement**” means an agreement (i) amongst a Loan Party, a depository institution and the Lender intended to grant control over a bank account maintained by that Loan Party with that depository institution and any credit balance credited thereto or (ii) amongst a Loan Party, a securities intermediary and the Lender intended to grant control to the Lender over a securities account maintained by that Loan Party with that securities intermediary and the financial assets credited thereto; in each case in form and substance satisfactory to the Lender.

“**Acquisition**” means an acquisition of all or any part of the business of another person, including any line of business or division and the assets comprised therein, in a single transaction or in a series of transactions, related or not, whether by acquisition of assets or of Capital Stock of that person or by way of Business Combination.

“**Advance**” means any amount of money or credit advanced, deemed advanced or to be advanced (as the context requires) by the Lender to the Borrower pursuant to this Agreement.

“**Affiliate**” in relation to any person (the “relevant party”) means any other person (i) that, directly or indirectly, Controls, is Controlled by or is under common Control with, the relevant party, (ii) that beneficially owns or Controls a majority of the Voting Capital Stock, on an undiluted or a fully diluted basis, of the relevant party or (iii) of which a majority of the Voting Capital Stock, on an undiluted or a fully diluted basis, is beneficially owned or Controlled by the relevant party.

“**Agreement**” means this credit agreement.

“**Annual Operating Budget**” for a Fiscal Year means a detailed financial operating budget for the Group for such Fiscal Year (broken out by Fiscal Quarter) which includes a projected consolidated balance sheet, consolidated statement of income and comprehensive income, consolidated statement of changes in equity and (to the extent available) consolidated statement of cash flows, *pro forma* projected financial covenant calculations, a statement of material assumptions, narrative description, explanation and a comparison to the results of the prior Fiscal Year.

“**Anti-Money Laundering Legislation**” means the *Criminal Code* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), and the *United Nations Act* (Canada), including the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (Canada) and the *United Nations Al-Qaida and Taliban Regulations* (Canada) promulgated under the *United Nations Act* (Canada), and any other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, including any guidelines or orders thereunder.

“**Anti-Terrorism Laws**” means any applicable anti-terrorism laws of Canada or any other applicable jurisdiction.

“**Applicable Accounting Principles**” means generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada (or any successor institute) and applied in accordance with IFRS or ASPE, as the case may be, on a consistent basis.

“**Applicable Law**” means any international treaty, any treaty with first nations peoples, any domestic or foreign constitution or any multinational, federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation or order (including any consent decree or administrative order), applicable to, or any guideline or policy (the compliance with which guideline or policy is generally regarded as mandatory by the person to whom it applies) or authorization of any governmental authority, and any order of any governmental authority.

“**Applicable Margin**” in relation to any form of Advance or Standby Fee as of any date means the percentage rate per annum determined in accordance with the table set forth below by reference to the Leverage Ratio most recently certified by the Borrower in a Compliance Certificate delivered to the Lender pursuant to Subsection 8.1(a)(xii) or 11.1.1:

Level	Leverage Ratio	Floating Rate Loans	Standby Instruments, Libor Loans and Acceptances	Standby Fee
I	≤ 2.00:1	0.85 %	1.85 %	0.2775%
II	> 2.00:1 and < 3.00:1	1.35 %	2.35 %	0.3525%
III	≥ 3.00:1	1.85 %	2.85 %	0.4275%

Changes in the Applicable Margin shall take effect as of the third (3rd) Business Day following the date the Borrower delivers a Compliance Certificate to the Lender pursuant to Subsection 11.1.1 which, when delivered, discloses a Leverage Ratio at a Level that differs from that applicable to the prior period. The Applicable Margin applicable to all Types of Loans outstanding on the date any such change takes effect will be adjusted immediately, but without retroactive effect. There will be no adjustments made with respect to Acceptances which are issued before the date any such changes take effect, save that adjustments shall be made to outstanding Acceptances having a Term of more than three (3) months at the end of every three (3) months in that Term. Notwithstanding the foregoing, (y) if the Borrower fails to deliver a Compliance Certificate to the Lender by the date required to do so under Subsection 11.1.1, the Leverage Ratio shall be deemed as from such date to be at Level III until such failure is cured, at which time the Applicable Margin shall be determined in accordance with the table set forth above, but without any adjustments having retroactive effect and (z) to the extent permitted by applicable law, the Applicable Margin shall be increased at all Levels and for all Types of Advances by two percent (2%) per annum so long as an Event of Default is continuing.

“**Applicable Maturity Date**” means the Revolver Maturity Date or Term Loan Maturity Date, as the context requires.

“**ASPE**” means Accounting Standards for Private Enterprises as set out in the CPA Canada Handbook.

“**Auditors**” means the firm of MNP LLP or any other firm of certified public accountants as the Borrower may select from time to time as its auditors, provided such auditors are reasonably acceptable to the Lender.

“**Availability Period**” means the period from (and excluding) the Closing Date to (and including) (i) May 31, 2017 in the case of the Term Loan Facility and (ii) the Revolver Maturity Date in the case of the Revolver.

“**BA Reference Rate**” in relation to any issue of Acceptances means: (i) the CDOR rate, or if the CDOR rate is unavailable at the time of quoting, (ii) the rate quoted by the Lender to the Borrower as being the rate at which it was receiving bids at or about 10:00 a.m. on the Borrowing Date of such issue of Acceptances to purchase its Canadian Dollar denominated bankers’ acceptances of comparable term to the Tenor of such issue of Acceptances.

“**Bailee Waiver**” means an agreement amongst a Loan Party, a warehouseman (or equivalent storage person) and the Lender intended to grant the Lender rights to cure defaults by that Loan Party under the storage arrangement with that warehouseman (or equivalent storage person) and permit the Lender access to the goods stored, in form and substance satisfactory to the Lender.

“**Borrower**” means Distinct Infrastructure Group Inc., existing as at the date hereof as a corporation formed under the laws of the Province of Alberta, as the context requires.

“**Borrower’s Account**” means a current account of the Borrower maintained with the Lender.

“**Borrower’s Counsel**” means (i) in the Provinces of Alberta, Bishop & McKenzie LLP, (ii) in each other relevant jurisdiction, such local legal counsel of recognized local standing as the Borrower may select as the Borrower’s legal counsel in that jurisdiction, and (iii) in each case, such replacement or additional firm of recognized local standing as the Borrower may select from time to time as the Borrower’s legal counsel.

“**Borrowing**” means a Conversion, Drawdown or Rollover, as the context requires.

“**Borrowing Base**” at any time means the amount reported in the most recent Borrowing Base Report provided to the Lender pursuant to Section 8.1(a)(xiii) or 11.1.1 equal to the sum (without duplication) of (i) 75% of the Good Accounts Receivables plus (ii) 85% of the Good Designated Accounts Receivables plus (iii) the lesser of (x) 35% of Work In Progress and (y) \$6,000,000. Where any receivable falls within more than one of the categories described above, the Borrower shall elect in the Borrowing Base Report which category that Eligible Receivable is to be included for the purpose of computing the Borrowing Base.

“**Borrowing Base Report**” at any time means a report of the Borrower substantially in the form of Schedule 9 (or in such other form to substantially similar effect as the Lender may accept) signed by a Responsible Officer of the Borrower setting out a statement as at such time of (i) the items that comprise the Borrowing Base and (ii) the calculation of the Borrowing Base.

“**Borrowing Date**” means a Conversion Date, Drawdown Date or Rollover Date, as the context requires.

“**Borrowing Request**” means a duly completed and signed notice from the Borrower requesting a Borrowing, in the form of Schedule 3 (or in such other form to substantially the same effect as the Lender may accept) signed by the Borrower.

“**Business Combination**” means any merger, amalgamation, arrangement, consolidation or other business combination.

“**Business Day**” means (i) in respect of any Libor Loan or US Base Rate Loan in respect of which a payment or Borrowing is due to be made, a New York Banking Day, (ii) in respect of any determination of LIBOR, a London Banking Day and (iii) otherwise, a day which is not a Saturday or Sunday on which banks are generally open for commercial lending and foreign exchange business in Toronto, Ontario.

“**Canadian Dollars**” and the symbols “**CAD**” and “**\$**” each means the lawful currency of Canada.

“**Cancellation Notice**” means a notice in the form of or to substantially similar effect as Schedule 4 given to the Lender by the Borrower pursuant to Section 7.4.

“Capital Expenditures” means (without duplication) any expenditure (whether payable in cash or other property or accrued as a liability) made by a Group Member that, in conformity with Applicable Accounting Principles, would be required to be classified as a capital expenditure on the consolidated balance sheet of the Group. For certainty, Capital Expenditures includes (i) the cost of assets acquired under capital leases and (ii) expenditures for equipment which is purchased simultaneously with the trade-in of existing equipment owned by a Group Member, to the extent of the net purchase price of the purchased equipment after giving effect to any trade-in. Capital Expenditures, however, excludes (x) expenditures made in connection with the replacement, repair or restoration of buildings, fixtures or equipment to the extent reimbursed or financed from insurance or expropriation proceeds, (y) capital lease payments and (z) the cost of any Acquisition.

“Capital Stock” means common shares, preferred shares or other equivalent equity interests (howsoever designated) of capital stock in a body corporate, partnership, limited partnership, trust or other artificial legal or commercial entity.

“Cash Equivalents” means (i) short-term obligations of, or fully guaranteed by, the government of Canada, or of a Province of Canada, in each case having an approved credit rating, (ii) demand or current deposit accounts maintained in the ordinary course of business with the Lender or with another financial institution having an approved credit rating, (iii) certificates of deposit issued by and time deposits with the Lender or any commercial bank or trust company (whether domestic or foreign) having an approved credit rating; provided in each case that the same has a term not exceeding six (6) months, provides for payment of both principal and interest (and not principal alone or interest alone) and is not subject to any contingency regarding the payment of principal or interest (and for certainty, the mere passage of time is not a contingency).

“Cash Management Agreement” means an agreement to which the Lender is party providing for cash management services to a Group Member, including treasury, depository, overdraft, credit or debit card, electronic funds transfers, cash concentration and other cash management services.

“Cash Management Obligations” means the Debt and other obligations of a Group Member owing to the Lender or any of its Affiliates arising under, pursuant to or otherwise in respect of each Cash Management Agreement, including any Guarantee thereof or otherwise, and any item or part of any thereof. For certainty, “Cash Management Obligations” shall include interest accruing subsequent to the commencement of, or which would have accrued but for the commencement of, any Insolvency Proceeding in accordance with and at the rate (including the default rate to the extent lawful) specified in an applicable Cash Management Agreement, whether or not such interest is an allowable claim in such Insolvency Proceeding.

“CDOR” means for any day and relative to Bankers’ Acceptances having any specified term and face amount, the average of the annual rates applicable to Canadian Dollar Bankers’ Acceptances having such specified term and face amount (or a term and face amount as closely as possible comparable to such specified term and face amount) quoted daily by the banks listed in Schedule 1 of the *Bank Act* (Canada) that appears on the Reuters Screen CDOR page at 10:00 a.m. EST on such day (or, if such day is not a Business Day, as of 10:00 a.m. EST on the preceding Business Day).

“**Certificate**” from any person that is a corporation or other artificial legal or commercial entity means a written certificate of that person signed by a Responsible Officer of that person.

“**Change in Control**” means Mr. Alex Agius and Mr. Joe Lanni cease to own and Control, directly or indirectly, at least a majority of each class of voting Capital Stock of the Borrower and of the economic interest in the Borrower.

“**Change in Law**” means any change in, or the coming into effect of, any Applicable Law or order (whether or not having the force of law), or any change in the interpretation, administration or application thereof by any governmental authority, or compliance by the Lender with any Applicable Law or any order of any governmental authority (whether or not having the force of law). Notwithstanding the foregoing, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), the Office of the Superintendent of Financial Institutions or any federal or state banking authority in the United States, in each case pursuant to Basel III, shall, in each case, be treated as a Change in Law regardless of the date enacted, adopted or issued.

“**Clean-Up**” means the remediation, containment, removal, treatment, neutralization or inactivation of any Contaminant.

“**Closing**” means the time when the Lender confirms to the Borrower that each of the conditions precedent to the closing set forth in Section 8.1 have been met or (to the extent not met) waived by the Lender to permit such closing to occur.

“**Closing Date**” means the date that the Closing occurs.

“**Code**” means the *United States Internal Revenue Code of 1986*, as amended, and the U.S. Treasury Regulations promulgated thereunder.

“**Collateral**” means all assets in or to which any Loan Party now or hereafter has rights and which is subject to (or intended by the express or implied terms of any Loan Document to be subject to) the Security, or any item or part thereof.

“**Commitment**” means Revolver Commitment or Term Commitment, as the context requires.

“**Compliance Certificate**” means a duly completed and signed Certificate of the Borrower substantially in the form attached as Schedule 6 (or in such other form to substantially similar effect as the Lender may accept) setting out, among other things, a statement of the calculations of the financial tests set out in Section 11.3.

“**Constitutional Documents**” in relation to any person that is a corporation or other artificial legal or commercial entity means the articles, any unanimous shareholder agreement, the limited liability, operating or members’ agreement or the partnership agreement, declaration of trust or equivalent documents governing the incorporation or formation, capacity, powers, assets and affairs of that person; together, in each case, with the by-laws or other documents, regulating the organization, Control or internal management of that person.

“Contaminant” means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of any of them that may (i) impair the quality of the Environment for any use that can be made of it, (ii) injure or damage property or plant or animal life, (iii) harm or materially discomfort any person, (iv) adversely affect the health of any individual, (v) impair the safety of any individual, (vi) render any property or plant or animal life unfit for use by man, (vii) cause loss of enjoyment of normal use of property or (viii) interfere with the normal course of business, and includes any “contaminant” within the meaning assigned to such term in any Environmental Law.

“Contested Tax Proceedings” means proceedings in respect of a Tax claim which are being contested in good faith by a Group Member by appropriate proceedings, in respect of which adequate reserves in accordance with Applicable Accounting Principles have been recorded in the consolidated accounts and financial statements of the Group and, to the extent required to ensure that no penalties or interest would be charged if such contest is unsuccessful, the amount of Taxes being contested is paid under reserve or protest to the applicable governmental authority.

“Control” when used with respect to any person other than an individual means the power to direct the management and policies of such person, directly or indirectly, whether through ownership of Voting Capital Stock, by contract or otherwise.

“Conversion” means a conversion of a Loan or an Acceptance pursuant to Section 5.1.

“Conversion Date” means any day on which a Conversion takes place.

“Copyrights” means all rights (and all related ancillary rights) arising under any Applicable Law in or relating to copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordations thereof and all applications in connection therewith.

“Core Business” means utility and telecom infrastructure provision with design, engineering, construction, service and maintenance, and materials management.

“Courts of Primary Jurisdiction” means any of the courts referred to in Subsection 13.14.1(a).

“Credit Facility” means the Revolver or Term Loan Facility, as the context requires.

“Crown Capital” means Crown Capital Fund IV, LP.

“Crown Capital Debt” means the Subordinated Debt owing to Crown Capital in a principal amount not exceeding \$20,000,000 under the credit agreement dated as of November 25, 2015 between Crown Capital and the Borrower.

“Debt” of any person at any time means obligations of such person to pay (in whole or in part) (i) liabilities which, in accordance with Applicable Accounting Principles, would be classified on the unconsolidated balance sheet of that person prepared as at such time as indebtedness for borrowed money, including bank indebtedness, long-term debt, capital lease obligations and indebtedness to Affiliates and other financial indebtedness, (ii) amounts payable, actual or

contingent, primary, secondary or by way of guarantee, matured or unmatured, under, by reason of or otherwise in respect of, any bankers' acceptance, (iii) amounts payable, actual or contingent, primary, secondary or by way of guarantee, matured or unmatured, under, by reason of or otherwise in respect of any sale of promissory notes, sale of accounts, factoring, securitization or discounting arrangement to the extent recourse to such person or any Affiliate of it exists to recover such amounts payable, (iv) the repurchase amount payable under any repurchase transaction, (v) the deferred purchase price for property acquired or services (excluding trade debt paid and payable in the ordinary course of business on customary trade terms), (vi) the amount payable under or secured by any Lien over property acquired, whether or not assumed, (excluding any such amount payable if recourse to receive such payment is limited to the property acquired, the terms of payment thereof are customary trade terms and the amount payable is non-interest bearing and not outstanding for more than ninety (90) days), (vii) Out-of-the-Money Derivative Exposure, (viii) amounts payable, actual or contingent, primary, secondary or by way of guarantee, matured or unmatured, under, by reason of or otherwise in respect of, (A) any liability under any financing lease or so-called "synthetic" lease transaction or (B) any obligations arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the unconsolidated balance sheet of such person prepared in accordance with Applicable Accounting Principles, (ix) amounts payable under convertible debentures and other like instruments, whether or not they would, in accordance with Applicable Accounting Principles, be included in equity in the balance sheet of such person, (x) the redemption or retraction price of any Preferred Shares, (xi) all reimbursement or other obligations in respect of letters of credit, and (xii) any amount payable under any direct or indirect guarantee of any amount of the nature described in any of Clauses (i) to (xi) above.

"Debt Service Coverage Ratio" for any period means the ratio for that period (determined on a consolidated basis for the Group in accordance with Applicable Accounting Principles) of:

- (i) the EBITDA of the Borrower for that period;
- to:
- (ii) the sum (without duplication) for that period of (A) Interest Expense paid in cash by each Group Member *plus* (B) scheduled principal repayments of Debt of each Group Member, excluding any voluntary prepayments made pursuant to Section 7.3.

"Default" means any Event of Default or any default, breach, failure, event, state or condition which, unless remedied or waived, with the lapse of time or giving of notice, or both, would or could reasonably be expected to constitute or result in the occurrence of an Event of Default.

"Default Rate" means the percentage rate per annum equal to the sum of (i) the Prime Rate, if the sum on which interest is being computed is denominated in Canadian Dollars or (as applicable) the US Base Rate if the sum on which interest is being computed is denominated in US Dollars *plus* (ii) the Applicable Margin for Floating Rate Loans *plus*, to the extent permitted by law, unless an Event of Default has occurred and is continuing, (iii) two percent (2%) per annum.

“**Defined Benefit Plan**” means any Pension Plan which contains a “defined benefit provision”, as defined in subsection 147.2(1) of the *Income Tax Act* (Canada).

“**Derivative**” means any transaction or agreement evidencing a transaction that is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit derivative or any other similar transaction or agreement evidencing such transaction (including any option with respect to any of these transactions), and any combination of any of the aforesaid transactions.

“**Derivative Exposure**” in relation to any person (the “relevant party”) and any counterparty of the relevant party at any time means the amount which is or would be payable by the relevant party to that counterparty, or by that counterparty to the relevant party, as the case may be, pursuant to the agreement governing the Derivatives entered into between them and in effect at that time if those Derivatives have been or were to be terminated at such time. If the Derivative Exposure is payable by a Group Member to any counterparty of a Group Member, it is referred to herein as “**Out-of-the-Money Derivative Exposure**”.

“**Derivative Obligations**” means (without duplication) the Debt and other obligations of a Group Member owing to the Lender incurred under, pursuant to or otherwise in respect of any Derivative, including any Guarantee thereof, and any item or part of any thereof. For certainty, “**Derivatives Obligations**” shall include interest accruing subsequent to the commencement of, or which would have accrued but for the commencement of, any Insolvency Proceeding, in accordance with and at the rate (including any applicable default rate to the extent lawful) specified herein or in another applicable Secured Document, whether or not such interest is an allowable claim in such Insolvency Proceeding.

“**Designated Accounts Receivable**” means trade accounts receivable of a Loan Party owing by Shaw Communications, Fortis Inc., Bell Canada, Rogers, Expertech Network Installation, Cogeco, Hydro-one and Telus and any other accounts receivable as mutually agreed between the Lender (in its sole discretion) and the Borrower from time to time.

“**Distribution**” in relation to any person that is a corporation or other artificial legal or commercial entity means (i) the retirement, redemption, retraction, purchase, or other acquisition by such person or any Affiliate of it of any of its Capital Stock, (ii) the declaration or payment of any dividend, return of capital or other distribution (in cash, securities or other property or otherwise) of, on or in respect of, its Capital Stock and (iii) any other payment or distribution (in cash, securities or other property, or otherwise) by such person of, on or in respect of any Capital Stock of such person.

“**Draft**” means a blank non-interest bearing bill of exchange (within the meaning of the *Bills of Exchange Act* (Canada)) or a blank depository bill (within the meaning of the *Depository Bills and Notes Act* (Canada)), as applicable, drawn by the Borrower, made payable to the Borrower, bearer or a clearing house bearing such distinguishing letters and numbers and being in such form as the Lender may require.

“**Drawdown**” means a new Advance which is not derived from a Conversion or Rollover.

“**Drawdown Date**” means any day on which a Drawdown takes place.

“**EBITDA**” of a person for any period means the Net Income of that person for that period, adjusted (without duplication) on a consolidated basis as follows:

- (a) such Net Income shall be increased by (to the extent, if any, such Net Income was reduced by) the sum (without duplication) for that period of (i) Interest Expense, plus (ii) income tax expenses plus (iii) depreciation, amortization and other reductions to income not involving an outlay of cash plus (iv) extraordinary charges (if any) to the extent the Lender agrees to their inclusion for this purpose plus (v) non-recurring charges (if any) to the extent the Lender agrees to their inclusion for this purpose plus (vi) non-cash expenses for which no cash payment has been made or will ever be required, plus (vii) losses realized upon the disposal of capital property plus (viii) foreign exchange translation losses plus (ix) transaction charges, expenses and fees, or any amortization thereof, incurred in connection with this Agreement occurring on the Closing Date plus (x) other non-recurring costs, fees or expenses approved by the Lender in its reasonable discretion;
- (b) such Net Income shall be reduced by (to the extent, if any, such Net Income was increased by) the sum (without duplication) for that period of (i) extraordinary gains plus (ii) gains realized upon the disposal of capital property plus (iii) foreign exchange translation gains;
- (c) the Net Income during that period (adjusted as provided in paragraphs (a) and (b) above) attributable to any Subsidiary acquired by that person during that period shall be included on a pro forma basis for that period (assuming such acquisition and the incurrence or assumption of any related Debt in connection therewith occurred on the first day of that period); provided that such pro forma calculations shall be in form and substance reasonably satisfactory to the Lender; and
- (d) the Net Income during that period (adjusted as provided in paragraphs (a) and (b) above) attributable to any Subsidiary disposed of by that person during that period shall be excluded on a pro forma basis for that period (assuming such disposition and the repayment of any related Debt in connection therewith occurred on the first day of that period); provided that such pro forma calculations shall be in form and substance reasonably satisfactory to the Lender.

“**Employee Benefit Plan**” means any employee benefit plan maintained or contributed to by any Loan Party that is a Canadian group registered retirement savings plan, profit sharing, savings, supplemental retirement, retiring allowance, severance, deferred compensation, welfare, bonus, incentive compensation, phantom stock, legal services, supplementary unemployment benefit plan or arrangement and any life, health, dental and disability plan or arrangement in which the employees or former employees of any Loan Party participate or are eligible to participate, in each case whether written or oral, funded or unfunded, insured or self-insured, reported or unreported, but excluding all stock option or stock purchase plans, but excluding any Pension Plan or government sponsored pension plan (such as the Canada Pension Plan or the Quebec Pension Plan).

“Environment” means the ambient air, all layers of the atmosphere, surface, water, underground water, all land, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matter and living organisms, and includes indoor spaces.

“Environmental Law” means any Applicable Law relating to the Environment, Hazardous Materials or Waste or occupational health or safety which applies to the assets of any particular person.

“Environmental Liabilities” means liabilities arising under any Environmental Law or applicable common or civil law.

“Equivalent” on any date means the amount in a specified currency which would result from the conversion of a specified amount in another currency at the Spot Rate. For the purposes of this definition, “Spot Rate” as at any date with respect to the conversion of an amount in one currency (the “original currency”) to another currency (the “other currency”) means the Bank of Canada rate of exchange published on the immediately preceding Business Day for the purchase of such original currency with such other currency (and if neither currency is Canadian Dollars, purchasing Canadian Dollars first with such other currency and using the Canadian Dollars purchased to purchase the original currency).

“Event of Default” is used as defined meaning given to it in Section 12.1.

“Excluded Taxes” means (i) any Taxes now or hereafter imposed, levied, collected, withheld or assessed on net income or net profits of the Lender or capital taxes or franchise taxes imposed on the Lender by any jurisdiction by reason of the Lender (A) having a permanent establishment in such jurisdiction, (B) being organized under the laws of such jurisdiction, (C) being resident in such jurisdiction, (D) being engaged in a trade or business in such jurisdiction, (E) having any other present or former connection with such jurisdiction (other than any such status in clauses (C) and (D) and this clause (E) arising solely from, or the activities contemplated by, the Loan Documents) and (ii) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Credit Facilities” has the meaning given to in Section 8.1(e).

“Existing Subordinated Debt” means (a) the Crown Capital Debt; and (b) Subordinated Debt in a principal amount not exceeding \$979,000 as evidenced by one or more debentures issued under the convertible debenture indenture dated as of October 20, 2014 between QE2 Acquisition Corp. and Computershare Trust Company of Canada.

“FATCA” means Sections 1471 through 1474 of the Code, 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), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“Fees” means the Upfront Fee, Stamping Fees, Standby Fees, Standby Instrument Fees and any other fees payable by the Borrower to the Lender under or otherwise in respect of this Agreement or the Credit Facilities.

“Final Maturity Date” means the last Applicable Maturity Date to occur.

“Finance Related Agreements” and **“FINANCE RELATED AGREEMENTS”** has the defined meaning assigned to “FINANCE RELATED AGREEMENTS” in Subsection 13.14.1.

“Fiscal Quarter” means one of the four (4) three-month accounting periods of the Borrower comprising a Fiscal Year.

“Fiscal Year” means the twelve (12) month accounting period of the Borrower which, as at the date hereof, ends on December 31 of each calendar year.

“Floating Rate” means the Prime Rate or US Base Rate, as the context requires.

“Floating Rate Loan” means a Prime Rate Loan or US Base Rate Loan, as the context requires.

“Fraudulent Conveyances Law” means the *Assignment and Preferences Act* (Ontario), the *Fraudulent Conveyances Act* (Ontario), sections 95 to 101 inclusive of the *Bankruptcy and Insolvency Act* (Canada) or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign.

“Funded Debt” means, at time, the aggregate of the following obligations of the Group on a consolidated basis, without duplication, at such time: (i) all Debt of the type described in Clauses (i) to (xii), inclusive, of the definition of Debt (excluding Clauses (vi) and (vii)), (ii) all liabilities on which interest charges are customarily paid, and (iii) all Advances made to the Borrower under the Credit Facilities.

“Good Accounts Receivables” means trade accounts receivable of a Loan Party owing by persons whose chief operating activities are located in Canada (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Lender has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to or *pari passu* with the Security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Base calculation, or (vii) any accounts which the Lender has previously advised to be ineligible.

“Good Designated Accounts Receivables” means Designated Accounts Receivable excluding (i) the entire amount of accounts, any portion of which is outstanding more than 120 days after billing date, provided that the under 120 day portion may be included where the over 120 day portion is less than 20% of the amount of accounts, or where the Lender has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to or *pari passu* with the Security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Base calculation, or (vii) any accounts which the Lender has previously advised to be ineligible.

“**Group**” at any time means the Borrower and each Subsidiary of the Borrower as at such time and “**Group Member**” means any member of the Group.

“**Group’s Business**” means the business engaged in by the Group which is comprised of the Core Business and business activities reasonably incidental, related or complementary thereto.

“**Guarantee**” means a guarantee by a Guarantor of the Secured Obligations of each Loan Party other than that Guarantor.

“**Guarantor**” at any time means each Group Member that is not an Immaterial Subsidiary at that time.

“**Group Facilities**” means the buildings, plants, infrastructure and other facilities (including all real property on which such facilities are situated), vehicles, trailers and other machinery and equipment owned, leased, managed, controlled or operated by a Group Member or for which a Group Member is otherwise obligated under Environmental Law.

“**Hazardous Materials**” means any pollutant or Contaminant, including any hazardous, dangerous, registrable or toxic chemical, material or other substance within the meaning of any Environmental Law, including urea formaldehyde foam type of insulation, asbestos or asbestos containing materials, polychlorinated biphenyls (PCB’s) or PCB contaminated fluids.

“**Holding Entity**” of any person that is a corporation or other artificial legal or commercial entity means another person that Controls that person.

“**Hostile Take-Over Bid**” means a Take-Over Bid by any Group Member or in which any Group Member is involved, in respect of which the board of directors (or equivalent governing body) of the target entity has not recommended acceptance of such Take-Over Bid to the target entity’s Capital Stock holders or which is opposed or contested by such governing body.

“**ICC Rules**” means, (i) the International Standby Practices - ISP98, ICC Publication No. 590, (ii) the Uniform Rules for Demand Guarantees, ICC Publication No. 758 or (iii) any prior or replacement publication of any of the foregoing by the International Chamber of Commerce, as applicable.

“**IFRS**” means International Financial Reporting Standards as adopted by the International Accounting Standards Board and approved by the Chartered Professional Accountants of Canada (or any successor institute) for application in Canada.

“**Immaterial**” means (i) is not, and could not reasonably be expected to be, Material and (ii) does not, and could not reasonably be expected to, have a Material Adverse Effect.

“**Immaterial Subsidiary**” at any time means any Subsidiary of the Borrower (i) whose business activities contributed (on a consolidated basis) less than five percent (5%) to the consolidated EBITDA of the Borrower for the most recently concluded Fiscal Quarter and (ii) whose consolidated assets represented less than five percent (5%) of the consolidated assets of the Borrower as at the end of the most recently concluded Fiscal Quarter of the Borrower. As of the

Closing Date, QE2 Holding Corp. and Distinct Environmental Solutions Inc. are Immaterial Subsidiaries.

“**Indemnified Taxes**” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of a Loan Party under any Secured Document and (ii) to the extent not otherwise described in (i), Other Taxes.

“**Insolvency Event**” means, with respect to any person, that such person does not pay or perform its obligations generally as they become due or admits in writing its inability to pay or perform its debts generally, that such person commits an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada), or any Insolvency Proceeding is instituted by or against that person (excluding any Insolvency Proceeding being contested by that person in good faith by appropriate proceedings so long as enforcement remains stayed, none of the relief sought is granted (either on an interim or permanent basis) and such Insolvency Proceeding is dismissed within thirty (30) days of its commencement), or that person takes corporate, partnership or other internal management action to authorize any of the actions set forth above in this definition.

“**Insolvency Law**” means the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), any provision of any statute governing the existence of any artificial legal person permitting that legal person to propose a compromise or an arrangement with respect to any class or any claims of any of its creditors or any other like, equivalent or analogous legislation of any jurisdiction.

“**Insolvency Proceeding**” means, with respect to any person, any proceeding contemplated by any application, petition, assignment, filing of notice or other means, whether voluntary or involuntary, under any Insolvency Law seeking any moratorium, reorganization, adjustment, composition, proposal, compromise, arrangement, administration or other like or similar relief in respect of all or any substantial part of the obligations of such person, seeking the winding up, liquidation or dissolution of such person or all or any substantial part of its property, seeking any order, declaring, finding or adjudging such person insolvent or bankrupt, seeking the appointment (provisional, interim or permanent) of any receiver or resulting, by operation of law, in the bankruptcy of such person.

“**Insurance Event**” means any loss or damage to the assets of a Group Member that gives rise to a claim and payment to a Group Member under any insurance policy maintained by a Group Member (excluding any claim under a business interruption insurance policy).

“**Insurance Proceeds**” means an amount paid to a Group Member by reason of an Insurance Event, net of any reasonable out-of-pocket fees, costs and expenses actually paid by a Group Member to an Unrelated Party to recover payment of such amount.

“**Intellectual Property**” means all rights in or relating to intellectual property and industrial property arising under any Applicable Law or common or civil law and all ancillary rights relating thereto, including all Copyrights, patents, Software, Trade-marks, internet domain names, trade secrets and licences of any of the foregoing.

“**Interest Expense**” for any period means the total consolidated interest expense of the Group for that period determined on a consolidated basis, including all but the principal component of

rentals in respect of capital leases, adjusted (to the extent applicable) in accordance with the net payments made by a Group Member pursuant to any interest rate swaps hedging interest rate exposure on Debt, and including interest expense actually paid in cash (as opposed to Capital Stock) attributable to convertible debentures and other like instruments which, in accordance with Applicable Accounting Principles, would be included in capital stock in the consolidated balance sheet of the Group.

“Interest Payment Date” means: (i) with respect to each Floating Rate Loan, or any amount on which interest is payable with reference to a Floating Rate, and any period of time elapsed in any calendar month, the first (1st) Business Day of the immediately following calendar month; and (ii) with respect to each Libor Loan, or any amount on which interest is payable with reference to LIBOR, the last day of each Interest Period applicable to it and, with respect to each Interest Period longer than three (3) months, each day that falls every three (3) months after the commencement of that Interest Period (or the next following Business Day, if any such day is not a Business Day) during that Interest Period.

“Interest Period” for any Libor Loan means the period selected by the Borrower in a Borrowing Request for that Libor Loan in accordance with Subsection 6.1.3(b).

“Investment” means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business) or contribution of capital to any other person or any acquisition of Capital Stock, deposit accounts, certificates of deposit, mutual funds, bonds, notes, debentures or other securities of any other person or any structured notes or Derivatives.

“Landlord Acknowledgement Agreement” means an agreement amongst a Loan Party, a landlord and the Lender intended to grant the Lender rights to cure defaults by that Loan Party under a lease of real property premises and permit the Lender access to those premises, in form and substance satisfactory to the Lender.

“Lender” means Royal Bank of Canada and any successor or assign thereof.

“Lender’s Counsel” means (i) in the Province of Ontario, Fasken Martineau DuMoulin LLP, (ii) in each other relevant jurisdiction, such local legal counsel as the Lender may designate as the Lender’s legal counsel in that jurisdiction, and (iii) in each case, such replacement or additional firm as the Lender may designate from time to time as the Lender’s legal counsel.

“Level” means a level set out in the first column of the table contained in the definition of Applicable Margin corresponding to the range within which the Leverage Ratio as of any Fiscal Quarter end falls.

“Leverage Ratio” for any Test Period means the ratio for the Borrower of (i) Net Funded Debt at the end of that Test Period to (ii) EBITDA of the Borrower for that Test Period.

“LIBOR” in relation to any Interest Period for any Libor Loan means the greater of (i) zero percent (0%) and (ii) the rate (rounded upwards to be expressed to two (2) decimal places) quoted by the Lender as of 11:00 a.m. (London time) two (2) London Banking Days before the

commencement of that Interest Period for the offering of deposits by it in US Dollars in reasonable market size to leading banks in the London interbank market for a period comparable to that Interest Period.

“**Libor Loan**” means an Advance made by way of loan in United States Dollars under the Revolver or Term Loan Facility upon which interest shall be calculated and payable in accordance with the applicable provisions of this Agreement with reference to LIBOR.

“**Lien**” means (i) any right of set-off intended to secure the payment or performance of an obligation, (ii) any interest in property created by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, hire purchase agreement, conditional sale agreement, deposit arrangement, title retention, capital lease or discount, factoring or securitization arrangement on recourse terms, (iii) any statutory deemed trust or lien, (iv) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property, and (v) any agreement to grant any of the rights or interests described in (i) to (iii) of this definition.

“**Loan**” means a Libor Loan or Floating Rate Loan, as the context requires.

“**Loan Documents**” at any time means, collectively, this Agreement, each Security Document executed by a Loan Party, and each other document delivered to or for the benefit of the Lender pursuant to or otherwise in connection with any of the foregoing agreements.

“**Loan Obligations**” means the Debt and other obligations of each Loan Party owing to the Lender incurred under or pursuant to this Agreement or any other Loan Document, and any item or part of any thereof. For certainty, “**Loan Obligations**” shall include interest accruing subsequent to the commencement of, or which would have accrued but for the commencement of, any Insolvency Proceeding in accordance with and at the rate (including the Default Rate to the extent lawful) specified herein or in another applicable Loan Document, whether or not such interest is an allowable claim in such Insolvency Proceeding.

“**Loan Party**” means the Borrower or a Guarantor, as the context requires.

“**London Banking Day**” means a day on which dealings in US Dollar deposits by and between banks may be transacted in the London interbank market.

“**Material**” means material in relation to the business, operations, properties, revenues, assets, liabilities (including contingent liabilities), obligations, results of operations, cash flows, prospects or condition (financial or otherwise) of the Group taken as a whole.

“**Material Adverse Change**” means any circumstance, occurrence, fact, condition (financial or otherwise) or change (including a change in Applicable Law, event, development or effect) that, individually or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect. The initial determination as to whether a Material Adverse Change has occurred may be made by the Borrower. Any determination by the Lender made in good faith and in a commercially reasonable manner that a Material Adverse Change has occurred shall override any determination by the Borrower as of and from the date the Lender notifies the Borrower of the Lender’s determination.

“Material Adverse Effect” means (i) an adverse effect that is Material, (ii) any material impairment of any Loan Party’s ability to perform its Secured Obligations or (iii) any prejudice to, restriction on or rendering unenforceable or ineffective, any Secured Obligation or any Security over any material asset or any material right intended or purported to be granted under or pursuant to any Loan Document by any Loan Party to or for the benefit of the Lender.

“Multi-Employer Plan” means a “multi-employer pension plan”, as such term is defined in the *Pension Benefits Act* (Ontario) or any similar plan registered under pension standards legislation of another jurisdiction in Canada to which a Group Member or any Affiliate contributes for its employees or former employees employed in Canada.

“Net Acceptance Proceeds” means the cash proceeds realized on the issuance and sale of an Acceptance pursuant to the Revolver after deduction of the Stamping Fee.

“Net Funded Debt” at any time means the amount of (i) Funded Debt minus (ii) the lesser of (x) Cash Equivalents and (y) \$5,000,000.

“Net Income” for any period means, for any person, the consolidated net income of that person determined in accordance with Applicable Accounting Principles.

“New York Banking Day” means a day on which banks generally are open for the conduct of commercial lending and foreign exchange business in New York City.

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing, property or excise or similar Taxes that arise from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under or otherwise with respect to, this Agreement or any other Secured Document, except any such Taxes that are imposed with respect to an assignment as a result of a present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising from the Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Secured Document, or sold or assigned an interest in any Advance or Secured Document).

“Outstanding Amount” when used in relation to any outstanding Advance at any time means (i) its aggregate face amount if it is an issue of Acceptances, (ii) its outstanding principal balance if it is a Prime Rate Loan, (iii) the Standby Instrument Exposure if it is a Standby Instrument denominated in Canadian Dollars (iv) the Equivalent in Canadian Dollars of its outstanding principal balance if it is a Libor Loan or US Base Rate Loan and (v) the Equivalent in Canadian Dollars of the Standby Instrument Exposure if it is a Standby Instrument denominated in US Dollars or other foreign currency.

“Pension Event” means (i) the termination or wind-up in whole or in part of a Pension Plan, (ii) the occurrence of any circumstance or event that would provide any basis for a governmental authority to take steps to cause the termination or wind-up, in whole or in part, of any Pension Plan, the issuance of a notice (or a notice of intent to issue such a notice) to terminate in whole or in part any Pension Plan or the receipt of a notice of intent from a governmental authority to require the termination in whole or in part of any Pension Plan, revoking the registration of same

or appointing a new administrator of such a plan, (iii) an event or condition which constitutes grounds under applicable pension standards or tax legislation for the issuance of an order, direction or other communication from any governmental authority or a notice of an intent to issue such an order, direction or other communication requiring a Group Member to take or refrain from taking any action in respect of a Pension Plan, (iv) the issuance of either any order or charges which may give rise to the imposition of any fines or penalties to or in respect of any Pension Plan or the issuance of such fines or penalties, (v) the failure to remit by any Group Member any contribution to a Pension Plan when due or the receipt of any notice from an administrator, a trustee or other funding agent or any other person that a Group Member has failed to remit any contribution to a Pension Plan or a similar notice from a governmental authority relating to a failure to pay any fees or other amounts, (vi) the non-compliance by a Group Member with any law applicable to any Pension Plan and (vii) the existence of a solvency deficiency with respect to any Pension Plan.

“**Pension Plan**” means any plan, program or arrangement which is considered to be a pension plan or required to be registered for the purposes of any applicable pension benefits standards or tax statute and/or regulation in Canada or any Province or Territory thereof established, maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Group Member, its employees or former employees, in each case whether written or oral, funded or unfunded, insured or self-insured, reported or unreported, including any pension benefit plan within the meaning of the *Pension Benefits Act* (Ontario), but excluding any government-sponsored plan (such as the Canada Pension Plan and the Quebec Pension Plan) and any Multi-Employer Plan.

“**Period End Date**” means the last day of an Interest Period or of the Term of an Acceptance, as the context requires.

“**Permitted Acquisition**” means an Acquisition which is permitted to be made pursuant to Subsection 11.4.10.

“**Permitted Debt**” means Debt permitted to exist pursuant to Subsection 11.4.1.

“**Permitted Derivative**” means (i) a Derivative which is entered into by a Group Member with the Lender, an Affiliate of the Lender or on a non-credit enhanced basis with any other bank as a *bona fide* hedge (and not for speculation) against fluctuations in interest rates or currency exchange rates relating to Debt of a Group Member, (ii) a spot or forward foreign exchange contract entered into to pay or *bona fide* hedge (and not speculate on) the actual or anticipated capital expenditures or receipts or operating revenues or expenses of a Group Member denominated in foreign currency and (iii) Derivatives entered into by a Group Member to *bona fide* hedge (and not speculate on) its commodity price exposure.

“**Permitted Distribution**” means a Distribution permitted to be made by a Loan Party pursuant to Subsection 11.4.11.

“**Permitted Investment**” means an Investment permitted to be made by a Group Member pursuant to Subsection 11.4.9.

“**Permitted Liens**” means a Lien permitted to exist pursuant to Subsection 11.4.6.

“**Postponement Agreement**” means the Lender’s standard form postponement agreement and assignment of claim or such other postponement agreement in form and substance satisfactory to the Lender acting reasonably.

“**PPSA**” means the *Personal Property Security Act* (Ontario), including each regulation and order promulgated pursuant thereto.

“**Preferred Shares**” means Capital Stock of any Group Member (i) that may be redeemed by any Group Member, (ii) that is retractable at the option of the holder or (iii) which any Group Member may be required to purchase or otherwise acquire; in each case, before or within 12 months after the last Applicable Maturity Date.

“**Prime Rate**” on any day means the variable nominal interest rate equal on such day to the percentage rate per annum determined by the Lender (rounded up to two (2) decimal places) to be the greater of (i) the rate of interest which the Lender establishes at that time as the reference rate of interest for determination of the interest rates it will charge for loans made in Canadian Dollars in Canada and which it refers to as its prime rate (or its equivalent or analogous such rate) and (ii) the sum of (A) the yearly rate of interest to which the one (1) month CDOR is equivalent *plus* (B) one percent (1%).

“**Prime Rate Loan**” means an Advance made under a Credit Facility by way of loan in Canadian Dollars upon which interest shall be calculated in accordance with the applicable provisions of this Agreement with reference to the Prime Rate.

“**Related Party**” means any other person (i) that is an Affiliate of a Loan Party, (ii) that is a Responsible Officer or director of a Loan Party or an Affiliate of a Loan Party or (iii) that is an associate of any person referred to in (i) or (ii).

“**Relevant**” when used in relation to any Availability Period, Borrowing or Credit Facility means the applicable one of them, as the context requires.

“**Repayment Notice**” means a duly completed notice in the form of or to substantially the same effect as Schedule 5 signed by the Borrower and delivered to the Lender pursuant to Section 7.3.

“**Responsible Officer**” of a person (other than an individual) means the president, chief executive officer, chief operating officer, chief financial officer, treasurer, an executive vice-president, a senior vice-president or other executive officer of that person.

“**Revolver**” means the committed senior secured revolving credit facility established by the Lender in favour of the Borrower under Subsection 2.1.1.

“**Revolver Commitment**” at any time means \$23,000,000 minus all reductions to such amount pursuant to each applicable provision of this Agreement occurring at or before such time.

“**Revolver Maturity Date**” means the third anniversary of the Closing Date or the preceding Business Day if that day is not a Business Day as such Revolver Maturity Date may be extended by the Lender in its sole discretion at the request of the Borrower.

“**Rollover**” means (i) the continuation on the Period End Date of an outstanding Libor Loan (or a portion thereof) for another Interest Period pursuant to Subsection 5.2.1 or (ii) a new issue of Acceptances on the Period End Date of an outstanding issue of Acceptances in an aggregate face amount equal to the aggregate face amount of such outstanding issue of Acceptances (or a portion thereof) pursuant to Subsection 5.2.2.

“**Rollover Date**” means a Business Day on which a Rollover of all or a portion of a Libor Loan or an issue of Acceptances takes place, as the context requires.

“**Sales Taxes**” means sales, transfer, turnover or value added taxes of any nature or kind, including Canadian goods and services and harmonized sales taxes and Canadian federal, provincial and local sales and excise taxes.

“**Secured Documents**” at any time means the Cash Management Agreements, Loan Documents and Derivatives entered into with the Lender in effect at that time.

“**Secured Obligations**” means Cash Management Obligations, Loan Obligations and Derivative Obligations, and any item or part of any thereof.

“**Security**” at any time means the Liens created (or intended by their express or implied terms to be created) in favour of the Lender by any of the Security Documents.

“**Security Documents**” at any time means the documents delivered or required to be delivered (as the case may be) pursuant to this Agreement to or for the benefit of the Lender at or before such time to secure the payment or performance of any of the Secured Obligations, including the documents required to be delivered pursuant to Article 9.

“**Software**” means (i) all computer programs, including source code and object code versions, (ii) all data, databases and compilations of data, whether machine readable or otherwise and (iii) all documentation, training materials and configurations related to any of the foregoing.

“**Solvent**” at any time when used with respect to a person means that at such time (i) such person is not for any reason unable to meet its obligations as they generally become due, (ii) such person has not ceased paying its current obligations in the ordinary course of business as they generally become due and (iii) the aggregate property of such person is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all its obligations, due and accruing due.

“**Stamping Fee**” means the stamping fee payable to the Lender on an Acceptance at the time that Acceptance is issued, calculated and payable in the manner provided for in Section 4.6.

“**Standby Fee Rate**” means the Applicable Margin for the Standby Fee.

“**Standby Fees**” means the standby fees payable under Subsection 6.3.1 or 6.3.2, as the context requires.

“**Standby Instrument**” means a trade letter of credit, a bank guarantee or a standby (within the meaning attributed thereto under the ICC Rules) issued or deemed issued by the Lender pursuant

to this Agreement. For certainty, “**Standby Instrument**” shall not include any documentary letter of credit.

“**Standby Instrument Disbursement**” means any amount paid by the Lender under or otherwise in respect of any Standby Instrument, including all amounts which the Borrower is obligated to indemnify the Lender against pursuant to Subsection 3.2.2.

“**Standby Instrument Exposure**” in relation to any Standby Instrument at any time means the maximum amount remaining available to be drawn upon under that Standby Instrument at that time.

“**Standby Instrument Fees**” means standby instrument fees payable pursuant to Section 3.5 in respect of Standby Instruments.

“**Statutory Prior Claims**” means claims for any unpaid wages, vacation pay, worker’s compensation, unemployment insurance, pension plan contributions, Unfunded Liabilities, employee or non-resident withholding tax source deductions, unremitted Sales Taxes, realty taxes (including utility charges and business taxes which are collectable like realty taxes), customs duties or similar statutory obligations secured by a Lien on a Group Member’s assets.

“**Statutory Prior Liens**” means Liens securing Statutory Prior Claims that are not delinquent.

“**Subordinated Debt**” means any Debt of the Borrower which is (i) subject to terms and conditions satisfactory to the Lender and (ii) subordinated and postponed to the prior payment in full of the Secured Obligations in a manner and in form and substance acceptable to the Lender.

“**Subordination Agreement**” means (i) an agreement amongst the Lender, a Loan Party and each holder (or a trustee under a related trust indenture) of Subordinated Debt pursuant to which such Subordinated Debt is subordinated and postponed to the prior payment in full of the Secured Obligations in a manner and in form and substance acceptable to the Lender.

“**Subsidiary**” of any person (the “relevant party”) at any time means and includes (i) any body corporate that is Controlled by the relevant party or a majority of whose Voting Capital Stock is at that time owned by the relevant party directly or indirectly through Subsidiaries of the relevant party and (ii) any limited or general partnership, association, joint venture or other entity Controlled by the relevant party and in which the relevant party directly or indirectly through Subsidiaries has a majority of the equity or participating interests at the time and (iii) any other body corporate, limited or general partnership, joint venture or other entity (A) the accounts of which are consolidated with those of the relevant party in the relevant party’s consolidated financial statements prepared in accordance with Applicable Accounting Principles and (B) that is Controlled by the relevant party. A person shall be deemed to be a Subsidiary of another person if it is a Subsidiary of a person that is that other’s Subsidiary. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of the Borrower.

“**Taxes**” means all taxes, charges, levies, imposts and other assessments of any kind or nature whatsoever including federal large corporation taxes, provincial capital taxes, realty taxes, business taxes, property transfer taxes, income taxes, Sales Taxes, customs duties, payroll taxes, stamp taxes, royalties, duties, imposts and all fees, deductions (compulsory loans) and

withholdings (including backup withholding) imposed, levied, collected, withheld or assessed as of the date hereof or at any time in the future, by any governmental authority of or within Canada or any other jurisdiction whatsoever having power to tax, together with instalments, penalties, fines, additions to tax and interest thereon.

“**Term**” for any Advance by way of Acceptances means the period of at least three (3) but not more than twelve (12) months, as selected by the Borrower in a Borrowing Request commencing on the Borrowing Date of such Advance; provided (i) that any Term that would otherwise end on a day which is not a Business Day shall be extended to end on the next Business Day and (ii) the Borrower may not select a Term which would result in a Period End Date falling after the Applicable Maturity Date.

“**Term Commitment**” at any time means \$12,000,000 minus all reductions to such amount pursuant to each applicable provision of this Agreement occurring at or before such time.

“**Term Loan Facility**” means the non-revolving term loan facility established by the Lender under Subsection 2.2.1

“**Term Loan Maturity Date**” means the fifth anniversary of the Closing Date or the preceding Business Day if that day is not a Business Day as such Term Loan Maturity Date may be extended by the Lender in its sole discretion at the request of the Borrower.

“**Test Period**” means a period of four (4) consecutive Fiscal Quarters.

“**Trade-mark**” means all rights (and all related ancillary rights) arising under any Applicable Law in or relating to trade-marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and, in each case, all goodwill associated therewith, all registrations and recordations thereof and all applications in connection therewith.

“**Type**” means, with respect to any Advance, its form as a Loan or an issue of Acceptances.

“**Unfunded Capital Expenditures**” means Capital Expenditures that are not (i) financed by capital lease or other Debt secured by a Lien permitted under Subsection 11.4.6(h), (ii) financed from the net proceeds of issuance of common shares in the capital of the Borrower, or (iii) financed with Insurance Event proceeds or asset disposal proceeds.

“**Unfunded Liabilities**” means the amount (if any) by which the present value of all vested and unvested accrued benefits under a Pension Plan exceeds the fair market value of assets allocable to such benefits, all determined as of the then most recent actuarial valuation date for such Pension Plan required under Applicable Law using the assumptions and methodologies applied under generally accepted actuarial principles and/or Applicable Law in the case of any other Pension Plan.

“**United States Dollars**”, “**US Dollars**” and the symbols “**USD**” and “**US\$**” each means dollars which are the lawful money of the United States of America.

“**Unrelated Party**” in relation to any person (the “relevant party”) means another person that is not a Related Party of the relevant party.

“**Upfront Fee**” means the upfront fee payable under Section 6.4.

“**US Base Rate**” on any day means the variable nominal interest rate equal on such day to the percentage rate per annum determined by the Lender to be the greater of (i) the rate of interest which the Lender (rounded up to two (2) decimal places) establishes from time to time as the reference rate of interest for determination of the interest rates it will charge for loans made in US Dollars in Canada and which it refers to as its base rate (or any equivalent or analogous such rate) or (ii) the sum of (A) the yearly rate of interest to which the Federal Funds Rate is equivalent *plus* (B) one percent (1%). For the purpose of this definition, “Federal Funds Rate” on any day means the arithmetic mean of the rates (rounded up, if necessary to be expressed to two (2) decimal places), as quoted by the Lender, for the last transaction in overnight US Dollar Federal funds arranged by US Dollar Federal funds dealers prior to 9:00 a.m. on such day, or the preceding New York Banking Day if such day is not a New York Banking Day.

“**US Base Rate Loan**” means an Advance made under a Credit Facility by way of loan in United States Dollars upon which interest shall be calculated in accordance with the applicable provisions of this Agreement with reference to the US Base Rate.

“**Voting Capital Stock**” means Capital Stock of a person that is a corporation or other artificial legal or commercial entity which carries voting rights or the right to Control such person under any circumstances; provided that Capital Stock which carries the right to vote or Control conditionally upon the happening of an event shall not be considered Voting Capital Stock until the occurrence of such event and then only during the continuance of such right to vote or Control.

“**Waste**” means ashes, garbage and refuse and includes domestic waste, industrial waste, municipal refuse or such other wastes as are designated as such under any Environmental Law.

“**Wholly-Owned Subsidiary**” of a person (the “relevant party”) means any Subsidiary, all of the outstanding Capital Stock of which, shall at the time be owned (except for director’s qualifying shares) and Controlled, directly or indirectly, by the relevant party or one or more Wholly-Owned Subsidiaries of the relevant party, or by the relevant party and one or more Wholly-Owned Subsidiaries of the relevant party. A person shall be deemed to be a Wholly-Owned Subsidiary of another person if it is a Wholly-Owned Subsidiary of a person that is that other’s Wholly-Owned Subsidiary.

“**Work in Process**” means projects, programs and jobs commenced but not yet complete. All references to Work in Process amounts shall mean the Work in Process figure as reported on the most recent financial statements of the Borrower.

1.2 Extended Meanings. To the extent the context so admits, in this Agreement the following words and expressions shall be given the following corresponding extended meanings set forth opposite them:

an “**agreement**” – any agreement, oral or written, any simple contract, deed or specialty, and includes any bond, bill of exchange, indenture, instrument or undertaking.

an “**approved credit rating**” – a rating at or above the following rating categories issued by at least two (2) of the following credit rating organizations (or their respective successors) for the category of commercial paper/short term debt (or any replacement such rating category), namely (i) R-1 (low) issued by DBRS Limited, (ii) F1 issued by Fitch Ratings, (iii) P-1 issued by Moody’s Investors Service or (iv) A-1 (Low) issued by Standard & Poor’s.

an “**asset**” – any undertaking, business, property (real, personal or mixed, tangible or intangible) or other asset.

an “**associate**” - as defined in the *Business Corporations Act* (Ontario).

an “**authorization**” – any authorization, approval, consent, exemption, licence, permit, franchise, quota, privilege or no-action letter from any governmental authority or from any person in connection with any easements or contractual rights.

“**change**” – change, modify, alter, amend, restate, amend and restate, supplement, extend, renew, compromise, novate, replace, terminate (excluding, for clarity, termination in accordance with the express terms of an applicable agreement, but not resulting from any breach, default or other equivalent or analogous cause), release, discharge, cancel, suspend or waive.

“**claim**” – claim, claim over, counter-claim, cross-claim, defence, demand or liability (actual or contingent, now existing or arising hereafter), whether arising by agreement or statute, at law or in equity or otherwise, or any proceeding, judgment or order of any court or other governmental authority or arbitrator.

“**dispose**”, “**disposal**” and “**disposition**” – lease, sell, transfer, licence (other than a licence that is not a permanent-user licence and is granted in the ordinary course of conducting day-to-day business) or otherwise dispose of any property, or the commercial benefits of use or ownership of any property, including the right to profit or gain therefrom, whether in a single transaction or in a series of related transactions (other than the payment of money).

a “**document**” – a written agreement, consent, waiver, certificate, notice or other written document or instrument.

a “**final judgment**” – a judgment, order, declaration or award of a court, other governmental authority, arbitrator or other alternative dispute resolution authority of competent jurisdiction from which no appeal may be made or from which all rights of appeal have expired or been exhausted.

a **“government”** – (i) the Crown in right of Canada or in the right of any Province of Canada, (ii) the government of a Territory in Canada, (iii) a municipality in Canada or (iv) the government of a foreign country or any political subdivision of it.

a **“governmental authority”** – any court, administrative tribunal, regulatory authority, government, union of nations or any agency or other authority of a government or union of nations.

“guarantee” – any guarantee, indemnity, letter of comfort or other assurance made in respect of any Debt or any other obligation or financial condition of another, including (i) any purchase or repurchase agreement, (ii) any obligation to supply funds or invest in such other, (iii) any keep-well, take-or-pay, through-put or other arrangement having the effect of assuring or holding harmless another against financial loss, or maintaining another’s solvency or financial viability or (iv) any obligation under any credit Derivative; but shall exclude endorsements on notes, bills and cheques presented to financial institutions for collection or deposit in the ordinary course of business.

“include” – include without limitation and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.

“losses and expenses” – losses, costs, expenses, damages, penalties, orders, proceedings and claims, including any applicable court costs and legal fees and disbursements on a full indemnity basis.

“obligations” – indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

“order” – any order, award, directive, direction or request of any governmental authority, arbitrator or other decision-making authority of competent jurisdiction.

“ordinary course of business” – in respect of any transaction involving any person, the ordinary course of such person’s business, as conducted by such person in accordance with past practice and undertaken by such person in good faith and not for purposes of evading any obligation or restriction in any Loan Document.

“paid in full”, “payment in full” and “repaid in full” in relation to any payment obligation owing to any person (the “creditor”) – permanent, indefeasible and irrevocable payment in cash (or other freely available funds transfer as may be expressly provided for in the applicable document creating or evidencing such payment obligation) to that creditor in full of such payment obligation in accordance with the express provisions of the applicable document creating or evidencing such payment obligation, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any Insolvency Law, Fraudulent Conveyances Law or other similar such laws, any law affecting creditors’ rights generally or general principles of equity, and, if applicable, the cancellation or expiry of any commitment of that creditor to lend or otherwise extend credit.

a “**person**” – an individual, including an individual in his or her capacity as trustee, executor, administrator or other representative, a sole proprietorship, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, including a business trust, a body corporate organized under the laws of any jurisdiction, a government or agency of a government or any other artificial legal or commercial entity.

a “**proceeding**” – any proceeding, legal action, lawsuit, arbitration, mediation, alternative dispute resolution proceeding or other proceeding.

a “**receiver**” – a privately appointed or court appointed receiver or receiver and manager, interim receiver, liquidator, trustee-in-bankruptcy, administrator, administrative receiver and any other like or similar official.

“**register**” – register, file or record with an applicable governmental authority.

a “**representative**” – any person empowered to act for another, including an agent, an officer or other employee of a body corporate or association and a trustee, executor or administrator of an estate.

“**rights**” – rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

“**set-off**” – any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, abatement, deduction, counter-claim or any similar right or obligation, or (as the context requires) any exercise of any such right or performance of such obligation.

“**written**” and “**in writing**” – an original writing, a pdf or facsimile copy of a writing or an e-mail.

1.3 References to Agreements. Unless the context otherwise requires, each reference in this Agreement to any agreement (including this Agreement and any other defined term that is an agreement) at any time shall be construed so as to include such agreement (including any attached schedules, appendices and exhibits) and each change made to it at or before that time; provided that (i) no change to this Agreement shall be effective unless it is made in compliance with Section 13.18 and (ii) any change to any agreement which is not made in compliance with the Loan Documents shall be disregarded for the purposes of determining whether or not the Borrower party thereto is in compliance with its obligations relative thereto under the Loan Documents (save for any obligations not to change such agreement contained in any Loan Document).

1.4 References to Statutes. Unless the context otherwise requires, each reference in this Agreement to any code, statute, regulation, official interpretation, directive or other legislative enactment of Canada or any political subdivision of either thereof or any other foreign jurisdiction (including any political subdivision thereof) at any time shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each amendment, re-enactment, reissuance or replacement thereof made at or before that time.

1.5 Headings, etc. The division of this Agreement into Articles, Sections and Subsections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section, Subsection, paragraph, subparagraph, Clause or other portion of this Agreement.

1.6 Grammatical Variations. In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Agreement shall be construed in like manner.

1.7 Accounting Principles. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Agreement, including the contents of any certificate to be delivered hereunder, such determination, consolidation or computation shall, unless the parties otherwise agree or the context otherwise requires, be made in accordance with Applicable Accounting Principles applied on a consistent basis. The parties hereto confirm that the definitions of financial terms and the levels of financial tests set out in this Agreement were based upon Applicable Accounting Principles adopted by the Group and applied in their December 31, 2016 financial statements (“**Historical GAAP**”). If at any time the Group changes how it applies Applicable Accounting Principles or Applicable Accounting Principles change and such change is reflected in any subsequently prepared financial statements of the Group, then the Borrower or the Lender may request the other to agree upon amendments to the definitions of financial terms and/or to the levels of financial tests set out in this Agreement if the requesting party reasonably believes that such amendment is required to reflect substantially the same commercial or financial determination, consolidation, computation or financial measure under Applicable Accounting Principles, as applied under Historical GAAP. Until such amendments are agreed upon, or the requesting party withdraws such request for amendments, all such financial terms, determinations, consolidations and computations shall be made in accordance with Historical GAAP and the Borrower shall provide the Lender a reconciliation of Applicable Accounting Principles, as so changed and applied, to Historical GAAP treatment with every Compliance Certificate provided to the Lender pursuant hereto.

1.8 Permitted Liens. The inclusion of reference to Permitted Liens in any Loan Document is not intended to subordinate and will not subordinate, any Security to any Permitted Lien.

1.9 References to Time. Each reference in this Agreement to any time of the day shall, unless otherwise stated, be construed as a reference to Toronto time.

1.10 Rounding. Unless otherwise stated, (i) all currency amounts determined pursuant to this Agreement shall be rounded up, if necessary to be expressed in a whole number of cents, to the nearest cent and (ii) all financial ratios required to be determined hereunder shall be truncated after five (5) decimal places without rounding.

ARTICLE 2 CREDIT FACILITIES

2.1 Grant of Revolver.

2.1.1 Grant. Upon and subject to the terms and conditions of this Agreement, the Lender hereby establishes a committed senior secured revolving credit facility in the amount equal to the Revolver Commitment available to the Borrower.

2.1.2 Use of Proceeds. The Borrower will use each Advance made available to it pursuant to the Revolver solely for the purposes of (x) paying the Existing Credit Facilities in full and (y) financing its day-to-day working capital requirements, as well as for other general corporate purposes, including financing Permitted Acquisitions and capital expenditures.

2.2 Grant of Term Facility.

2.2.1 Grant. Upon and subject to the terms and conditions of this Agreement, the Lender hereby establishes a committed senior secured non-revolving term loan facility in the amount equal to the Term Commitment available to the Borrower.

2.2.2 Use of Proceeds. The Borrower will use the single Drawdown made available to it pursuant to the Term Loan Facility solely for the purposes of financing the payment in full of the Crown Capital Debt.

2.3 Revolver Limit.

2.3.1 Facility Limit. On each Borrowing Date under the Revolver, the Borrower shall ensure that the total Outstanding Amount of all Advances outstanding under the Revolver does not exceed the Revolver Commitment. Subject to Section 7.6, except for temporary excesses arising from foreign exchange fluctuations, the Borrower shall ensure that the aggregate Outstanding Amount of the Advances outstanding under the Revolver shall not exceed the lesser of (a) the Revolver Commitment and (b) the amount equal to the Borrowing Base.

2.3.2 Reductions. The Revolver Commitment shall reduce by the amount of each reduction in the Revolver Commitment made pursuant to Section 7.4.

2.4 Term Loan Facility Limit.

2.4.1 Facility Limit. The Outstanding Amount of all Advances under the Term Loan Facility shall not exceed the Term Commitment.

2.4.2 Cancellation of Undrawn Amount. The Term Commitment shall be cancelled and permanently reduced at the close of business on May 31, 2017 by the amount, if any, which (a) the Term Commitment at the close of business on May 31, 2017 exceeds (b) the total principal amount of all Advances outstanding under the Term Loan Facility at the end of the day on May 31, 2017.

2.4.3 Reductions. The Term Commitment shall reduce by the amount of each reduction in the Term Commitment made pursuant to Subsections 2.4.2 and 7.1.2 and Section 7.3.

2.5 Availability.

2.5.1 Revolver. Upon and subject to the terms and conditions of this Agreement the Borrower may borrow, repay and reborrow Advances under the Revolver during its Availability Period on a revolving basis by way of Loans, Acceptances and Standby Instruments.

2.5.2 Term Loan Facility. Upon and subject to the terms and conditions of this Agreement, the Borrower may borrow a single Advance under the Term Loan Facility during its Availability Period on a non-revolving basis by way of Loan or issue of Acceptances.

2.6 Drawdown Requests

2.6.1 Revolver Drawdown Request. The Borrower must deliver a Borrowing Request to the Lender to obtain a Drawdown under the Revolver at the times and stipulating the information specified below:

- (a) for a Prime Rate Loan, before noon on the Business Day before the proposed Drawdown Date specifying the principal amount (which must be \$100,000 or a whole number multiple of \$10,000 in excess thereof) and proposed Drawdown Date (which must be a Business Day falling within the Availability Period for the Revolver);
- (b) for a US Base Rate Loan, before noon on the Business Day before the proposed Drawdown Date specifying the principal amount (which must be US\$100,000 or a whole number multiple of US\$10,000 in excess thereof) and proposed Drawdown Date (which must be a Business Day during the Availability Period for the Revolver);
- (c) for a Libor Loan, before noon on the third (3rd) Business Day before the proposed Drawdown Date specifying the principal amount (which must be at least US\$100,000 and be a whole number multiple of US\$10,000) and the proposed Interest Period complying with the requirements of Subsection 6.1.3(b); and
- (d) for an issue of Acceptances, as required in accordance with Article 4.

2.6.2 Term Loan Facility Drawdown Request. The Borrower must deliver a Borrowing Request to the Lender to obtain a Drawdown under the Term Loan Facility subject to same requirements as apply to a Drawdown under the Revolver under Subsection 2.6.1, save that the single Drawdown under the Term Loan Facility must take place on or before May 31, 2017.

2.7 Proceeds of Drawdown. The proceeds of each Drawdown by way of Rate Loan under a Credit Facility shall, subject to Sections 7.7 and 8.2, be advanced by the Lender to the Borrower by bank transfer to the credit of the Borrower's Account. The proceeds of the sale of Acceptances will be dealt with in accordance with Article 4 and Article 5.

ARTICLE 3 STANDBY INSTRUMENTS

3.1 Issuance of Standby Instruments. The following provisions apply to the issuance of Standby Instruments under the Revolver:

- (a) The Borrower may request the issue of a Standby Instrument under the Revolver in Canadian Dollars or US Dollars or, with the prior consent of the Lender, any other currency.
- (b) The Lender will issue all Standby Instruments under the Revolver in accordance with this Article 3.
- (c) The aggregate Outstanding Amount of all Standby Instruments may not exceed \$2,000,000 at any time.
- (d) Following the occurrence of an Event of Default that is continuing, the Lender shall have the right, in its sole discretion, (i) to amend any Standby Instrument or (ii) agree or not agree to renew or extend the expiry date of any Standby Instrument.
- (e) The Borrower may not request the issuance of any Standby Instrument (i) if the aggregate Outstanding Amount of all Advances under the Revolver would, after the issuance of the Standby Instrument in question, exceed the Revolver Commitment, (ii) having a term exceeding one (1) year from its issue date (provided such Standby Instrument may have an automatic renewal feature) or (iii) having a term expiring after the Revolver Maturity Date unless cash collateralized or otherwise “backstopped” pursuant to arrangements reasonably satisfactory to the Lender.
- (f) The Borrower shall deliver to the Lender a Borrowing Request for any requested Standby Instrument and attach the proposed form and content of such Standby Instrument no less than three (3) Business Days before the date of requested issuance of the Standby Instrument. Such Borrowing Request must comply with the provisions of this Section 3.1 and specify (i) the stated amount of the Standby Instrument requested, (ii) the requested date of issuance of such Standby Instrument, which must be a Business Day falling within the Availability Period for the Revolver and (iii) the date on which such requested Standby Instrument is to expire. Upon request from the Lender, the Borrower shall also execute and deliver such application, indemnity and other documents as the Lender shall reasonably require consistent with its prevailing practice relative to the issuance of bank guarantees and standby credits provided such documents shall not be inconsistent with this Agreement.
- (g) Upon receipt of a Borrowing Request in compliance with this Section 3.1, the Lender on the requested issue date, but subject to Section 8.2, shall issue the requested Standby Instrument in accordance with the Lender’s usual and customary business practices, subject to such modification thereto as the Lender

may reasonably require and subject further to receipt of any other signed documents requested by the Lender pursuant to paragraph (f) above.

- (h) In addition, any amendment or renewal of any Standby Instrument shall be deemed to be an issuance of a new Standby Instrument and shall be subject to the same requirements as are set forth above with respect to original issuance (including delivery of a Borrowing Request to the Lender).

3.2 Reimbursement by the Borrower.

3.2.1 Authorization. The Borrower unconditionally and irrevocably authorizes the Lender to pay the amount of any demand made on the Lender in substantial compliance with the terms of any Standby Instrument issued for its account on demand without requiring proof of the Borrower's agreement that the amount so demanded was due and notwithstanding that the Borrower may dispute the validity of any such demand or payment.

3.2.2 Indemnity. The Borrower shall indemnify and save the Lender harmless, on a full indemnity (after Taxes) basis, from and against any and all payments, claims and losses and expenses which the Lender may make, suffer or incur arising in any manner whatsoever out of the issuance of any Standby Instrument, including the making of, or refusal to make, any payments demanded thereunder (including any court costs and reasonable legal costs on a solicitor and client and full indemnity basis incurred in connection with any proceedings to restrain the Lender from making, or to compel the Lender to make, any such payment). This indemnity shall be unconditional, shall not be subject to any qualification or exception whatsoever, and shall not be lessened, invalidated or otherwise prejudiced for any reason whatsoever including by reason of (i) any lack of validity or enforceability of the Standby Instrument, (ii) any claim or other right the Borrower may have against the beneficiary of the Standby Instrument, including any claim that a demand for payment under the Standby Instrument is fraudulent or (iii) any of the matters referred to in Subsection 3.2.4.

3.2.3 Good Faith Payments. Notwithstanding any other provision of this Agreement to the contrary, any payment made by the Lender in good faith in response to any demand for payment under any Standby Instrument shall be deemed to have been properly made, shall be binding upon the parties hereto and shall oblige the Borrower to reimburse and indemnify the Lender for such payment under Subsection 3.2.2.

3.2.4 Saving. Nothing in Subsection 3.2.2 or 3.2.3 shall relieve the Lender from any liability to the Borrower arising by reason of any losses and expenses suffered by the Borrower directly caused by the gross negligence or wilful misconduct of the Lender as determined by a final judgment.

3.3 Lender Not Liable.

3.3.1 Waiver. The Lender shall not have any obligation, responsibility or liability for, or duty to inquire into, the sufficiency, authorization, execution, signature, endorsement, correctness, genuineness or legal effect of any certificate or other document presented to it pursuant to any Standby Instrument and the Borrower assumes all risks with respect to the same, including all risks of the acts or omissions of any beneficiary of any Standby Instrument with

respect to the use by any beneficiary of any Standby Instrument. Without limiting the generality of the foregoing, the Lender shall not have any obligation, responsibility or liability:

- (a) for the validity or genuineness of certificates or other documents delivered under or in connection with any Standby Instrument that appear on their face to be in order, even if such certificates or other documents should in fact prove to be invalid, fraudulent or forged;
- (b) for errors, omissions, interruptions or delays in transmission or delivery of any messages by mail, cable, telegraph, telecopy, S.W.I.F.T., e-mail, internet, wireless or otherwise, whether or not they are in code;
- (c) for errors in translation or for errors in interpretation of technical terms or for errors in the calculation of amounts demanded under any Standby Instrument;
- (d) for any failure or inability by the Lender or anyone else to make payment under any Standby Instrument as a result of any Applicable Law or by reason of any control or restriction rightfully or wrongfully exercised by any person asserting or exercising governmental or paramount powers;
- (e) for any other consequences arising from causes beyond the control of the Lender; or
- (f) for any error, neglect or default of any correspondent of the Lender or of any advising, confirming, negotiating or paying bank,

and none of the above shall lessen, invalidate or otherwise prejudice any of the rights of the Lender hereunder or the obligations of the Borrower under Subsection 3.2.2.

3.3.2 *Exclusion.* Notwithstanding the provisions of Subsection 3.3.1, the Borrower shall not be responsible for any loss or expense suffered or incurred by the Lender to the extent such loss or expense is determined by a final judgment that is binding on the Lender to have been directly caused by the wilful misconduct or gross negligence of the Lender.

3.3.3 *ICC Rules.* Save to the extent expressly provided otherwise in this Article 3, the rights and obligations between the Lender and the Borrower with respect to each Standby Instrument shall be determined in accordance with the applicable provisions of the ICC Rules.

3.4 Reimbursement Advance.

3.4.1 *Deemed Borrowing Request.* The Borrower shall pay to the Lender, within one Business Day following receipt by the Borrower of notice from the Lender of any Standby Instrument Disbursement if such notice is received by noon (and if such notice is not received by such time, then within two Business Days following receipt of such notice), the amount of such Standby Instrument Disbursement, together with interest at the Default Rate from the date such notice is given until payment in full by the Borrower to the Lender. If the Borrower fails to pay or reimburse the Lender the amount of any Standby Instrument Disbursement on the date such Standby Instrument Disbursement is made or any payment, loss and expense made or incurred

by the Lender referred to in Subsection 3.2.2, the Borrower shall be deemed to have requested and received an Advance from the Lender in a principal amount equal to such unreimbursed Standby Instrument Disbursement (if denominated in Canadian Dollars or US Dollars) or in the equivalent amount in Canadian Dollars of such unreimbursed Standby Instrument Disbursement determined at the Lender's spot rate of exchange (if such unreimbursed Standby Instrument Disbursement or such payment, loss or expense is denominated in foreign currency other than US Dollars).

3.4.2 *Deemed Advance.* Any Advance deemed to have been made under Subsection 3.4.1 in respect of any Standby Instrument issued by the Lender shall be deemed to have been made under the Revolver as a Prime Rate Loan (if denominated in CAD) or US Base Rate Loan (if denominated in USD).

3.5 Standby Instrument Fees.

3.5.1 *Standby Letters of Credit.* The Borrower shall pay a standby instrument fee to the Lender in advance on the issuance and renewal by it of each Standby Instrument under the Revolver for the period from and including the date of issuance or renewal of such Standby Instrument to and including the stated expiry date thereof, based on the rateable daily Outstanding Amount of the Standby Instrument. Such standby instrument fee shall be payable in the currency in which such Standby Instrument is denominated or in Canadian Dollars or US Dollars, as the Lender may require. The standby instrument fee payable in respect of each such Standby Instrument shall be payable quarterly on the last Business Day prior to the end of the calendar quarter, determined as the product obtained by multiplying (a) the rateable daily Outstanding Amount of such Standby Instrument since the last quarterly payment, multiplied by (b) the Applicable Margin for Standby Instruments multiplied by (c) the quotient of (i) the number of days in the term of such Standby Instrument divided by (ii) (A) 365.

3.5.2 *Customary Charges.* In addition to the standby instrument fees payable under Subsection 3.5.1, the Borrower shall pay the Lender standby instrument fees determined in accordance with the Lender's prevailing scheduled rates for services (including advices, confirmations, amendments and renewals) provided by the Lender in relation to Standby Instruments.

ARTICLE 4 BANKERS' ACCEPTANCES

4.1 **Notice and Term.** The Borrower may deliver a Borrowing Request to the Lender (which must be received by the Lender before 4pm EST, one Business Day prior to the commencement of the Term requested in such Borrowing Request to be effective) requesting that Drafts be accepted under the Revolver or Term Loan Facility on any proposed Borrowing Date and stating the aggregate face amount and the Term applicable to such Drafts. The Term of such Drafts must be a period of three (3) to twelve (12) months expiring on or before the Applicable Maturity Date.

4.2 **Face Amount of Drafts.** The aggregate face amount of an issue of Drafts to be accepted on any particular Borrowing Date must be \$1,000,000 or a whole number multiple of

\$100,000 in excess thereof. The face amount of each Draft must be a whole number multiple of \$100,000.

4.3 Power of Attorney. In order to facilitate issues of Acceptances pursuant to this Agreement, the Borrower authorizes the Lender, and for this purpose appoints the Lender its lawful attorney with full right of substitution and delegation, to complete, sign and endorse Drafts issued in accordance with a Borrowing Request delivered to the Lender pursuant to Section 4.1 on its behalf in handwritten or by facsimile or mechanical signature or otherwise and, once so completed, signed and endorsed, and following acceptance of them as Acceptances under this Agreement, then discount, negotiate or deliver such Acceptances in accordance with the provisions of this Article 4. Drafts so completed, signed, endorsed, negotiated or delivered on behalf of the Borrower by the Lender shall bind the Borrower as fully and effectively as if so performed by an authorized officer of the Borrower.

4.4 Restrictions.

4.4.1 General. The Lender shall have the discretion to restrict the Term and maturity date of an issue of Acceptances and the number of issues of Acceptances outstanding at any one time.

4.4.2 Marketability. The obligations of the Lender to accept and discount any requested issue of Acceptances pursuant to the Revolver or Term Loan Facility are also subject to the Lender's reasonable determination that no BA Disruption Event (as defined in Subsection 6.7.1) has occurred that is continuing.

4.5 Discount and Sale of Acceptances.

4.5.1 Purchase at Discount. The Lender shall accept Drafts and purchase and take delivery of each issue of Acceptances for its own account on the Borrowing Date of such Acceptances at the purchase price equal to the face amount of such Acceptances less an amount equal to the amount that yields to the Lender (excluding the Stamping Fee) an interest rate per annum equal to the BA Reference Rate for the applicable Term of such Acceptances. The Lender shall be entitled to deduct from the Acceptance Proceeds derived from the purchase by it of Acceptances the Stamping Fee payable to it pursuant to Section 4.6. The Net Acceptance Proceeds for any Acceptances purchased by the Lender shall be determined in accordance with the following formula:

$$\text{Net Acceptance Proceeds} = \text{Face amount of Acceptances} \times \left[\frac{1}{1 + (\text{BA Reference Rate} \times n/365) - (\text{AM} \times n/365)} \right]$$

Where n is the number of days to elapse in the Term of the Acceptances, BA Reference Rate is expressed as a decimal and AM is the Applicable Margin expressed as a decimal.

4.5.2 Payment and Advance of Net Acceptance Proceeds. Subject to Sections 4.7, 5.3 and 8.2, the Lender shall credit the Borrower's Account on the Borrowing Date of each issue of Acceptances with the Net Acceptance Proceeds of such issue of Acceptances.

4.5.3 *Dealings with Acceptances.* The Lender may at any time and from time to time purchase, hold, sell, rediscount or otherwise dispose of any Acceptance issued by it and no such dealing shall alter or release the Borrower's obligations under Section 4.7.

4.6 Stamping Fee. The Borrower shall pay a stamping fee to the Lender on the issuance of each Acceptance which shall be in an amount equal to the product of (a) the face amount of such Acceptance *multiplied by* (b) the actual number of days to elapse in the Term of such Acceptance *multiplied by* (c) the quotient of (i) the Applicable Margin for Acceptances *divided by* (ii) 365. The Lender is authorized by the Borrower to deduct the Stamping Fee from the Acceptance Proceeds of the Acceptances accepted by it.

4.7 Maturity of Acceptances. Unless made subject to a Conversion or a Rollover, the Borrower shall pay to the Lender the full face amount of each Acceptance accepted by the Lender on the Period End Date of such Acceptance. If an issue of Acceptances matures and the Borrower has not made such payment or provided for its Conversion or Rollover, such Acceptances shall be deemed to be converted on their Period End Date into a Prime Rate Loan made available by the Lender to the Borrower for whom such Acceptance was issued in an aggregate principal amount equal to their aggregate face amount.

4.8 Waivers. The Borrower shall not claim from the Lender any days of grace for the payment at maturity of any Drafts presented and accepted by the Lender pursuant to this Agreement. In addition, the Borrower waives demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour and any other notice or defence to payment which might otherwise exist if for any reason an Acceptance is held by the Lender in its own right at the maturity thereof.

4.9 Notice of Maturing Acceptances. The Borrower shall give the Lender, before noon on the Business Day before the Period End Date of each issue of Acceptances, a Repayment Notice or Borrowing Request in respect of such Acceptances requesting a Conversion or Rollover on such Period End Date in order to permit the Lender to organize its internal funding requirements to fund the payment of the face amount of such Acceptances to the respective holders thereof upon or following maturity.

4.10 Clearing House System. The Borrower agrees that the Lender may require that Drafts accepted by it be made payable to a clearing house (such as CDS & Co.) and that the resulting Acceptances (including the delivery thereof) may be subject to the rules, regulations, policies and other guidelines established from time to time by the applicable clearing house and that the Lender will be required to comply with the same at all times. The Borrower hereby consents to the deposit (by or on behalf of the Lender) of any Acceptance in the book-based system maintained by a recognized clearing house, and to the sale or resale (without recourse in the case of each subsequent holder thereof) of any interest whatsoever held by the Lender or by any third party at any time in such Acceptance. Further, the Borrower agrees to abide by, and to assist and co-operate with the Lender in observing, complying with and fulfilling (to the extent that the Lender may reasonably require the Borrower do so), any and all obligations, requirements and directions issued by or on behalf of an applicable clearing house with respect to Acceptances issued hereunder.

4.11 Deemed Acceptances. Whenever the Lender is required under any provision of this Agreement to purchase and take delivery of any Acceptances, the Lender shall be deemed for all purposes of this Agreement to have completed and signed a Draft giving rise to such Acceptance pursuant to Section 4.5 and to have accepted such Draft and purchased and taken delivery of such Acceptance hereunder whether or not it actually does so.

ARTICLE 5 CONVERSIONS AND ROLLOVERS

5.1 Conversions.

5.1.1 Generally. Subject to Subsection 5.1.2, the Borrower may request the Lender to convert:

- (a) at any time, a Floating Rate Loan or a portion thereof into a different Type of Advance available under the same Credit Facility;
- (b) on a Period End Date, a Libor Loan or a portion thereof into a different Type of Advance available under the same Credit Facility; or
- (c) on a Period End Date, an issue of Acceptances or a portion thereof into a Type of Advance by way of Loan available under the same Credit Facility,

upon delivering a Borrowing Request to the Lender specifying both the amount of the Advance to be converted and the amount and Type of the requested resulting Advance.

5.1.2 Conversion Conditions. The Borrowing Request for a Conversion must (a) be delivered to the Lender before noon on (i) the Business Day before the proposed Conversion to a Floating Rate Loan, (ii) the Business Day before the proposed Conversion to an issue of Acceptances and (iii) the third (3rd) Business Day before the proposed Conversion to a Libor Loan, (b) specify the principal amount (which must be US\$ or \$500,000 or a whole number multiple of US\$ or \$100,000 in excess thereof) of both the portion of the Advance being Converted and any portion not being Converted, (c) specify the proposed Conversion Date (which must be a Business Day falling before the Relevant Maturity Date), (d) the proposed Term (which must end on or before the Relevant Maturity Date), in the case of a Conversion to an issue of Acceptances and (e) the proposed Interest Period complying with the requirements of Subsection 6.1.3(b), in the case of a Conversion to a Libor Loan. The Borrower shall not be entitled to Convert any Advance to an issue of Acceptances or a Libor Loan if the conditions to such Conversion set forth in Section 8.3 are not satisfied.

5.1.3 Same Currency Denomination. If the Borrower has requested a Conversion of an Advance to a Type of Advance denominated in the same currency, no payment shall be required to be made by the Borrower to the Lender on such Conversion, save to the extent required by Section 5.3 if the resulting Advance is an issue of Acceptances.

5.1.4 Different Currency Denomination. If the Borrower has requested a Conversion of an Advance to a Type of Advance denominated in a different currency, the Borrower shall repay the Advance (or relevant portion) being converted and, subject to the foregoing provisions of this

Section 5.1 and receipt by the Lender of such repayment, the Lender shall, subject to Section 8.2, make the Type of Advance requested on the Conversion to the Borrower on the Conversion Date.

5.1.5 *Acceptances.* If the Borrower has requested a Conversion into an issue of Acceptances, the Lender shall, subject to the foregoing provisions of this Section 5.1, accept Drafts and purchase and take delivery of the resulting issue of Acceptances for its own account on the Conversion Date in the manner provided for in Section 5.3.

5.2 Rollovers.

5.2.1 *Libor Loans.* At or before noon on the third (3rd) Business Day before the commencement of each Interest Period for each Libor Loan, the Borrower may, if it is entitled to do so in accordance with the provisions of this Section 5.2, deliver a Borrowing Request to the Lender requesting a Rollover and selecting the next Interest Period applicable to the relevant Libor Loan complying with the requirements of Subsection 6.1.3(b). If the Borrower fails or is not entitled to deliver a Borrowing Request for a Rollover or Conversion to the Lender, then the relevant Libor Loan shall, unless the Lender otherwise agrees, be deemed to be converted to a US Base Rate Loan made available under the same Credit Facility by the Lender to the Borrower on the current Period End Date.

5.2.2 *Rollover Conditions.* A Borrowing Request for a Rollover must (a) specify the principal amount (which must be US\$ or \$500,000 or a whole number multiple of US\$ or \$100,000 in excess thereof) of both the portion of the Advance subject to the Rollover and any portion not subject to the Rollover, (b) specify the proposed Rollover Date (which must be a Business Day occurring before the Final Maturity Date), (c) the proposed Term (which must comply with Subsection 5.2.2), in the case of a Rollover of an issue of Acceptances and (d) the proposed Interest Period complying with the requirements of Subsection 6.1.3(b), in the case of a Rollover of a Libor Loan. The Borrower shall not be entitled to a Rollover of any Advance if the conditions to such Rollover set forth in Section 8.2 are not satisfied.

5.3 **Conversions to and Rollovers of Acceptances.** On the Conversion Date of any Advance being converted to an issue of Acceptances, and on the Rollover Date of any issue of Acceptances, the Lender shall accept Drafts and purchase and take delivery of the resulting issue of Acceptances for its own account in the manner provided for in Section 4.5, save that in lieu of remitting the Net Acceptance Proceeds of such resulting issue of Acceptances to the Borrower on the Borrowing Date of such resulting issue of Acceptances, the Lender shall retain such Net Acceptance Proceeds for its own account and the Borrower shall pay to the Lender on that Borrowing Date the amount by which the aggregate face amount of such resulting issue of Acceptances exceeds such Net Acceptance Proceeds.

5.4 **Not a Repayment.** Neither a Rollover nor a Conversion of an Advance shall constitute a repayment by the Borrower, but rather shall constitute a continuation or change in the form of credit being extended by the Lender to the Borrower. The Borrower shall repay each Advance resulting from any Rollover or Conversion to the Lender in accordance with the provisions of this Agreement as if such Advance had resulted from a Drawdown on the Rollover Date or Conversion Date.

5.5 Consolidations. Each Libor Advance under the same Credit Facility that has an Interest Period ending on the same Period End Date shall be consolidated on such Period End Date to form a single Advance and each issue of Acceptances under the same Credit Facility that has a Term ending on the same Period End Date shall be consolidated on such Period End Date to form a single Advance, unless and to the extent the Borrower (a) elects to effect a Conversion or Rollover of part, but not all, of such Advances or (b) requests, in compliance with the relevant provisions of this Agreement, Advances, Conversions or Rollovers with more than one Term or Interest Period, as applicable.

ARTICLE 6 INTEREST AND FEE CALCULATIONS AND CHANGES IN CIRCUMSTANCES

6.1 Interest.

6.1.1 Prime Rate Loans. The Borrower shall pay interest on the outstanding principal amount of each Prime Rate Loan borrowed by it under each Credit Facility calculated and payable from the Borrowing Date of such Prime Rate Loan until the date Converted or deemed Converted to another Type of Advance in accordance with the provisions hereof or the date due to be repaid hereunder, as applicable, at a percentage rate per annum equal to the sum of (a) the Prime Rate *plus* (b) the Applicable Margin for Floating Rate Loans.

6.1.2 US Base Rate Loans. The Borrower shall pay interest on the outstanding principal amount of each US Base Rate Loan borrowed under each Credit Facility calculated and payable from the Borrowing Date of such US Base Rate Loan until the date Converted to another Type of Advance in accordance with the provisions hereof or the date due to be repaid hereunder, as applicable, at a percentage rate per annum equal to the sum of (a) the US Base Rate *plus* (b) the Applicable Margin for Floating Rate Loans.

6.1.3 Libor Loans.

- (a) **Interest.** The Borrower shall pay interest on the outstanding principal amount of each Libor Loan borrowed under each Credit Facility calculated and payable from each Borrowing Date of such Libor Loan until the date Converted or deemed to be Converted to another Type of Advance in accordance with the provisions hereof or the date due to be repaid hereunder, as applicable, at a percentage rate per annum during each Interest Period relative to such Libor Loan equal to the sum of (i) LIBOR for that Interest Period *plus* (ii) the Applicable Margin for Libor Loans.
- (b) **Interest Periods.** The Borrower shall, in any Borrowing Request for any Advance by way of Libor Loan, select an Interest Period of three (3) to twelve (12) months commencing on a Borrowing Date of that Libor Loan; provided that (y) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to end on the next Business Day, unless that next Business Day falls in the next calendar month, in which case that Interest Period shall be shortened to end on the preceding Business Day, and (z) the Borrower may not select an Interest Period for any Libor Loan under any Credit Facility which would result in (1) a Period End Date falling after the Final Maturity Date or

(2) the Outstanding Amount of all Advances outstanding under the Term Loan Facility exceeding the Commitment under the Term Loan Facility were such Libor Loan to remain outstanding during that Interest Period.

6.1.4 *Overdue Amounts.* If any sum payable by the Borrower under any provision of this Agreement is not paid when due and payable hereunder (whether on its stipulated due date, on demand, on acceleration or otherwise), the Borrower shall pay interest to the Lender on the outstanding balance thereof calculated and payable from the date such sum was first so due and payable until the date it is paid in full in accordance with the provisions hereof at the Default Rate.

6.2 Fees in Respect of Acceptances. The Borrower shall pay to the Lender a Stamping Fee on each Borrowing Date of Acceptance with respect to each Draft issued by the Borrower and accepted by the Lender under a Credit Facility calculated and payable at the time and in the manner specified in Article 4.

6.3 Standby Fee.

6.3.1 *Revolver.* The Borrower shall pay to the Lender under the Revolver a standby fee in relation to its Commitment based on the unused portion of the Revolver payable in Canadian Dollars which shall be in the amount determined by the Lender to be equal to the sum of the products for each day during the Availability Period of the Revolver of (a) the amount by which the Commitment under the Revolver exceeds the aggregate Outstanding Amount of all Advances under the Revolver at the end of that day *multiplied by* (b) the quotient of (i) the Standby Fee Rate for that day *divided by* (ii) 365.

6.3.2 *Term Loan Facility.* The Borrower shall pay to the Lender a standby fee in relation to its Commitment under the Term Loan Facility based on the unused portion of the Term Loan Facility payable in Canadian Dollars which shall be in the amount determined by the Lender to be equal to the sum of the products for each day during the Availability Period of the Term Loan Facility of (a) the amount by which the Commitment under the Term Loan Facility exceeds the aggregate Outstanding Amount of all Advances under the Term Loan Facility at the end of that day *multiplied by* (b) the quotient of (i) the Standby Fee Rate for that day *divided by* (ii) 365.

6.3.3 *Payment Dates.* The first payment of each of the Standby Fees payable under Subsections 6.3.1 and 6.3.2 for the period commencing on the Closing Date and ending on the immediately following calendar quarter end will be made on such calendar quarter end day. Thereafter the Borrower shall pay these Standby Fees quarterly in arrears for each calendar quarter on the third (3rd) Business Day of the following calendar quarter. The final payment of each of these Standby Fees will be made on the Final Maturity Date or any earlier date of termination of the Relevant Credit Facility.

6.4 Upfront Fee. The Borrower shall pay to the Lender an upfront fee of \$64,500 on the Closing Date. The Borrower irrevocably authorizes and directs the Lender to debit the Borrower's Account for collection of the Upfront Fee on the Closing Date.

6.5 Interest and Fee Calculations and Payments.

6.5.1 *General.* Interest payable on any amount payable under this Agreement shall be (a) calculated upon the daily outstanding balance of such amount from (and including) the date it is first outstanding or advanced until (but excluding) the date it is repaid in full to the Lender, (b) paid in the same currency in which such amount is denominated and (c) payable in arrears on each Interest Payment Date relative thereto and on the date the final balance thereof is paid in full based upon the actual number of days elapsed in the relevant period of calculation. Interest payable on each such amount shall be payable both before and after demand, default and judgment at the applicable rate set out in Section 6.1 with interest on overdue interest at the same rate (except to the extent provided otherwise in Subsection 6.1.4).

6.5.2 *Rates Based on Years of 360 or 365 Days.* The rates of interest per annum payable on or in respect of Floating Rate Loans, CDOR and the BA Reference Rate, are expressed on the basis of a 365 day year. The rates of interest per annum payable on or in respect of Libor Loans are expressed on the basis of a 360 day year.

6.5.3 *Interest Act Compliance.* For the purposes of the *Interest Act* (Canada), any rate of interest made payable under the terms of this Agreement at a rate or percentage (the “**Contract Rate**”) for any period that is less than a consecutive twelve (12) month period, such as a 360 or 365 day basis, (the “**Contract Rate Basis**”) is equivalent to the yearly rate or percentage of interest determined by multiplying the Contract Rate by a fraction, the numerator of which is the number of days in the consecutive twelve (12) month period commencing on the date such equivalent rate or percentage is being determined and the denominator of which is the number of days in the Contract Rate Basis.

6.5.4 *No Deemed Reinvestment.* The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement.

6.5.5 *Rates are Nominal Rates.* The rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

6.5.6 *Changes in a Floating Rate.* Changes in a Floating Rate will cause an immediate adjustment of interest payable on or in respect of the corresponding Floating Rate Loans outstanding from time to time, without the necessity of any notice to the Borrower.

6.6 Increased Costs.

6.6.1 *Change in Law.* If any Change in Law:

- (a) subjects the Lender to, or causes the withdrawal or termination of a previously available exemption with respect to, any Taxes or changes the basis of taxation of payments due to the Lender or increases any Taxes payable by the Lender (other than (i) Indemnified Taxes provided for under Section 6.9 and (ii) Excluded Taxes) on or in respect of payments of principal, interest, fees or other amounts payable by the Borrower to the Lender under this Agreement or any other Secured Document;

- (b) imposes, modifies or deems applicable any reserve, liquidity, cash, margin, special deposit, deposit insurance or assessment, or any other regulatory or similar requirement against assets held by, or deposits with or for the account of, or loans or commitments by, or any other acquisition of funds for loans by, the Lender, or on any unutilized portion of any Credit Facility, or on any obligation of the Lender under any Secured Document;
- (c) imposes on the Lender any Taxes on reserves or deemed reserves in respect of the undrawn portion of any Credit Facility or any "transaction tax" that is not based on the Lender's net income;
- (d) requires the Lender to maintain any capital adequacy or additional capital requirement (including a requirement which affects the Lender's allocation of capital resources to its obligations) in respect of any Credit Facility, any Advance, this Agreement or the Lender's obligations hereunder or under any other Secured Document, or imposes any other condition or requirement with respect to the maintenance by the Lender of a contingent liability with respect to any Credit Facility, any Advance or any Secured Document; or
- (e) imposes on the Lender any other condition or requirement with respect to this Agreement, any other Secured Document or a Credit Facility,

and the Lender, acting reasonably, determines (which determination shall be conclusive absent manifest error and bind the Borrower) that such occurrence has the effect of:

- (f) increasing the cost to the Lender of agreeing to make or making, maintaining or funding any Advance or any portion of any thereof;
- (g) reducing the net income received by the Lender in respect of this Agreement, any Credit Facility, any Advance or any portion of any thereof;
- (h) directly or indirectly reducing the effective return to the Lender under any Secured Document on its overall capital as a result of the Lender entering into such Secured Document or as a result of any of the transactions or obligations contemplated by such Secured Document; or
- (i) causing the Lender to make any payment or to forego any interest, fees or other return on or calculated by reference to any sum received or receivable by the Lender under any Secured Document,

then, within seven (7) days of demand from time to time being made by the Lender to the Borrower accompanied in each case by a certificate of the Lender documenting the relevant calculations of the compensation being claimed by the Lender, the Borrower shall forthwith pay to the Lender such additional amounts as are set out in each such certificate in order to fully compensate the Lender for such additional cost, reduction, payment, foregone interest or other return; provided that the Lender shall not be entitled to compensation for any such additional cost, reduction, payment, foregone interest or other return for any period of time occurring more than 270 days prior to the date of request therefor, unless the Change in Law has retroactive

effect, in which case the Lender shall also be entitled to compensation for any portion of such period of retroactive effect.

6.6.2 *Exclusions.* Subsection 6.6.1 does not apply to the extent the additional cost, reduction, payment, foregone interest or other return is attributable to a Tax deduction for which right or entitlement to compensation is adequately provided for in Section 6.9.

6.7 **Market Disruption.**

6.7.1 *Libor Loans.* If at any time prior to the commencement of a proposed Interest Period the Lender, acting reasonably, determines (which determination shall be conclusive and bind the Borrower) that:

- (a) by reason of circumstances affecting the London interbank market, or any bank participants therein, adequate and fair means do not exist for ascertaining the rate of interest with respect to a Libor Loan during the proposed Interest Period;
- (b) US Dollar deposits are not being offered to the Lender in the London interbank market in the ordinary course of business;
- (c) the making or continuing by the Lender of any Libor Loan during the proposed Interest Period has been made impracticable by the occurrence of any change in national or international financial, political or economic conditions or currency exchange rates or exchange control, or an event which materially and adversely affects the London interbank market;
- (d) LIBOR for the proposed Interest Period does not accurately reflect the effective cost to that Lender of funding any Libor Loan for the proposed Interest Period; or
- (e) the Lender is unable to determine LIBOR for the proposed Interest Period of the Libor Loan,

(any of the foregoing, a “**Libor Disruption Event**”), then the Lender may give notice (a “**Market Disruption Notice**”) of such determination to the Borrower. Thereafter, and until the Lender notifies the Borrower that the Libor Disruption Event no longer exists or applies, the right of the Borrower to request an Advance by way of Libor Loan shall be suspended and any Borrowing Request given by the Borrower with respect to any proposed Libor Loan that has not yet been made shall be deemed to be replaced by a Borrowing Request for a US Base Rate Loan in the same amount as the requested Libor Loan.

6.7.2 *Acceptances.* If at any time on or prior to the commencement of the Term of a proposed issue of Acceptances the Lender, acting reasonably, determines (which determination shall be conclusive and bind the Borrower) that:

- (a) the issuance or discount of any Acceptances for the proposed Term thereof has been made impossible or impracticable by reason of the occurrence of any event affecting the Canadian money markets or any national or international financial, political, terrorist or economic event;

- (b) there does not exist a normal money market in Canada for the purchase and sale of bankers' acceptances or such money market has been disrupted by the occurrence of an extraordinary event or an act of terrorism or some other state or conditions exists which prevents, delays or impedes the free negotiability and marketability of Acceptance in the ordinary course;
- (c) the Lender is unable to determine the BA Reference Rate for the proposed Term of the proposed issue of Acceptances; or
- (d) a state, event or condition referred to in Subsection 4.4.2 has occurred or exists,

(any of the foregoing, a "**BA Disruption Event**") then the Lender will promptly notify the Borrower of such determination. Thereafter, and until the Lender notifies the Borrower that the BA Disruption Event no longer exists or applies, the right of the Borrower to request an Advance by way of Acceptances shall be suspended and any Borrowing Request given by the Borrower with respect to any proposed issue of Acceptances that has not yet been made shall be deemed to be replaced by a Borrowing Request for a Prime Rate Loan in the same Outstanding Amount as the requested issue of Acceptances.

6.8 Illegality. If at any time the Lender, acting reasonably, determines (which determination shall be conclusive and bind the Borrower) that any Change in Law has made it unlawful or impossible for the Lender to make, fund or maintain any Advance or to give effect to its obligations in respect of such Advance (an "**Affected Advance**"), the Lender will promptly notify the Borrower. Upon giving such notice the obligation of the Lender to make or continue any Affected Advance shall be suspended for so long as such condition exists. Thereafter, and until the Lender notifies the Borrower otherwise, the Borrower shall not have the right to request the Lender to make such Affected Advance available in the manner requested. Rather, except as otherwise provided in the next sentence, such Affected Advance may be made available by way of an advance in the same currency as the Affected Advance and shall bear interest payable in the same manner as any Prime Rate Loan from the expiry of the applicable Term or as a U.S. Base Rate Loan from the expiry of the applicable Interest Period, as the case may be. If, however, the Affected Advance is a Prime Rate Loan, the Borrower shall forthwith prepay to the Lender such Affected Advance and the Lender shall not be required to make any such Affected Advance available in any manner.

6.9 Taxes Generally.

6.9.1 No Withholding; Gross-Up Requirement. Each payment required to be made by the Borrower under each Secured Document shall be made without set-off or counterclaim, free and clear of, and without deduction or withholding for or on account of, any present or future Taxes, except to the extent such deduction or withholding is required by any Applicable Law then in effect. To the extent and each time that the Borrower is so required to deduct or withhold Taxes from any such payment to or for the account of the Lender, then the Borrower will (a) promptly notify the Lender of such requirement, (b) promptly pay when due to the relevant governmental authority the full amount required to be deducted or withheld (including the full amount of Taxes required to be deducted or withheld from any additional amount paid by the Borrower to or for the account of the Lender under this Subsection 6.9.1), (c) promptly forward to the Lender an official receipt (or a certified copy), or other evidence reasonably acceptable to

the Lender, evidencing such payment to such governmental authority and (d) with respect to Indemnified Taxes of the Lender, forthwith pay to the Lender, in addition to the payment to which the Lender is otherwise entitled under such Secured Document, such additional amount as is necessary to ensure that the net amount actually received by the Lender (free and clear of Indemnified Taxes and free and clear of deductions and withholdings applicable to additional sums payable under this Section 6.9, whether assessed against the Borrower or the Lender) will equal the full amount the Lender would have received had no such deduction or withholding been required.

6.9.2 *Indemnity.* If the Borrower fails to pay to the relevant governmental authority when due any Taxes that it was required to deduct or withhold under Subsection 6.9.1 in respect of any payment to or for the benefit of the Lender under any Secured Document or fails to promptly furnish the Lender with the documentation referred to in Subsection 6.9.1(c), the Borrower shall forthwith within seven (7) days of demand fully indemnify the Lender on a full indemnity after-Taxes basis from and against any Taxes (including interest and penalties), losses and expenses which the Lender may suffer or incur as a result of such failure.

6.9.3 *General Tax Indemnity.* Without duplication of any other indemnity under this Agreement, and notwithstanding any provision of this Agreement to the contrary, the Borrower agrees to indemnify the Lender (including its direct or indirect beneficial owners) for the full amount of any Taxes imposed by any jurisdiction on amounts payable under this Section 6.9, any liability (including penalties, interest and expenses) arising thereon with respect to the Borrower. Amounts payable by the Borrower under the indemnity set forth in this Subsection 6.9.3 shall be paid within seven (7) days from the date on which the party seeking indemnification hereunder makes written demand therefor, which demand shall be conclusive as to the amount of such indemnity absent manifest error.

6.9.4 *Indemnity for Additional Income Tax.* The Borrower shall also indemnify the Lender, on a full indemnity after-Taxes basis, for any additional Indemnified Taxes on net income that the Lender may be obliged to pay as a result of the payment by the Borrower of any amount under this Section 6.9.

6.9.5 *Other Taxes.* The Borrower shall pay, and shall indemnify and hold the Lender harmless from (on a full indemnity (after Taxes) basis) all Other Taxes.

ARTICLE 7

REPAYMENT AND PREPAYMENT

7.1 Repayments of each Credit Facility.

7.1.1 *Revolver.* Subject to Section 12.2, the Borrower shall repay to the Lender the outstanding Advances under the Revolver on the Revolver Maturity Date.

7.1.2 *Term Loan Facility.* Subject to Section 12.2, the Borrower shall repay to the Lender the outstanding Advances under the Term Loan Facility in instalments on the repayment dates set out in the table below. Each such instalment shall be in the amount determined as (a) the original principal amount of the Drawdown made under the Term Loan Facility *multiplied by* (b) the percentage indicated opposite each such repayment date.

Repayment Date	Percentage to Be Repaid
Last Business Day of the first full Fiscal Quarter following the first Drawdown under the Term Loan Facility	3.125%
Last Business Day of each subsequent Fiscal Quarter	3.125%
Term Loan Maturity Date	Remaining percentage

The Term Commitment shall be permanently cancelled and reduce on each such repayment date by the amount of each such required repayment instalment.

7.2 Mandatory Prepayments.

7.2.1 Comprehensive Insurance Proceeds. Except to the extent the Borrower is relieved of this obligation pursuant to Subsection 7.2.2, the Borrower shall prepay Advances outstanding under the Credit Facilities in the Outstanding Amount equal to the lesser of (a) the total Outstanding Amount of all Advances then outstanding under the Credit Facilities and (b) the Insurance Proceeds from any Insurance Event to the extent such Insurance Proceeds are not applied or committed to being applied (and in fact is so applied within the ensuing six (6) months of such commitment being made) to repair or replace the property compensated for within six (6) months of receipt of such Insurance Proceeds or, if committed to be reapplied within such six (6) month period, but not reinvested in the immediately following six (6) month period, on the tenth (10th) Business Day after the anniversary of receipt of such Insurance Proceeds.

7.2.2 Exemption. The Borrower shall be relieved of its obligations to prepay Advances pursuant to Subsection 7.2.1 in respect of the events described therein occurring prior to the Final Maturity Date until the aggregate total amount otherwise payable pursuant to such Subsection exceeds \$1,000,000 in that Test Period.

7.2.3 Application of Repayments. Each prepayment made pursuant to this Section 7.2 shall be applied (a) first, until the Term Loan Facility is repaid in full, to (i) repay Advances outstanding under the Term Loan Facility, (ii) permanently cancel and reduce the Term Commitment to the extent of the Outstanding Amount of such prepayment and (iii) satisfy, to the extent of the amount of such prepayment the Borrower repayment obligations under Subsection 7.1.2 in direct chronological order, unless otherwise directed the Borrower, and (b) second, to repay Advances under the Revolver, but without reduction or cancellation of any Revolver Commitment.

7.3 Voluntary Repayments before the Maturity Date. The Borrower shall have the right at any time and from time to time to prepay all or any portion of each Loan made to it under each Relevant Credit Facility which, in the case of a Libor Loan, must be made on its current Period End Date. Such right may only be exercised if the Borrower delivers a Repayment Notice to the Lender specifying the proposed repayment date (which Repayment Notice must be received by the Lender before noon on the third (3rd) Business Day (in the case of a Libor Loan)

or the Business Day (in the case of a Floating Rate Loan) before the specified repayment date to be effective) and the amount of such Loan to be repaid (which must be in a principal amount of US\$ or \$100,000 or a whole number multiplier of US\$ or \$10,000 in excess thereof). The Borrower shall repay such Loan on such repayment date to the extent specified in such Repayment Notice. Any voluntary repayment of any Advance under a Term Loan Facility shall be applied in the same manner as a mandatory prepayment of a Term Loan Facility under Section 7.2. For the avoidance of doubt, Acceptances and Standby Instruments may not be voluntarily prepaid, but may be collateralized by way of cash cover.

7.4 Voluntary Reductions of the Revolver. The Borrower shall have the right at any time and from time to time to permanently cancel all or any unused portion of the Revolver; provided that no Default has occurred and is continuing. Such right may only be exercised by the Borrower delivering a Cancellation Notice to the Lender specifying the proposed effective date of cancellation (which must be no less than seven (7) days thereafter) and the amount of the Revolver Commitment to be cancelled (which must be in an aggregate principal amount of \$100,000 or a multiple of \$10,000 in excess thereof). The Revolver Commitment shall permanently reduce on the effective date of each such cancellation in the amount so cancelled.

7.5 Mandatory Repayments of the Revolver.

7.5.1 Order of Application. On the date of each reduction of the Revolver of the Lender pursuant to Subsection 7.1.1 or 7.4, the Borrower shall repay to the Lender such amount as may be required to ensure that the Outstanding Amount under the Revolver does not exceed the Revolver Commitment at that time after giving effect to that reduction. The Lender shall apply any such amount so repaid (a) first, to repay any Floating Rate Loans outstanding under the Revolver, (b) second, to repay any Libor Loans outstanding under the Revolver, (b) third, to prepay (or at the option of the Lender, provide cash cover to the Lender for the obligations of the Borrower under Section 4.7 in respect of Acceptances issued by the Lender under the Revolver and (c) fourth, to prepay (or at the option of the Lender to provide cash cover to the Lender for) the Borrower's obligations under Subsection 3.2.2 in respect of outstanding Standby Instruments until such Standby Instruments expire or are drawn upon, whereupon the Lender shall account to the Borrower for the amount so paid to it to be applied to any other Outstanding Amount then due or, if none, and, subject to Section 12.2, return any remaining amount to the Borrower.

7.5.2 Cash Cover. The Borrower provides "cash cover" for an issue of Acceptances or a Standby Instrument by paying to the Lender a Canadian Dollar amount equal to the face amount thereof (in the case of Acceptance) or an amount in the currency of the Standby Instrument equal to one hundred and five percent (105%) of the Standby Instrument Exposure under that Standby Instrument (in the case of a Standby Instrument) for credit to an interest-bearing account in the name of the Borrower and the following conditions being met: (a) the account is with the Lender; (b) until those Acceptances are paid for by the Borrower or no amount is or may be drawn down under that Standby Instrument, as the case may be, withdrawals from the account may only be made to pay the Lender amounts due and payable to it under Section 4.7 in respect of those Acceptance or (as the case may be) the indemnity documentation in respect of that Standby Instrument; and (c) the Borrower has executed a security document over that account, in favour of and in form and substance satisfactory to the Lender, creating a first ranking security interest over that account.

7.6 Facility Excesses by Reason of Foreign Currency Fluctuations.

7.6.1 *Revolver.* If and each time the Lender determines (which determination shall be conclusive and bind the Borrower, absent manifest error) that the Outstanding Amount of all Advances under the Revolver exceeds the lesser of (a) the Revolver Commitment and (b) the amount equal to the Borrowing Base (such lesser amount, the “**Revolver Limit**”) by more than three percent (3%) by reason of fluctuations in exchange rates, the Lender may request the Borrower to repay the entire excess above the Revolver Limit.

7.6.2 *Term Loan Facility.* If and each time the Lender determines (which determination shall be conclusive and bind the Borrower, absent manifest error) that the Outstanding Amount of all Advances under the Term Loan Facility exceeds the Term Loan Commitment by more than three percent (3%) by reason of fluctuations in exchange rates, the Lender may request the Borrower to repay the entire excess above the Term Loan Commitment.

7.6.3 *Repayment.* Within five (5) Business Days of the receipt of any repayment request made by the Lender pursuant to Subsection 7.6.1 or 7.6.2, the Borrower shall repay to the Lender Advances outstanding under the Revolver or the Term Loan Facility (as the case may be) as may be required to ensure that such entire excess is eliminated.

7.7 **Netting of Payments.** If, on any date, principal amounts would be due and payable under this Agreement in the same currency by the Borrower to the Lender and by the Lender to the Borrower, in each case under the Revolver, then, on such date, unless notice is given by the Lender to the Borrower stating that netting is not to apply to such payments, the obligations of each such party to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by the Borrower to the Lender exceeds the aggregate amount that would otherwise have been payable by the Lender to the Borrower or *vice versa*, such obligations shall be replaced by an obligation upon whichever of the Borrower or the Lender would have had to pay the larger aggregate amount to pay to the other the excess of the larger aggregate amount over the smaller aggregate amount.

7.8 **Place of Payment of Principal, Interest and Fees.** Each payment of principal of, or interest or Fees computed on, any Advance and each other amount owing by the Borrower under or otherwise in respect of any Loan Document shall be made by the Borrower to the Lender in the currency in which such Advance or other amount is denominated no later than 1.00 p.m. in immediately available, freely transferable, cleared funds for value on the due date (or on the next Business Day if such due date is not a Business Day) to the credit of the accounts of the Lender as the Lender may notify to the Borrower from time to time as being the applicable account or accounts to which payments and transfers to the Lender pursuant to this Agreement are to be made.

ARTICLE 8 CONDITIONS PRECEDENT

8.1 **Conditions Precedent To Closing.** The Borrower agrees to satisfy each of the following conditions precedent to Closing on or before May 31, 2017. Closing shall not occur, and the Lender shall have no obligation to lend hereunder, unless and until the Lender provides

written notice to the Borrower (a “**Closing Notice**”) that each of the following conditions precedent to closing have been satisfied or waived by the Lender to permit closing to occur (the date that such notice is given, the “**Closing Date**”):

- (a) the Lender has received each of the following in form and substance satisfactory to the Lender (in original or, at the Lender’s discretion, pdf, facsimile or other copy):
 - (i) a Certificate of the Borrower (A) attaching true copies of (I) the Constitutional Documents of the Borrower and (II) documents evidencing all necessary corporate action taken by the Borrower to authorize the execution, delivery and performance by it of each Secured Document to which it is a party and the consummation of the transactions contemplated thereby and (B) certifying (I) as to incumbency and true signatures of its Responsible Officers signatory to the Loan Documents, (II) no Material Adverse Change has occurred since December 31, 2016, (III) each of the representations and warranties under Section 10.1 is true and correct as of the Closing Date, and (IV) no Default exists on the Closing Date;
 - (ii) a Certificate of each Guarantor (A) attaching true copies of (I) the Constitutional Documents of such Guarantor and (II) documents evidencing all necessary internal corporate, partnership and/or other management action taken by such Guarantor to authorize the execution, delivery and performance by it of each Secured Document to which it is a party and the consummation of the transactions contemplated thereby and (B) certifying as to incumbency and true signatures of its Responsible Officers signatory to each Secured Document to which it is a party,
 - (iii) an original certificate of good standing, or equivalent, with respect to the Borrower and each Guarantor from the applicable governmental authority in its jurisdiction of formation;
 - (iv) this Agreement and each Loan Document referred to in Section 9.1 and each Guarantor is party duly executed by each party thereto;
 - (v) certificate of insurance evidencing the insurance required to be maintained by the Borrower under Subsection 11.2.8;
 - (vi) such releases and discharges and undertakings to release and discharge (including evidence of registration of and/or authorizations to register such releases and discharges) of all Liens that are not Permitted Liens as the Lender (acting on the advice of Lender’s Counsel) may reasonably require;
 - (vii) such payout statements of all Debt that is not Permitted Debt, together with such evidence of payment thereof, as the Lender (acting on the advice of Lender’ Counsel) may reasonably require;

- (viii) opinions from the Borrower's Counsel addressed to the Lender and the Lender's Counsel, in respect of the Loan Parties, the laws of such applicable jurisdictions, the Secured Documents, and as to such matters and in such form as the Lender (acting on the advice of Lender's Counsel) may reasonably require;
 - (ix) the audited consolidated financial statements for the Borrower for its most recently completed Fiscal Year;
 - (x) all documentation and other information for the Borrower, required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations;
 - (xi) confirmation from the Lender that it has satisfied itself with respect to the following matters or it is prepared to waive satisfaction of the following matters to permit Closing to occur: (A) completion and satisfaction with the results of legal, business, accounting and collateral due diligence enquiries on the Borrower and its Subsidiaries, including all contingent obligations and guarantees, (B) satisfaction with the form and substance of historical financial information for the Borrower, (C) satisfaction with the corporate structure of the Borrower and its Subsidiaries and (D) no material adverse change in the capital markets or the primary or secondary loan markets has occurred;
 - (xii) a Compliance Certificate;
 - (xiii) a Borrowing Base Report;
 - (xiv) a perfection certificate from each Loan Party;
 - (xv) a direction from the Borrower to pay the Existing Credit Facilities in full;
 - (xvi) such other agreements, documents and instruments as the Lender may, in its judgment, reasonably require.
- (b) the Borrower's Accounts shall have been opened with the Lender and all current account documentation completed;
 - (c) either (x) Crown Capital shall have consented in writing to the Closing and the effectiveness of the Loan Documents, or (y) the Crown Capital Debt shall have been paid in full;
 - (d) no Material Adverse Change has occurred since December 31, 2016;
 - (e) the existing credit facilities made available by the Lender to Distincttech Inc. pursuant to a letter of financing dated May 1, 2014 (the "**Existing Credit Facilities**") shall have been paid in full, terminated and cancelled with the proceeds of a Drawdown under the Revolver;

- (f) each of the representations and warranties with respect to the Loan Parties made under Section 10.1 is true, accurate and complete and no Default has occurred;
- (g) the Security has been registered wheresoever required by the Lender (acting on the advice of Lender's Counsel) and such Security shall grant the Lender a first priority perfected Lien in the Collateral (such first priority Lien subject only to the Permitted Liens);
- (h) arrangements satisfactory to the Lender have been made to ensure that (i) all fees then due and owing to the Lender under or in connection with any Loan Document have been or will contemporaneously with the initial Drawdown under a Credit Facility be paid in full and (ii) all reasonable documented out-of-pocket fees, costs and expenses incurred by the Lender (including those payable to the Lender's Counsel) reimbursable hereunder have been or will contemporaneously with the initial Drawdown under a Credit Facility be paid in full;
- (i) the Borrower shall have received all governmental and third party approvals (including shareholder approvals, landlords' consents, and other consents) necessary or, in the reasonable opinion of the Lender, advisable in connection with the Agreement or the transactions contemplated by the Loan Documents, which shall all be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement or the transactions contemplated by the Loan Documents; and
- (j) there shall not exist on the Closing Date any injunction or temporary restraining order which, in the judgment of the Lender, would prohibit the extension of the Loans or the transactions contemplated under this Agreement, or any litigation which could reasonably be expected to result in a Material Adverse Effect.

8.2 Conditions to all Drawdowns. The Lender shall not be obliged to make or allow, and the Borrower shall not be entitled to request or receive, any Drawdown, including the first Drawdown, under the Relevant Credit Facility, unless the Closing Date has occurred and the terms and conditions set out below in respect of such Drawdown have been and remain satisfied (or waived by the Lender to permit such Drawdown to take place):

- (a) the Lender has received a duly completed Borrowing Request for such Drawdown complying with the applicable provisions of Section 2.6;
- (b) each of the representations and warranties deemed to be repeated under Section 10.2 is true and correct in all material respects (except to the extent any such representation or warranty is already qualified by materiality, in which case it must be true and correct in all respects) as of the date such Drawdown is requested and as of the proposed Drawdown Date as though made on and as of each such date;
- (c) no Default or Material Adverse Change has occurred that is continuing on the date such Drawdown is requested or on the proposed Drawdown Date, nor would

any Default or Material Adverse Change result after giving effect to the requested Drawdown; and

- (d) each of the other terms and conditions applicable to such Drawdown contained in this Agreement shall have been fully complied with in all material respects.

8.3 Conditions to Conversions and Rollovers. The Lender shall not be obliged to make or allow, and the Borrower shall not be entitled to request, any Rollover under a Credit Facility of or Conversion to an issue of Acceptances or a Libor Loan unless the terms and conditions set out below in respect of such Conversion or Rollover have been and remain satisfied (or waived by the Lender to permit such Rollover to take place):

- (a) the Lender has received a duly completed Borrowing Request for such Conversion or Rollover complying with the applicable provisions of Section 5.1 or 5.2, respectively;
- (b) each of the representations and warranties deemed to be repeated under Section 10.2 is true and correct in all material respects (except to the extent any such representation or warranty is already qualified by materiality, in which case it must be true and correct in all respects) as of the date such Conversion or Rollover is requested and as of the proposed Conversion Date or Rollover Date;
- (c) no Default or Material Adverse Change has occurred that is continuing on the date such Conversion or Rollover is requested or on the proposed Conversion Date or Rollover Date, nor would any Default or Material Adverse Change result after giving effect to the Requested Conversion or Rollover; and
- (d) each of the terms and conditions applicable to such Conversion or Rollover contained in this Agreement shall have been fully complied with in all material respects.

ARTICLE 9 GUARANTEE AND SECURITY

9.1 Initial Guarantee and Security. To guarantee and secure the due payment and performance of the Secured Obligations, on the Closing Date and within five Business Days of a Group Member becoming a Loan Party, the Borrower shall deliver to the Lender, or cause the delivery to the Lender of each of the following documents, (each in form and substance satisfactory to the Lender):

- (a) a security agreement from each Loan Party creating Liens in all of the assets of such Loan Party;
- (b) a Guarantee from each Loan Party; and
- (c) if requested by the Lender, a Landlord Acknowledgement Agreement, Bailee Waiver or other collateral access agreement in respect of each premise not owned by a Loan Party where the tangible assets of any Loan Party are located.

9.2 Registration. Unless the Lender notifies the Borrower otherwise, the Borrower shall cause the Borrower's Counsel and their respective agents to register the Security (or a financing statement, notice or other document in respect thereof) on behalf of the Lender in all offices where (a) such registration is necessary or of advantage to create, preserve, protect and perfect the Security and its validity, effect, priority and perfection at all times, including any land registry or land titles office and/or (b) the Lender's Counsel specifically requests.

9.3 Further Assurances. The Borrower shall, forthwith and from time to time on request from the Lender, execute or cause to be executed, all such documents (including any change to any Loan Document) and do or cause to be done all such other matters and things which in the reasonable opinion of the Lender or the Lender's Counsel may be necessary or of advantage to give the Lender (so far as may be possible under any applicable law) the Liens and priority intended to be created by the Loan Documents or, upon the occurrence and during the continuation of an Event of Default, to facilitate realization under such Liens. It is the intention of the parties that the Lender will, among other things, have (a) a first priority Lien, subject to Permitted Liens (or only Statutory Prior Liens in the case of Capital Stock of any Subsidiary), over all assets of the Loan Parties comprised of personal property and real property, (b) such other Liens over the assets of the Loan Parties that are consistent with the Liens described in Clause (a) above as the Lender may from time to time reasonably require.

9.4 Concentration of Assets and EBITDA. The Borrower and the Guarantors collectively shall (a) at all times directly carry on an active business which is responsible for generating at least ninety percent (90%) of EBITDA of the Group and (b) directly own at least ninety percent (90%) of the assets of the Group.

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 Borrower Representations and Warranties. To induce the Lender to make the Credit Facilities available to the Borrower, and the Lender to enter into Cash Management Agreements and Permitted Derivatives, the Borrower represents and warrants to and in favour of the Lender, both with respect to itself and with respect to each other Group Member, as follows:

10.1.1 Existence and Good Standing. It is a corporation, general or limited partnership, trust or other legal person duly and validly incorporated or formed, organized and existing under the laws of its jurisdiction of incorporation or formation and has the legal capacity and right to own its assets and to carry on its business in each jurisdiction in which its assets are located or it carries on business excluding jurisdictions in which the failure to have such legal capacity would not have or could reasonably be expected to have a Material Adverse Effect.

10.1.2 Authority. It has the legal capacity and right to enter into each Loan Document to which it is a party and do all acts and things and execute and deliver all documents as are required thereunder to be done, observed or performed by it in accordance with the terms and conditions thereof.

10.1.3 Due Authorization. It has taken all necessary action to authorize the execution and delivery of each Loan Document to which it is a party, the creation and performance of its

obligations thereunder and the creation of the Liens over its assets and the consummation of the transactions contemplated thereby.

10.1.4 Due Execution. It has duly executed and delivered each Loan Document to which it is a party.

10.1.5 Validity of Loan Documents - Non-Conflict. None of the authorization, execution, delivery or performance of the Loan Documents, nor the creation of any Liens over its assets nor the consummation of any of the transactions contemplated thereby, (a) requires any authorization to be obtained or registration to be made (except such as have already been obtained or made and are now in full force and effect), (b) conflicts with, contravenes or gives rise to any default under (i) any of the Constitutional Documents or internal corporate, partnership, trust and/or other management resolutions of it, (ii) the provisions of any indenture, instrument, agreement or undertaking to which it is a party or by which it or any of its assets is or may become bound the consequences of which could be Material or affect the legality, validity, effect, perfection or priority of the Security or (iii) any Applicable Law or (c) has resulted or could reasonably be expected to result in the creation or imposition of any Lien (other than the Security) upon any of the Collateral except as contemplated herein.

10.1.6 Enforceability. Each Loan Document to which it is a party constitutes a valid and legally binding obligation enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, winding-up, dissolution, administration reorganization, arrangement or other statutes or judicial decisions affecting the enforcement of creditors' rights in general and to general principles of equity under which specific performance and injunctive relief may be refused by a court in its discretion.

10.1.7 Perfection and Priority of Security. The Security is legal, valid, binding, effective and (to the extent applicable) perfected ranking in the priority in the manner contemplated hereby and by the Security Documents. Registration has been made in all public places of registration necessary or of advantage to preserve, protect and (to the extent applicable) perfect the Security with the priority and in the manner contemplated hereby and by the Security Documents.

10.1.8 Absence of proceeding. There is no existing, pending or, to its knowledge, threatened proceeding against any Group Member which, if adversely determined to any Group Member or the Lender, could reasonably be expected to result in a Material Adverse Effect or, except for any proceeding notified to the Lender pursuant to Subsection 11.1.2, could reasonably be expected to result in any one or more judgments, orders or awards ordering any Group Member or Group Members to pay more than \$2,000,000 (or Equivalent in other currency) in the aggregate. No event has occurred, and no state or condition exists, which could reasonably be expected to give rise to any such proceeding, except for the subject matter of any proceeding notified to the Lender pursuant to Subsection 11.1.2, and there is no judgment, order or award outstanding against any Group Member which could reasonably be expected to have a Material Adverse Effect.

10.1.9 Financial Statements. Each financial report and financial statement of each Group Member delivered to the Lender pursuant to or in connection with this Agreement have been prepared in accordance with Applicable Accounting Principles (subject to year-end audit

adjustments and the absence of notes, where applicable), does not contain (or, if audited, would not contain) any qualification and fairly and accurately presents in all material respects the financial information and the financial condition and results of operations of such person contained therein as at their respective preparation dates.

10.1.10 Accuracy of Information. The Borrower has disclosed to the Lender all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No information furnished to the Lender by or on behalf of the Borrower in connection with any of the Loan Documents contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made and as of the date made. Each financial forecast and projection prepared and furnished by or on behalf of the Borrower to the Lender pursuant to or in connection with any Loan Document was based upon assumptions believed to be reasonable by the Borrower as of the date of preparation.

10.1.11 No Material Adverse Change. Since the later of December 31, 2016 and the date of the most recent audited financial statements of the Borrower furnished to the Lender, no Material Adverse Change has occurred.

10.1.12 Compliance with Laws. It is in compliance with all Applicable Laws, save (except in the case of Applicable Laws relating to bribery and corruption) for non-compliance which could not reasonably be expected to have a Material Adverse Effect.

10.1.13 Contracts. It is in compliance with all agreements material to its business, save for non-compliance which could not reasonably be expected to have a Material Adverse Effect.

10.1.14 Insurance. Each policy of insurance required to be maintained by it pursuant to Subsection 11.2.8 has been obtained and is in full force and effect and all premiums due and payable in relation thereto have been paid.

10.1.15 All Authorizations Obtained and Registrations Made. All authorizations and registrations necessary to permit it to execute, deliver and perform each Loan Document to which it is party, grant any Guarantee and Security and consummate the Transactions and all other transactions contemplated by the Loan Documents and own its assets and carry on its business have been obtained or effected and are in full force and effect, save and except for those authorizations that have not been obtained and could not reasonably be expected to have a Material Adverse Effect. It is in compliance with the requirements of all such authorizations and registrations and there is no judgment, order or award outstanding or proceeding existing, pending or, to its knowledge, threatened which could reasonably be expected to result in the revocation, cancellation, suspension or any adverse modification of any of such authorizations and registrations, except for any such authorization or registration the absence of which could not reasonably be expected to have a Material Adverse Effect.

10.1.16 Pensions.

- (a) Each Pension Plan complies in all material respects with all applicable requirements of law and regulations. No Pension Event has occurred or is

reasonably expected to occur that could result in Material liability to any Loan Party.

- (b) Full payment when due has been made of all amounts which are required under the terms of each Pension Plan or Applicable Law to have been paid as contributions to such Pension Plan and no Unfunded Liability in excess of \$2,000,000 (or Equivalent in other currency) in the aggregate exists with respect to all Pension Plans of the entire Group. There is no order outstanding and no pending or, to its knowledge, threatened proceeding against any such Pension Plan, any fiduciary thereof, or it with respect thereto which could reasonably be expected to have a Material Adverse Effect or could reasonably be expected to result in an order ordering it to pay more than \$2,000,000 (or Equivalent in other currency).
- (c) Schedule 8 (as updated from time to time) lists all Multi-Employer Plans which it has sponsored, sponsors, has contributed to or contributes to.
- (d) Schedule 8 (as updated from time to time) lists all the Pension Plans applicable to the employees of each Group Member in respect of employment in Canada and which are currently maintained or sponsored by it or to which it contributes or has an obligation to contribute, except, for greater certainty, any statutory plans to which it is obligated to contribute to or comply with under applicable law. The Pension Plans listed in Schedule 8 are duly registered under all Applicable Laws which require registration.
- (e) Except as disclosed in Schedule 8 (as updated from time to time), each Pension Plan is fully funded or fully insured pursuant to the actuarial assumptions and methodology set out in the most recent actuarial valuation filed with the applicable governmental authority pursuant to generally accepted actuarial practices and principles
- (f) It does not administer, maintain or contribute to a Defined Benefit Plan or have any liability in respect of any Defined Benefit Plan.
- (g) To its knowledge, no fact or circumstance exists that could adversely affect the tax-exempt status of any Pension Plan.

10.1.17 No Default. No Default has occurred which has not been either remedied (or otherwise ceased to be continuing) or expressly waived by the Lender in writing.

10.1.18 Real Property. It has a subsisting leasehold interest in, or good and marketable title to, in each case free and clear of all Liens, other than Permitted Liens, all of the real property leased or owned by it which are reflected in the latest financial statements of the Borrower provided to the Lender, except for (a) real property interests disposed in the ordinary course of business to Unrelated Parties since the date of those financial statements in compliance with the provisions of this Agreement and (b) title defects that do not, in the aggregate, materially detract from the value of any material assets of the Group or impair in any material respect the use thereof in the conduct of business of the Group.

10.1.19 Personal Property. It is the sole legal and beneficial owner of, free and clear of all Liens, other than Permitted Liens, all personal property reflected as an asset in the latest consolidated financial statements of the Borrower provided to the Lender, except for (x) personal property disposed in the ordinary course of business since the date of those financial statements in compliance with the provisions of this Agreement, (y) personal property transferred by it to a Loan Party and (z) title defects that do not, in the aggregate, materially detract from the value of any material assets of the Group or impair in any material respect the use thereof in the conduct of business of the Group.

10.1.20 Group Organization. The Borrower does not have any Subsidiaries other than those depicted in the organization chart set out in Schedule 7 and those notified to the Lender pursuant to Subsection 11.1.10 within ten (10) days of their Acquisition by any Group Member. As of and following the Closing Date, the owners, beneficially and of record, of the issued Capital Stock of the Borrower and each Subsidiary of the Borrower, are depicted in the organization chart set out in Schedule 7. No person has any option or right to acquire any Capital Stock in the Borrower. No person, other than a Loan Party, has any option or right to acquire any Capital Stock in any Group Member.

10.1.21 Intellectual Property. It owns, or is licensed to use, all Intellectual Property reasonably necessary to conduct its business or that of the Group as currently conducted, except for such Intellectual Property the failure of which to own or license could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. To its knowledge, (a) the conduct and operations of its business does not infringe, misappropriate, dilute, violate or otherwise impair any Intellectual Property owned by any other person and (b) no other person has contested any right of it in, or relating to, any Intellectual Property, other than, in each case of Clause (a) and (b), as could not reasonably be expected to affect the Loan Documents or the transactions contemplated therein and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

10.1.22 Taxes. It has (a) delivered or caused to be delivered all Tax returns which are now due to the appropriate governmental authority, (b) paid and discharged all Taxes payable by it when due, (c) made provision for appropriate amounts in respect of any Taxes likely to be exigible in accordance with Applicable Accounting Principles, (d) withheld and collected all Taxes required to be withheld and collected by it and remitted such Taxes to the appropriate governmental authority when due and (e) paid and discharged all Statutory Prior Claims when due; and no assessment or appeal is, to its knowledge, being asserted or processed with respect to such returns, Taxes or Statutory Prior Claims, except for (i) those subject to Contested Tax Proceedings respecting an aggregate Tax liability for the entire Group not exceeding \$2,000,000 (or the Equivalent in other currency) and (ii) those which could not reasonably be expected to give rise to a Material Adverse Effect.

10.1.23 Solvency. Each Group Member is Solvent.

10.1.24 General Environmental Representations and Warranties. With respect to the Environment (a) the Group's Facilities and all real estate (including the buildings, erections and facilities constructed thereon) and appurtenances comprising or used in connection therewith, are and have at all times been owned, leased, managed, controlled or operated in compliance with all Environmental Laws for the period they have been owned, leased, managed, controlled or

operated by any Group Member (including its predecessors by amalgamation or merger) and (b) (to the knowledge of each Group Member) all real estate (including the buildings, erections and facilities constructed thereon) and appurtenances comprising or used in connection therewith were at all times owned, leased, managed, controlled or operated by the predecessors in title to such real estate in compliance with all Environmental Laws; with the exception of any non-compliance referred to in Clauses (a) and (b) above (y) which could not reasonably be expected to result in Environmental Liabilities of Group Members in an aggregate amount for the entire Group exceeding \$2,000,000 (or Equivalent in other currency) and (z) those which could not reasonably be expected to give rise to a Material Adverse Effect.

10.1.25 Specific Environmental Representations and Warranties. Without limiting the generality of Subsection 10.1.24, with respect to the Environment: (a) there are no existing, pending or (to the knowledge of each Group Member) threatened in writing: (i) claims, complaints, notices or requests for information received by it or of which it has knowledge with respect to any alleged violation by it of or alleged Environmental Liability relating to any of the Group Facilities, or (ii) governmental or court orders, including stop, Clean-Up or preventative orders, directions or action requests which have been received by it relating to the Environment requiring any works, repairs, remediation, Clean-Up, construction or capital expenditures by it with respect to any of the Group Facilities which remains outstanding; (b) except in compliance with Environmental Law, no Hazardous Materials have been generated, received, handled, used, stored, treated or shipped at or from, and there has been no discharge or release of Hazardous Materials at, on, from or under any of the Group Facilities; (c) no property now or previously owned, leased, managed, controlled or operated by any Group Member (including its predecessors by amalgamation, merger or other business combination) is listed or, to the knowledge of any Group Member, is proposed for listing on any similar list of sites under any other Applicable Law requiring investigation, remediation or Clean-Up or giving rise to claims or losses and expenses imposed under Environmental Laws; (d) except in compliance with Environmental Law, (to the knowledge of each Group Member) none of the lands and premises comprising any of the Group Facilities has been used for the disposal of Waste or as a landfill or Waste disposal site; and (e) no Group Member has directly transported or directly arranged for the transportation of any Hazardous Materials to any location, except in compliance with Environmental Law; with the exception of (i) any matter referred to in Clauses (a) to (e) above which collectively could not reasonably be expected to result in Environmental Liabilities of the of Group Members, individually or in the aggregate for the entire Group, in an amount not exceeding \$2,000,000 (or the Equivalent in other currency) and (ii) those which could not reasonably be expected to give rise to a Material Adverse Effect.

10.1.26 Employee Relations. There are no strikes, work stoppages or controversies pending or (to the knowledge of each Group Member) threatened between any Group Member and any of its employees (including unions representing employees), other than employee grievances arising in the ordinary course of business which could not reasonably be expected to result in work stoppages, and other than those disclosed in writing to the Lender which could not reasonably be expected to have a Material Adverse Effect. The hours worked by and payments made to employees of each Group Member have not been in violation of any Applicable Law dealing with such matters, other than those which could not reasonably be expected to have a Material Adverse Effect. All payments due from any Group Member or for which any claim may be made against any Group Member on account of wages or employee related assessments,

premiums, fees, taxes, penalties or fines and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Group Member, with the exception of (y) payments, individually or in the aggregate for the entire Group, in an amount not exceeding \$2,000,000 (or Equivalent in other currency) and (z) those which could not reasonably be expected to have a Material Adverse Effect.

10.1.27 Employee Benefit Matters.

- (a) Schedule 8 lists all Employee Benefit Plans maintained or contributed to by each Loan Party. Contributions to each Employee Benefit Plan maintained or contributed to by it are being made in accordance with Applicable Law and the terms of such Employee Benefit Plan. It has remitted all Employee Benefit Plan contributions, workers' compensation assessments, employment insurance premiums and employer health taxes payable under applicable law by them, and, furthermore, have withheld from each payment made to any of its present or former employees, officers and directors, and to all persons who are non-residents of Canada for the purposes of the *Income Tax Act* (Canada), all amounts required by law to be withheld, including all payroll deductions required to be withheld and has remitted such amounts to the proper governmental authority within the time required under applicable law.
- (b) All obligations regarding its Employee Benefit Plans (including current service contributions) have been satisfied, there are no outstanding defaults or violations by any party to any Employee Benefit Plan and no taxes, penalties or fees are owing or exigible under any Employee Benefit Plan, except for those which could not reasonably be expected to result in a Material Adverse Effect.

10.1.28 Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada). It operates in countries that are members of the Financial Action Task Force. No Group Member is a charity registered with the Canada Revenue Agency nor does it solicit charitable financial donations from the public.

10.1.29 Anti-bribery Activities. No part of the proceeds of any Advance will be used by it, directly or, to its knowledge, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of anti-bribery and anti-corruption laws of Canada or any foreign jurisdiction.

10.1.30 Collective Bargaining. As of the Closing Date, it is not a party to any collective bargaining agreement, contract or legally binding commitment to any trade union or employee organization or group in respect of or affecting its employees. It is not a party to any application, complaint, grievance, arbitration, or other proceeding under any statute or under any collective agreement related to any of its employees or the termination of any of its employees, except as would not reasonably be expected to have a Material Adverse Effect, and, to its knowledge, there is no open complaint, inquiry or other investigation by any regulatory or other administrative authority or agency with regard to or in relation to any of its employees or the termination of any of its employees except as could not reasonably be expected to have a Material Adverse Effect.

10.2 Repetition of Representations and Warranties. The representations and warranties made in Section 10.1 shall be deemed to be repeated by each Loan Party (a) on each date a Borrowing Request for a Drawdown is delivered to the Lender and on the corresponding Drawdown Date and (b) on each date a Borrowing Request for an issue of Acceptances or any Rollover is delivered to the Lender and on the corresponding Conversion Date or Rollover Date; in each case by reference to the facts and circumstances then existing, it being understood that to the extent such representations and warranties relate solely to a specifically identified earlier date they need only be true and correct in all material respects as of such earlier date.

10.3 Nature of Representations and Warranties. The representations and warranties made in Section 10.1 and each of the other Loan Documents or deemed repeated in Section 10.2 shall survive the execution and delivery of this Agreement and the making of each Borrowing notwithstanding any investigations or examinations which may be made by the Lender or Lender's Counsel, and the Lender shall be deemed to have relied on such representations and warranties in the making of each Borrowing.

ARTICLE 11 COVENANTS OF THE BORROWER

11.1 Reporting Covenants. Until all Secured Obligations are paid in full, the Borrower covenants and agrees with the Lender that it will duly perform and comply with each of the following reporting covenants:

11.1.1 Financial Statements and Other Information. The Borrower will deliver or cause to be delivered to the Lender: (a) as soon as practicable and in any event within 120 days after the end of each Fiscal Year, (i) the annual consolidated financial statements of the Borrower audited by its Auditors (with no qualification) and, if prepared, such Auditors' letter to management, (ii) a Compliance Certificate from the Borrower prepared as at such Fiscal Year end, and (iii) the Annual Operating Budget for the following Fiscal Year; (b) as soon as practicable and in any event within 60 days after the end of each Fiscal Quarter of each Fiscal Year, (i) the unaudited quarterly consolidated financial statements of the Borrower and (ii) a Compliance Certificate from the Borrower prepared as at such Fiscal Quarter end; (c) as soon as practicable and in any event within 30 days of the end of each calendar month, a Borrowing Base Report; and (d) from time to time, such other reports and additional information regarding any of the assets of the Borrower as the Lender may reasonably request.

11.1.2 Notice of Proceeding. It will promptly give notice to the Lender as soon as a Responsible Officer of it obtains knowledge of any order or the commencement of any proceeding or dispute affecting any Group Member or any of its assets which, either alone or when aggregated with all other such proceeding for the entire Group, will, or if adversely determined to such Group Member could reasonably be expected to, (a) prejudice, restrict or render unenforceable or ineffective, in a material adverse way, any legal rights intended or purported to be granted under or pursuant to any Secured Document to or for the benefit of the Secured Parties or (b) result in any single order ordering any Group Member or orders ordering any Group Member or Group Members to pay more than \$2,000,000 (or Equivalent in other currency), individually or in the aggregate, or which could reasonably be expected to give rise to a Material Adverse Effect.

11.1.3 Notice of Environmental Claims. It will promptly give notice to the Lender as soon as a Responsible Officer of it obtains knowledge of any Environmental Liability, any claim in writing, or the commencement of any proceeding or dispute affecting any Group Member or any of its assets relating to Environmental Liabilities, which, either alone or when aggregated with all other such Environmental Liabilities for the entire Group, has resulted or could reasonably be expected to result in Environmental Liabilities of any Group Member or Group Members in an aggregate amount exceeding \$2,000,000 (or Equivalent in other currency), individually or in the aggregate, or which could reasonably be expected to give rise to a Material Adverse Effect.

11.1.4 Notice of Default or Material Adverse Change. It will promptly, and in any event within five (5) Business Days after a Responsible Officer of it becomes aware of the existence of any Default or Material Adverse Change, provide a written notice to the Lender specifying the nature and period of existence thereof and what action such Group Member is taking or proposing to take with respect thereto.

11.1.5 Environmental Compliance Orders. It shall promptly notify the Lender and, on request by the Lender, make available for inspection and review on a confidential basis by representatives of the Lender, copies of all written orders, control orders, directions, action requests, claims or notices issued by any governmental authority to it (a) relating to the Environmental condition of any of the Group Facilities or (b) relating to non-compliance with any Environmental Law; and proceed diligently to resolve any such orders, claims or notices relating to compliance with Environmental Law where the failure to resolve the same could reasonably be expected to (i) result in an Environmental Liability of any Group Member exceeding \$2,000,000 (or Equivalent in other currency), individually or in the aggregate, or (ii) have a Material Adverse Effect.

11.1.6 Environmental Information Requests. On the reasonable request by the Lender, it shall promptly make available for inspection and review on a confidential basis by representatives of the Lender such information in the possession or control of any Group Member as the Lender may reasonably request from time to time to evidence compliance with the representations and warranties contained in Subsections 10.1.24 and 10.1.25 and the covenants contained in Subsection 11.2.10.

11.1.7 Environmental Reports. It shall promptly notify the Lender of and (a) provide copies of each Environmental report prepared by or on behalf of it in respect of any of the Group Facilities which is filed with any governmental authority, other than those that are Immaterial, and (b) make available for inspection and review on a confidential basis by representatives of the Lender each Environmental report and Environmental audit concerning any of the Group Facilities prepared by or on behalf of it in accordance with any request of any governmental authority relating to Environmental matters, in each case, promptly upon filing thereof.

11.1.8 Employee Benefits and Analogous Notices. It shall deliver or cause to be delivered to the Lender the following information and notices as soon as reasonably possible, and in any event within ten (10) Business Days (a) after it knows or has reason to believe that a Pension Event has occurred which is reasonably likely to result in a Material liability to it, deliver to the Lender a certificate of a Responsible Officer setting forth the details of such Pension Event, the action that it proposes to take with respect thereto, and, when known, any

action taken or threatened by any governmental authority, (b) upon request of the Lender made from time to time, deliver to the Lender a copy of the most recent actuarial report, funding waiver request, and annual report filed with respect to any Pension Plan or Employee Benefit Plan, (c) with respect to a Pension Plan, after it fails to make a required instalment or other payment in accordance with a schedule of contributions, according to the terms of such Pension Plan or as otherwise required by a governmental authority, a notification of such failure and (d) after it receives reasonable advance written notice from the Lender requesting the same, copies of any Pension Plan or Employee Benefit Plan and related documents, reports and correspondence specified in such notice.

11.1.9 Work Stoppages. It will, as soon as it obtains knowledge of any actual or threatened strikes or work stoppages, provide notice thereof to the Lender containing an outline in reasonable detail of the expected resolution thereof.

11.1.10 Subsidiaries. (a) It will, prior to or simultaneously with the Acquisition or formation of any new Subsidiary, provide notice thereof to the Lender, together with a copy of the Constitutional Documents of such new Subsidiary and an updated Schedule 7. (b) It will promptly give notice to the Lender of, and in any event within 15 days after, the occurrence of any of the following events: (i) any change to the corporate structure of the Borrower and its Subsidiaries, (ii) any disposition of a Subsidiary and (iii) any Business Combination, liquidation, winding-up, dissolution, administration or similar transaction involving any Subsidiary, together in each case with adequate information about each such event.

11.1.11 Forecasts. If it determines that any forecast for the Group provided by or on behalf of any Group Member to the Lender no longer reflects its current assumptions of future economic conditions and the Group's planned courses of action and that its current forecast projects results which are materially different than those reflected in those earlier forecasts, then it will promptly notify the Lender of such fact, accompanied by appropriate details thereof.

11.2 Affirmative Covenants. Until all Secured Obligations are paid in full, the Borrower covenants and agrees with the Lender that it will, and (where the context so admits) it will ensure that each Group Member that is or becomes a Subsidiary of it will, duly perform and comply with each of the following affirmative covenants:

11.2.1 Punctual Payment. It will duly and punctually pay each sum payable by it under each Secured Document to which it is a party at the time and place and in the manner provided for in such Secured Document.

11.2.2 Conduct of Business. Except as permitted pursuant to Section 11.4.7, it will maintain in good standing and full force and effect its legal existence in its present jurisdiction of incorporation or formation and the authorizations, registrations, legal capacity, rights and qualifications necessary to carry on the Group's Business and own its assets in each jurisdiction in which it carries on business or owns any assets, except where the failure to maintain qualifications that could not be reasonably likely to cause a Material Adverse Effect.

11.2.3 Compliance with Applicable Laws. It will comply with all Applicable Laws, save (except in the case of Applicable Laws relating to bribery and corruption) for non-compliance that is Immaterial.

11.2.4 *Compliance with Contracts.* It will comply with each of the contractual obligations owing by it to its customers, suppliers and other persons, save for non-compliance that is Immaterial.

11.2.5 *Financial Records.* It will maintain complete records and books of account in accordance in all material respects with Applicable Accounting Principles.

11.2.6 *Rights of Inspection; Appraisals.*

- (a) At any time and from time to time, upon reasonable prior written notice, it will permit any representative of the Lender, at its expense and during normal business hours, to examine and make copies of any abstracts from its records and books of account and to discuss any of its assets with any of its Responsible Officers and with any of its Auditors or other representatives. It will promptly reimburse the Lender for all reasonable out-of-pocket costs and expenses incurred in connection with (i) only two (2) such inspections during each Fiscal Year if no Default has occurred or is continuing during that Fiscal Year and (ii) any number of such inspections carried out at a time a Default has occurred and is continuing.
- (b) Following the occurrence and during the continuance of a Default at any time and from time to time, upon reasonable prior written notice, it will permit any representative of the Lender, at the Borrower's expense and during normal business hours, to conduct appraisals and valuations at such reasonable times and intervals as the Lender may require. It will promptly reimburse the Lender for all reasonable out-of-pocket costs and expenses incurred in connection with any number of such appraisals and valuations carried out.

11.2.7 *Maintenance of Properties.* It will maintain in good repair, working order and condition (reasonable wear and tear excepted) its tangible assets (whether owned or held under lease).

11.2.8 *Maintenance of Insurance.* It will insure, or cause to be insured at all times, all of the assets of it and its Subsidiaries with financially sound and reputable insurance companies covering such assets in an amount of at least their replacement value and against public liability, in at least such amounts and against at least such risks as are usually insured against by persons of similar size and carrying on a similar business or holding similar assets and it shall furnish to the Lender upon written request, full information as to the insurance carried. Except as otherwise provided below, it shall cause the Lender to be named in each such policy as secured party or mortgagee and first loss payee (except in the case of assets leased by an Unrelated Party to it under an operating lease) and additional insured, as appropriate, in a manner acceptable to the Lender. Each policy of insurance shall contain a clause or endorsement requiring the insurer to give not less than thirty (30) days (subject to any mandatory statutory reduction to fifteen (15) days) prior written notice to the Lender in the event of cancellation of the policy for any reason whatsoever and a clause or endorsement stating that the interest of the Lender shall not be impaired or invalidated by any act or neglect of it or the owner of any premises for purposes more hazardous than are permitted by such policy. It will not do or omit to be done anything which could breach or invalidate any such insurance and it will punctually pay, or cause to be paid, all premiums and other amounts necessary for maintaining such insurance as the same

become due. It shall obtain and, upon request, provide the Lender with certificates of insurance for and certified copies of the policies effecting the insurance required by this Section 11.2.8.

11.2.9 Payment of Taxes and Claims. It will (a) pay and discharge all lawful claims for labour, material and supplies, (b) deliver or cause to be delivered all Income Tax, Sales Tax and other Tax returns when they are due to the appropriate governmental authority, (c) punctually pay and discharge all Taxes payable by it when due, (d) withhold and collect all Taxes required to be withheld and collected by it and remit such Taxes to the appropriate governmental authority before they are past due in the manner required by Applicable Law and (e) pay and discharge all Statutory Prior Claims before they are past due; except that no such claims, obligations or Taxes referred to in Clause (c) above need be paid if (i) they are being actively and diligently contested in good faith by Contested Tax Proceedings, and (ii) the Tax liability contested does not exceed \$2,000,000 (or Equivalent in other currency) in the aggregate for all Contested Tax Proceedings.

11.2.10 Comply with Environmental Laws. It will cause its representatives to (a) manage and operate the Group's Facilities in compliance with all Environmental Laws, (b) maintain all authorizations and make all registrations required under all Environmental Laws in relation to the Group's Facilities and remain in compliance therewith and (c) store, treat, transport, generate, otherwise handle and dispose of all Hazardous Materials and Waste owned, managed or controlled by it in compliance with all Environmental Laws; provided that, it shall not constitute a Default where any such failure or non-compliance has not resulted in, and could not reasonably be expected to result in, (i) Environmental Liabilities to Group Members, individually or in the aggregate for the entire Group, exceeding \$2,000,000 (or Equivalent in other currency) or (ii) a Material Adverse Effect.

11.2.11 Pension Plan and Employee Benefit Plan Compliance. It shall establish, maintain and operate (a) all Pension Plans in compliance with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such Pension Plans, and (b) all Employee Benefit Plans in compliance with the provisions of all Applicable Laws and the respective requirements of the governing documents for such Employee Benefit Plans; except, in the case of Clauses (a) and (b), to the extent any failure to do so is not reasonably expected to result in liability to Group Members in an aggregate amount in excess of \$2,000,000.

11.2.12 Anti-Terrorism Laws. It shall not knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or violates or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law to the extent relevant or applicable.

11.2.13 Violations of Anti-Terrorism Laws. If it obtains actual knowledge that any holder of a direct or indirect equity or financial interest in it is the subject of any enforcement action or restriction under the Anti-Terrorism Laws, it shall promptly notify the Lender in writing thereof. Upon the request of the Lender, it shall promptly provide any information the Lender believes is reasonably necessary to be delivered to comply with any Anti-Terrorism Laws.

11.2.14 Anti-Money Laundering Laws. It shall adopt and maintain adequate policies, procedures and controls that it reasonably believes are adequate to ensure that it is in compliance with all Anti-Money Laundering Laws applicable to it.

11.2.15 Use of Proceeds. The Borrower will use each Advance made available to it pursuant to this Agreement solely for the purposes set out in Subsections 2.1.2 and 2.2.2. No Advance may be used to finance any Hostile Take-Over Bid.

11.3 Financial Covenants. Until all Secured Obligations are paid in full, the Borrower covenants and agrees with the Lender that it will ensure that each of the following financial tests is complied with at all times:

11.3.1 Leverage Ratio. The Leverage Ratio shall not exceed (a) 4.25:1 for each Test Period ending on or before September 30, 2017, (b) 3.5:1 for each Test Period ending after September 30, 2017 but on or before September 30, 2018, and (c) 3:1 for each Test Period ending on or after December 31, 2018.

11.3.2 Debt Service Coverage Ratio. The Debt Service Coverage Ratio shall not be less than (a) 1.10:1 for each Test Period ending on or before September 30, 2017, and (b) 1.25:1 for each subsequent Test Period ending on or after December 31, 2017.

11.4 Negative Covenants. Until all Secured Obligations are paid in full, the Borrower covenants and agrees with the Lender that it will, and (where the context so admits) it will ensure that each Group Member that is or becomes a Subsidiary of it will, duly perform and comply with each of the following negative covenants:

11.4.1 Limitation on Debt. It will not create, assume, incur, otherwise become liable upon or permit to exist any Debt, other than (a) Debt secured by Permitted Liens, (b) Debt under the Secured Documents, (c) Debt owing to a Loan Party, (d) the Existing Subordinated Debt until the Drawdown Date under the Term Loan Facility, (e) unsecured Debt in the aggregate total amount for the entire Group of up to \$2,000,000 (or Equivalent in other currency), (f) Permitted Derivatives, and (g) such other Debt as the Lender may consent to from time to time.

11.4.2 Financial Assistance. It will not provide any financial assistance by means of Investment, guarantee or otherwise to any person, other than Permitted Investments.

11.4.3 Sale of Assets. It will not dispose of any of its assets, except for (v) disposals of inventory made in the ordinary course of business, (w) disposals of assets to a Loan Party, (x) disposals of obsolete, redundant, damaged or otherwise unusable goods, machinery and equipment having nominal fair market value, (y) disposals of defaulted accounts in order to realize on them in a commercially reasonable manner, and (z) disposals of assets in any Test Period ending after the Closing Date having a fair market value in the aggregate for the entire Group of up to \$2,000,000; in each case, provided that no Default has occurred or could reasonably be expected to occur after such disposal takes place.

11.4.4 Disposals of Subsidiaries. It will not dispose of any Capital Stock in any Subsidiary of it, or permit any Subsidiary of it to issue Capital Stock, to any person other than to a Loan Party.

11.4.6 Negative Pledge. It will not create, incur, assume or otherwise become liable upon or permit to exist any Lien on, against or with respect to any of its assets, except for (a) Statutory Prior Liens, (b) Liens for assessments or governmental charges or levies which are paid

when due or, if overdue, the validity or amount of which is being contested in good faith by appropriate proceedings and in respect of which adequate steps have been taken (which may include cash being paid to or pledged with the relevant governmental authority) to prevent penalties from being imposed, interest from accruing and the commencement or continuation of enforcement proceedings and adequate reserves in accordance with Applicable Accounting Principles have been recorded on its consolidated balance sheet, (c) construction, mechanics', carriers', warehousemen's, storage, repairers' and materialmen's Liens; provided that the obligations secured by such liens are paid when due and no Lien has been registered against any of its assets or if a Lien has been registered, same is being diligently defended in good faith by appropriate proceedings and appropriate steps have been taken to prevent any disposal of such assets, (d) Liens arising from court or arbitral proceedings; provided that the claims secured thereby are being contested in good faith by appropriate proceedings by it, execution thereon has been stayed and continues to be stayed and such Liens do not, in the aggregate, detract from the value of any asset of any Group Member or impair the use thereof in the conduct of business of any Group Member, other than in a manner that is Immaterial, (e) deposits of cash securities in connection with any appeal, review or contestation of any security or lien, or any matter giving rise to any security or lien, described in paragraph (d) above, (f) any pledge of cash by it to any insurer, guarantor, third party contractor, public utility or governmental authority made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of Debt), leases, customs duties and other similar obligations, (g) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of business in relation to deposit accounts or other funds maintained with a financial institution, (h) Liens over specific items of property (as opposed to Liens over all or any substantial part of the assets of it), excluding the Capital Stock of any Group Member, in favour of Unrelated Parties securing purchase-money Debt (including capital leases) outstanding at any time for the entire Group in an aggregate outstanding amount which does not exceed \$2,000,000 (or Equivalent in other currency), (i) the Liens created by the Security and any other Liens created in favour of the Lender, (j) such other Liens securing such obligations as may be approved by the Lender from time to time and (k) Liens on real property which consist of (i) reservations, limitations, provisos and conditions expressed in the original grant from the Crown, (ii) any general qualifications to title imposed under the land titles registry system in which any real property is situate, (iii) any encroachments, variations in description or by-law infractions which might be revealed by an up-to-date survey of the real property which do not detract in any material way from the use or intended use of the property, (iv) any agreement with a municipality with respect to the development of the buildings, fixtures and improvements on the real property which do not create Material obligations, (v) restrictions or restrictive covenants disclosed by registered title which do not detract in any material way from the use or intended use of the property, (vi) any easement or right-of-way disclosed by registered title which do not detract in any material way from the use or intended use of the property, (vii) any easement for the supply of utilities or telephone services to the real property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, (viii) registered easements or rights of way for passage, ingress and egress of persons and vehicles over parts of the real property, (ix) facility cost sharing, servicing, parking, reciprocal and other similar agreements with neighbouring land owners and/or governmental authorities, and (x) the provisions of Applicable Laws including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning.

11.4.7 No Merger, Amalgamation, etc. It will not enter into any merger, amalgamation, arrangement, consolidation, business combination, capital reorganization, liquidation, winding-up, dissolution, administration or similar transaction (each, a “**Business Combination**”), except that any Wholly-Owned Subsidiary of it may liquidate or dissolve voluntarily into or vertically amalgamate or merge with another Group Member and any other such Wholly-Owned Subsidiary and may merge, consolidate or amalgamate with and into any other Group Member that is a Wholly-Owned Subsidiary of the Borrower; provided that (u) no Default has occurred and is continuing at such time nor would any result from such amalgamation, consolidation, merger or reorganization (in this subsection, the “**Amalgamation**”), (v) the successor resulting from the Amalgamation (the “**Amalgamated Entity**”) possesses all the property, rights, privileges and franchises of each Group Member party to such Amalgamation (each, an “**Amalgamating Group Member**”) and assumes and is subject to all the obligations and liabilities of each such Amalgamating Group Member under each Secured Document to which such Amalgamating Group Member is party, (w) the benefits of each Secured Document to which each Amalgamating Group Member is a party extend to the performance by the Amalgamated Entity of its obligations under each Secured Document, (x) the validity, enforceability and effect of the Secured Documents, and the validity, effect, priority and perfection of the Security shall not be affected in any adverse way, (y) the Amalgamated Entity is a Borrower or a Wholly-Owned Subsidiary of the Borrower and (z) external legal counsel for each Amalgamating Group Member and the Amalgamated Entity shall have provided an opinion to the Lender and Lender’s Counsel, in form and substance satisfactory to the Lender, confirming the matters addressed in Clauses (v) to (y) inclusive above.

11.4.8 Nature of Business. It will not change the nature of its business or cease to carry on the Core Business or any substantial part thereof; and it will not engage in any new business other than a business engaged solely in a Core Business.

11.4.9 Limitation on Investments. It will not make any Investments, other than (x) Investments in Cash Equivalents, (y) Investments in a Loan Party, and (z) other Investments in an aggregate outstanding amount not to exceed \$2,000,000 (or Equivalent in other currency); provided that no Default has occurred or could reasonably be expected to occur after such Investment is made. For clarity, Acquisitions made in compliance with Subsection 11.4.10 shall not constitute Investments for the purposes of this Subsection 11.4.9.

11.4.10 Limitations on Acquisitions. Unless otherwise approved by the Lender, it will not make any Acquisition, unless (y) if such Acquisition involves the acquisition of Capital Stock of another person, upon such Acquisition taking place, the person acquired will be a Wholly-Owned Subsidiary of the Borrower, and (z) whether such Acquisition is of assets or Capital Stock: (i) the business Acquired has generated positive EBITDA for its most recently concluded 12-month accounting period; (ii) the assets Acquired are located in Canada; (iii) upon completion of the Acquisition, the undrawn amount under the Revolver shall not be less than \$5,000,000; (iv) the aggregate total consideration paid for all Acquisitions during any Fiscal Year, *plus* (without duplication) the aggregate total amount of all Debt assumed on a consolidated basis on all such Acquisitions, does not exceed \$3,000,000 (or Equivalent in other currency); (v) upon or immediately following completion of such Acquisition, all Debt not permitted by Subsection 11.4.1 of each person acquired shall be repaid and all Liens over the assets acquired (including those of any person acquired and each Subsidiary) that do not

constitute Permitted Liens shall be released; (vi) no Default has occurred or could reasonably be expected to occur; (viii) the assets being acquired comprise a Core Business; and (vii) the Acquisition does not take place pursuant to a Hostile Take-Over Bid. In the event that the Borrower wishes to make any Acquisition that does not comply with the limitations set out herein, the Borrower shall provide the Lender with a summary of the proposed Acquisition and the Lender shall provide its decision in its sole and absolute discretion with respect to the proposed Acquisition within 30 days of receiving the summary.

11.4.11 Distributions. It will not declare, set apart for payment, make or pay any Distributions, except for (i) any Distribution to a Credit Party and (ii) any Distribution with prior written consent of the Lender. It shall not be restricted by its Constitutional Documents or become bound by any agreement other than this Agreement, from making any Distributions.

11.4.12 Capital Expenditures. It will not incur any Capital Expenditure if the aggregate total amount of all Capital Expenditures incurred by the entire Group in any Fiscal Year would exceed one hundred and twenty percent (120%) of the Capital Expenditures projected in the Annual Operating Budget approved by the Lender for that Fiscal Year.

11.4.13 Derivatives. It will not enter into any Derivative, except for Permitted Derivatives.

11.4.14 Fiscal Year. It will not change its Fiscal Year.

11.4.15 Securitizations. It will not dispose of any account, note receivable or accounts receivable, with or without recourse, except for a disposal permitted under Subsection 11.4.3(y).

11.4.16 Pension Plans. It will not (a) permit any accumulated aggregate funding deficiency in respect of all Pension Plans to exceed \$2,000,000 at any time, (b) permit any further Unfunded Liabilities with respect to any Pension Plan which could reasonably be expected to trigger a requirement to make a material increase in contributions to fund any such liabilities or (c) fail to pay any required contributions or payments to a Pension Plan on or before the due date for such required instalment or payment.

11.4.17 Arm's Length Arrangements. It will not enter into an agreement, transaction or other arrangement with an Affiliate of it, or any other person with whom it is not dealing at arm's length, unless such agreement, transaction or arrangement is made (a) on commercially reasonable terms (including normal trade terms, but excluding for certainty deferred payment terms) at fair market value and consistent with commercial relations between Unrelated Parties or (b) between Loan Parties.

11.4.18 No Continuance. It will not continue under the laws of any other jurisdiction.

11.4.19 Constitutional Documents. It will not change its Constitutional Documents, except (y) to the extent permitted by Subsection 11.4.7 and (z) for any change that is Immaterial and is not adverse to the interests of the Lender.

11.4.20 Benefit Plans. Any other term or provision of this Agreement or any other Loan Document to the contrary notwithstanding, it shall not (a) adopt, establish, maintain, contribute

or be obligated to contribute to, or otherwise have liability for, a Defined Benefit Plan, (b) permit any further Unfunded Liabilities with respect to any Pension Plan which would trigger a requirement to make a material increase in contributions to fund any such liabilities, (c) acquire an interest in any person if such person sponsors, administers, maintains or contributes to, or has any liability in respect of, any Defined Benefit Plan or a Multiemployer Plan, or (d) fail to pay any required contributions or payments to a Pension Plan or a Multiemployer Plan on or before the due date for such required instalment or payment; save where any such failure or non-compliance is Immaterial and does not and could not reasonably be expected to result in a loss and expense to the Group in an aggregate amount for all such failures exceeding \$2,000,000 (or Equivalent in other currency).

11.4.21 Unperfected Bank Accounts. It shall not maintain any cash balance or deposit account with any bank or other financial institution, that is not subject to an Account Control Agreement; provided however that, it shall have sixty (60) days following the Closing Date to obtain Account Control Agreements with respect to existing cash balance or deposit accounts or close such accounts.

11.4.22 Unperfected Securities Accounts. It shall not maintain any securities account that is not subject to an Account Control Agreement.

11.4.23 Subordinated Debt. It will not pay any amount on account of any Subordinated Debt that it is not permitted to pay under the Subordination Agreement governing such Subordinated Debt.

11.4.24 Change in Control. It will not permit any Change in Control to occur.

ARTICLE 12 EVENTS OF DEFAULT

12.1 Events of Default. The occurrence of any one or more of the following events, defaults, breaches, failures, states or conditions (each such event being herein referred to as an “**Event of Default**”) shall constitute a default by the Borrower under this Agreement:

12.1.1 Non-Payment of Principal. The Borrower fails to pay any principal amount payable hereunder or under any Cash Management Agreement, or any early termination amount payable under any Permitted Derivative with the Lender, when due.

12.1.2 Non-Payment of Interest and Other Amounts. The Borrower fails to pay any interest, Fee or other amount (excluding principal and any early termination amount under any Permitted Derivative) payable hereunder or under any other Secured Document when due and such failure continues unremedied for more than three (3) Business Days after such due date.

12.1.3 Misrepresentation. Any representation or warranty made or deemed made by any Loan Party in any Secured Document is found to have been false or misleading in any material respect, if such representation or warranty is not qualified by materiality, or in any respect, if such representation or warranty is already qualified by materiality.

12.1.4 *Financial Tests.* Any financial test contained in Section 11.3 is not complied with.

12.1.5 *Negative Covenants.* Any negative covenant contained in Section 11.4 is not complied with.

12.1.6 *Maintain Existence.* Any Group Member fails to comply with Section 11.2.2, except as permitted by Subsection 11.4.7.

12.1.7 *Breach of Other Covenants.* Any Loan Party fails to perform or comply with any provision or obligation contained in any Secured Document to which it is a party (other than those referred to in Subsections 12.1.1, 12.1.2, 12.1.3, 12.1.4, 12.1.5 and 12.1.6 above) and such failure continues unremedied for a period of thirty (30) days after any Loan Party knows of such failure.

12.1.8 *Cross-Default.* Any Group Member defaults under any one or more agreements, documents or instruments relating to Debt in an aggregate amount exceeding \$2,000,000 (or Equivalent in other currency) and such default has not been waived by the persons to whom the Debt is owed or, if there is any cure period applicable to such default, such cure period lapses without the default being cured.

12.1.9 *Cross Acceleration.* Any Group Member becomes obligated to repay, prepay, offer to prepay, pay, purchase or otherwise retire or acquire any Debt (other than Debt under this Agreement) in an aggregate amount exceeding \$2,000,000 (or Equivalent in other currency) before its scheduled maturity date by reason of an event or circumstance that could reasonably be expected to be treated as a default or event of default in the context of a commercial lending transaction (including an event equivalent or analogous to a Default), although it may not be described as such in the agreement governing such Debt.

12.1.10 *Unsatisfied Judgments.* Any one or more judgments for the payment of money in an aggregate amount exceeding \$2,000,000 (or Equivalent in other currency) are rendered against any one or more Group Members and such Group Members do not discharge same in accordance with their respective terms, or procure a stay of execution thereof, within sixty (60) days from the date of the entry of each such judgments and in any event at least five (5) Business Days before any such judgment may be executed upon.

12.1.11 *Enforcement of Liens.* Any one or more persons entitled to any Liens on any assets of any one or more Group Members take possession of any such assets valued in excess of \$2,000,000 (or Equivalent in other currency) or any one or more seizures, executions, garnishments, sequestrations, distresses, attachments or other equivalent processes in respect of claims against any one or more Group Members are issued or levied against any assets of any one or more Group Members valued in excess of \$2,000,000 (or Equivalent in other currency) and such Group Members do not discharge the same or provide for the discharge in accordance with their respective terms, or procure a stay of execution thereof, within thirty (30) days from the date such possession or process first takes effect and in any event at least five (5) Business Days before such assets are capable of being disposed of thereunder.

12.1.12 *Insolvency Event.* Any Insolvency Event with respect to any Loan Party occurs.

12.1.13 Cessation of Business. Any Loan Party ceases or suspends or threatens to cease or suspend all or a substantial portion of its business, save for (x) any temporary cessation or suspension of business arising from employee lock-outs or strikes (y) any temporary plant closures arising in the ordinary course of business of the Group or (z) any other cessation or suspension of business that could not reasonably be expected to result in a Material Adverse Effect.

12.1.14 Security Imperilled. If (a) any proceeding is commenced which, if determined adversely to any Loan Party or to the rights of the Lender contemplated under the Loan Documents, could reasonably be expected to result in (i) any material impairment of any Loan Party's ability to perform any of its Loan Obligations or (ii) any prejudice to, restriction on or rendering unenforceable or ineffective, any Guarantee or Security or any rights intended to be granted under or pursuant to any Loan Document by any Loan Party to or for the benefit of the Lender which the Lender in good faith determines is materially adverse to their rights or interests, (b) any Loan Document or any material right thereunder becomes or is determined by a court of competent jurisdiction to be invalid, unenforceable or ineffective, (c) the Lien of any Security over any Material asset is determined by a court of competent jurisdiction to be or ceases to be valid and perfected ranking in priority in the manner contemplated herein or in the Security Documents, other than by reason of the direct act or omission of the Lender, or (d) any Loan Party denies that it has any or further obligations under any Loan Document or challenges the validity of any provision thereof or of the Security.

12.1.15 Material Adverse Change. Any Material Adverse Change occurs.

12.1.16 Change in Control. Any Change in Control occurs or, at any time, is expected to occur within ten (10) Business Days, in either case, without the consent of the Lender.

12.1.17 Condemnation. Any governmental authority shall condemn, seize, expropriate or otherwise appropriate, or take custody or control of, all or any portion of the assets of any Group Member which, when taken together with all other assets of any Group Member so condemned, seized, expropriated, appropriated, or taken custody or control of, during the twelve (12) month period ending with the month in which any such action occurs, could reasonably be expected to have a Material Adverse Effect.

12.1.18 Pension Event. The aggregate Unfunded Liability under all Pension Plans exceeds in the aggregate \$2,000,000 (or Equivalent in other currency) or any Pension Event occurs which results or could reasonably be expected to result in liability to any Loan Party in excess of \$2,000,000 (or Equivalent in other currency).

12.2 Termination and Acceleration. Upon the occurrence of an Event of Default, the Lender may do any one or more of the following:

- (a) declare the whole or any item or part of the Commitment under any Credit Facility or the unutilized portion (if any) of any Credit Facility to be cancelled, terminated or reduced, whereupon the Lender shall not be required to make any further Advance hereunder in respect of such portion of the Commitment or each Credit Facility cancelled, terminated or reduced;

- (b) accelerate the maturity of all or any item or part of the Loan Obligations of the Borrower hereunder and declare them to be payable on demand or immediately due and payable, whereupon they shall be so accelerated and become so due and payable;
- (c) suspend any rights of the Borrower under any Loan Document, whereupon such rights shall be so suspended;
- (d) demand payment under any Guarantee and/or enforce any Security;
- (e) demand that the Borrower pay (i) the Outstanding Amount of all outstanding Acceptances, (ii) its Out-of-the-Money Derivative Exposure, if any, to the Lender, (iii) its Cash Management Obligations, if any, owing to the Lender and (iv) the Standby Instrument Exposure under all outstanding Standby Instruments, whereupon the Borrower shall be obliged to (A) repay immediately to the Lender for the account of the Lender entitled thereto the Outstanding Amount of all outstanding Acceptances issued for its account, (B) pay immediately to the Lender (1) such Out-of-the-Money Derivative Exposure under all Permitted Derivatives entered into by it with the Lender and (2) the amount of the Cash Management Obligations owing to the Lender and (C) pay immediately to the Lender such Standby Instrument Exposure; and
- (f) take any other action, commence any other proceeding or exercise such other rights as may be permitted by applicable law (whether or not provided for in any Secured Document) at such times and in such manner as the Lender may consider expedient,

all without any additional notice, demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour or any other action being required. If an Event of Default referred to in Subsection 12.1.12 occurs, unless the Lender otherwise agrees, the Commitment under each Credit Facility shall be cancelled and the Loan Obligations shall be accelerated and become immediately due and payable automatically without any action on the part of the Lender being required.

12.3 Waiver. The Lender may waive any Default. No waiver, however, shall be deemed to extend to a subsequent Default, whether or not the same as or similar to the Default waived, and no act or omission by the Lender shall extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights of the Lender arising therefrom. Any such waiver must be in writing and signed by the Lender to be effective. No failure on the part of the Lender to exercise, and no delay by the Lender in exercising, any rights under any Loan Document shall operate as a waiver of such rights. No single or partial exercise of any such rights shall preclude any other or further exercise of such rights or the exercise of any other rights.

ARTICLE 13 GENERAL

13.1 Costs and Expenses. The Borrower agrees to pay within thirty (30) days of demand thereof (together with backup documentation supporting such request) (a) all reasonable out-of-pocket expenses incurred by the Lender in connection with due diligence investigations, the preparation, negotiation, execution, delivery, entry into effect and administration of the Loan Documents and/or the satisfaction of any conditions or obligations specified in Article 8, any post-closing costs and any change to the Loan Documents (including the reasonable out-of-pocket fees, disbursements and charges of the Lender's Counsel and, if necessary one (1) local counsel in each relevant jurisdiction where Collateral is located for such persons, taken as a whole) and (b) all reasonable out-of-pocket expenses incurred by the Lender in connection with the interpretation, defence, establishment, preservation, protection or enforcement of rights of the Lender under each Secured Document and in connection with the Advances made or issued hereunder (including the reasonable out-of-pocket fees, charges and disbursements of Lender's Counsel and, if necessary the reasonable out-of-pocket fees, charges and disbursements of one (1) local counsel of the Lender per relevant jurisdiction). The Borrower irrevocably authorizes and directs the Lender from time to time to debit the Borrower's Account with the amounts of, and apply the amounts so debited to pay, (i) all unpaid Fees then due and payable to the Lender and (ii) all unpaid fees, costs and expenses then due and payable by the Lender to the Lender's Counsel and any other counsel to the Lender which the Borrower is obliged to pay to the Lender in accordance with the foregoing.

13.2 Indemnification by the Borrower.

13.2.1 Borrowings. The Borrower shall within five (5) days of demand pay to the Lender on a full indemnity (after-Taxes) basis, the amount of all claims and losses and expenses, including losses and expenses sustained by the Lender in connection with the liquidation or reemployment, in whole or in part, of deposits or funds borrowed or acquired by the Lender to fund any Borrowing, which the Lender sustains or incurs (a) if for any reason a Borrowing does not occur on a date requested by the Borrower, (b) if the Borrower fails to give any notice required to be given by it hereunder in the manner and at the time specified herein, or (c) as a consequence of any failure by the Borrower to repay any amount when required by the terms of this Agreement.

13.2.2 Other. The Borrower shall defend, indemnify and save harmless the Lender and each of its representatives (each, an "**Indemnified Party**") on a full indemnity basis from and against any and all claims and losses and expenses (including interest and, to the extent permitted by applicable law, penalties, fines and monetary sanctions) (limited in the case of legal fees and expenses, to the actual reasonable and documented out-of-pocket fees, disbursements and other charges of one (1) counsel to all Indemnified Parties, taken as a whole, and, if reasonably necessary, one (1) local counsel in each relevant jurisdiction to the Indemnified Parties, taken as a whole, and, in the case of an actual or perceived conflict of interest, one (1) additional counsel to all affected Indemnified Parties, taken as a whole) which an Indemnified Party suffers or incurs as a result of or otherwise in respect of (a) any claim of any kind relating to the Environmental Liabilities which arises out of the performance of, or the enforcement or exercise of any right under, any Loan Document, including any claim in nuisance, negligence, strict liability or other cause of action arising out of a discharge of Contaminants into the Environment,

any fines or orders of any kind that may be levied or made pursuant to an Environmental Law in each case relating to or otherwise arising out of any of the assets of any Group Member, (b) the direct or indirect use or proposed use of the proceeds of any Advance, (c) any Default, or (d) any proceeding to which any Indemnified Party is party arising out of the execution, delivery or performance of, or the enforcement of any right under any Loan Document. The Lender shall be constituted as the agent and bare trustee of each Indemnified Party who is its own representative and shall hold and enforce each such Indemnified Party's rights under this paragraph for such party's benefit. The foregoing indemnity shall not apply in respect of claims or losses and expenses of an Indemnified Party to the extent that they are determined by a final judgment to have directly resulted from the gross negligence, wilful misconduct or material breach of a Loan Document of that Indemnified Party.

13.2.3 Limitation. None of the Indemnified Parties or any of its Affiliates or the respective directors, officers, employees, agents, advisors or other representatives of any of the foregoing shall be liable for any special, indirect, consequential or punitive damages in connection with the Secured Documents or the transactions contemplated thereby; provided, that nothing contained in this sentence shall limit the Borrower's indemnification obligations set forth in this Section 13.2 to the extent such special, indirect, consequential or punitive damages are included in any third party claim in connection with which such indemnified person is entitled to indemnification hereunder.

13.3 Application of Payments. Any payments received in respect of the obligations of the Borrower under any Loan Document from time to time may, notwithstanding any appropriation by the Borrower be appropriated to such parts of the obligations of the Borrower under any Loan Document and in such order as the Lender sees fit, and the Lender shall have the rights to change any appropriation at any time.

13.4 Set-Off, Combination of Accounts and Crossclaims. The obligations of the Borrower under each Loan Document will be paid by the Borrower free and clear of and without regard to any equities between the Borrower and the Lender or any right of set-off or cross-claim. Any Debt owing by the Lender to the Borrower, direct or indirect, extended or renewed, actual or contingent, matured or not, may be set off or applied against the obligations of the Borrower under any Secured Document by the Lender at any time after maturity or upon the occurrence and during the continuance of an Event of Default, without demand upon or notice to anyone, and the terms of such Debt shall be changed hereby to the extent required to permit such set-off, application and combination.

13.5 Rights in Addition. The rights conferred by each Secured Document are in addition to, and not in substitution for, any other rights the Lender may have under that Secured Document or any other Secured Document, at law, in equity or by or under Applicable Law or any agreement. The Lender may proceed by way of any proceeding at law or in equity and no right of the Lender shall be exclusive of or dependent on any other. The Lender may exercise any of its rights separately or in combination and at any time.

13.6 Certificate Evidence. A certificate prepared by the Lender and provided to the Borrower setting forth any interest rate or any amount payable under this Agreement, including the amount of compensation or loss and expense payable under Section 6.6 or 13.2, shall be conclusive and bind the Borrower, absent manifest error.

13.7 Evidence of Debt. The Lender shall open and maintain on its books accounts evidencing all Borrowings and all amounts owing by the Borrower to the Lender under the Relevant Credit Facility. The Lender shall enter in the accounts details of all amounts from time to time owing, paid or repaid by the Borrower under the Relevant Credit Facility. The information entered in the accounts shall constitute, in the absence of manifest error, conclusive evidence of the existence and quantum of the obligations of the Borrower to the Lender under the Relevant Credit Facility. The Borrower shall, on reasonable notice to the Lender, be entitled to obtain from the Lender copies of extracts of all entries made in such accounts.

13.8 Notices. Any notice, demand, consent, approval or other communication to be made or given under or in connection with this Agreement (a “**Notice**”) shall be in writing and may be made or given by personal delivery, by facsimile or by e-mail addressed to the Lender and the Borrower at their respective addresses set out in Schedule 1, or to such other address as such party may from time to time notify the others in accordance with this Section 13.8. Any Notice made or given by personal delivery shall be conclusively deemed to have been given at the time of actual delivery or, if made or given by facsimile or by e-mail, at the opening of business on the first (1st) Business Day following the transmittal thereof provided that the party sending such Notice receives confirmation of receipt. Notwithstanding the foregoing, (a) the Lender shall not be deemed to have received any Notice until it is actually received by and brought to the attention of an officer of the Lender charged with the administration of this Agreement and (b) the Lender may in its discretion act upon verbal Notice from any person reasonably believed by the Lender to be a person authorized by the Borrower to give instructions under or in connection with this Agreement including any request for a Borrowing. The Lender shall not be responsible for any error or omission in such instructions or in the performance thereof.

13.9 Judgment Currency. If, for the purposes of obtaining or enforcing judgment in any court in any jurisdiction, it becomes necessary to convert into the currency of the jurisdiction giving such judgment (the “**Judgment Currency**”) an amount due under any Secured Document in any other currency (the “**Original Currency**”), then the date on which the rate of exchange for conversion is selected by that court is referred to herein as the “**Conversion Date**”. If there is a change in the rate of exchange between the Judgment Currency and the Original Currency between the Conversion Date and the actual receipt by the Lender of the amount due to it under such Secured Document or under such judgment, the Borrower shall, notwithstanding such judgment, pay all such additional amounts as may be necessary to ensure that the amount received by the Lender in the Judgment Currency, when converted at the rate of exchange prevailing on the date of receipt, will produce the amount due in the Original Currency. The Borrower’s liability hereunder constitutes a separate and independent liability which shall not merge with any judgment or any partial payment or enforcement of payment of sums due under any Secured Document.

13.10 Successors and Assigns.

13.10.1 Benefit & Burden. The Loan Documents shall enure to the benefit of and be binding on the parties thereto, their respective successors and each assignee of some or all of the rights or obligations of the parties under the Loan Documents permitted by this Section 13.10. Any entity resulting from a Business Combination to which the Lender shall be a party, shall be the Lender under this Agreement without further action. Any reference in any such Loan

Document to any party thereto shall (to the extent the context so admits) be construed accordingly.

13.10.2 Borrower. The Borrower may not assign all or any part of any of its rights or obligations in respect of any Credit Facility or under any Loan Document. Where the context so admits, each reference in this Agreement to the Borrower shall be construed so as to include the successors of the Borrower.

13.10.3 Participation. The Lender may grant to any other person (a “**Participant**”), a participation in the whole or any part of any of the Term Commitment and/or the Revolver Commitment under which the Participant shall be entitled to the benefit of the same rights under this Agreement with respect to such Participation as if it were a party hereto in the place and stead of the Lender provided that, in respect of such participated share of the Term Commitment or Revolver Commitment, as applicable, and as amongst all parties to this Agreement, the Lender (and not the Participant) shall remain entitled to enforce such rights, and shall remain responsible for the performance of all obligations, of the Lender under this Agreement with respect to the share of the Term Commitment and/or Revolver Commitment, as applicable, subject to such participation. The Lender that grants a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “**Participant Register**”); provided that the Lender shall not have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under applicable law. The entries in the Participant Register shall be conclusive absent manifest error, and the Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

13.10.4 Assignments. The Lender may assign the Term Commitment and/or Revolver Commitment under any Relevant Credit Facility (including its rights and obligations and any related Advances made under such Relevant Credit Facility), or any part thereof to (a) any Affiliate of the Lender, (b) prior to the occurrence of an Event of Default and so long as no Default exists, with the prior consent of the Borrower, such consent not to be unreasonably withheld or delayed (provided that the Borrower shall be deemed to have consented to any assignment unless it shall have objected thereto by notice to the Lender within fifteen (15) Business Days after receiving notice thereof), or (c) after the occurrence of a Default and while the same is continuing, to any other person.

13.10.5 Disclosure. The Lender may disclose to any prospective or actual Participant in or Transferee of any rights or obligations in respect of any Credit Facility any information regarding any Group Member or any of its assets so long as the prospective or actual Participant or Transferee agrees to be bound by the confidentiality provisions of this Subsection 13.10.5. The Lender shall keep confidential and not disclose to any third party (excluding for certainty its own representatives) any confidential information received by the Lender from the Borrower pursuant to this Agreement which is designated as confidential by the Borrower save that the

Lender may disclose any such confidential information (a) as provided in the preceding sentence, (b) to the extent the Lender reasonably believes it is obliged to disclose to any governmental authority pursuant to Applicable Law, (c) to the extent required to protect the interests of the Lender in any actual, pending or threatened proceeding, or (d) as may be necessary or desirable in order to enforce the rights of the Lender under any Secured Document.

13.11 Survival. The Loan Obligations payable under Sections 6.6, 6.9, 13.1 and 13.2 (“**Indemnity Obligations**”) shall survive the payment in full of all other Loan Obligations and shall continue in full force and effect until such Indemnity Obligations are paid in full.

13.12 Time of the Essence. Time is of the essence of each provision of each Loan Document.

13.13 Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lender under the laws of any jurisdiction where any Group Member or its property may be located.

13.14 JURISDICTION.

13.14.1 SUBMISSION TO JURISDICTION AND WAIVER OF OBJECTIONS. WITH RESPECT TO ANY CLAIM ARISING OUT OF THIS AGREEMENT, ANY OTHER SECURED DOCUMENT OR ANY OTHER AGREEMENT RELATING TO ANY SECURED DOCUMENT (COLLECTIVELY, THE “**FINANCE RELATED AGREEMENTS**”):

- (a) FOR THE EXCLUSIVE BENEFIT OF THE LENDER, THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF:
 - (i) THE PROVINCE OF ONTARIO, CANADA LOCATED AT TORONTO, INCLUDING ANY APPELLATE COURT FROM ANY THEREOF; AND
 - (ii) THE JURISDICTION IN WHICH THE CHIEF EXECUTIVE OFFICE OF THE BORROWER IS LOCATED OR IN WHICH IT IS INCORPORATED OR FORMED LOCATED AT THE PRINCIPAL FINANCIAL CENTER OF SUCH JURISDICTION, INCLUDING ANY APPELLATE COURT FROM ANY THEREOF; AND
- (b) THE BORROWER IRREVOCABLY WAIVES:
 - (i) ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDING ARISING OUT OF OR RELATING TO ANY OF THE FINANCE RELATED AGREEMENTS BROUGHT IN ANY COURT OF PRIMARY JURISDICTION;

- (ii) ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN ANY COURT OF PRIMARY JURISDICTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM;
- (iii) THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDING BROUGHT IN ANY COURT OF PRIMARY JURISDICTION, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER THE BORROWER; AND
- (iv) THE RIGHT TO REQUIRE THE LENDER TO POST SECURITY FOR COSTS IN ANY PROCEEDING BROUGHT IN ANY COURT OF PRIMARY JURISDICTION.

13.14.2 LENDER MAY SUE IN ANOTHER JURISDICTION. NOTHING IN THIS AGREEMENT WILL BE DEEMED TO PRECLUDE THE LENDER FROM BRINGING ANY PROCEEDING IN RESPECT OF ANY FINANCE RELATED AGREEMENT IN ANY OTHER JURISDICTION.

13.14.3 FINAL JUDGMENT. THE BORROWER AGREES THAT A FINAL JUDGMENT IN ANY PROCEEDING COMMENCED IN ANY COURT OF PRIMARY JURISDICTION SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

13.15 Service of Process.

13.15.1 Manner of Service. The Borrower irrevocably consents to the service of process out of the Courts of Primary Jurisdiction in accordance with the local rules of civil procedure or by mailing a copy thereof, by registered mail, postage prepaid to the Borrower at the address of the Borrower, or by sending a copy thereof by facsimile or by e-mail in pdf format to the Borrower at the facsimile number or e-mail address of the Borrower determined under Section 13.8.

13.15.2 Appointment of Agent for Service. The Borrower irrevocably designates and appoints the Borrower's Counsel as its agent to accept and acknowledge on its behalf any and all process which may be served in connection with any proceeding arising out of or relating to any Finance Related Agreement brought in any of the Courts of Primary Jurisdiction, such service, to the extent permitted by applicable law, being hereby conclusively acknowledged by the Borrower to be effective and binding service on it in every respect whether or not it is carrying on, or has at any time carried on, business in the jurisdiction in which the Courts of Primary Jurisdiction are located. The Borrower irrevocably consents to the service of process out of the Court of Primary Jurisdiction by personal service on the Borrower or on any such process agent.

13.16 Limitation Period. The Borrower agrees with the Lender to vary the limitation period under the Limitations Act, 2002 (Ontario), other than one established by Section 15 of that Act, applicable to each Loan Document to which that Borrower or Guarantor is party and any claim thereunder to six (6) years, save and except to the extent the Real Property Limitations

Act (Ontario) applies to any particular provision hereof or claim arising thereunder requiring a shorter limitation period which cannot be waived by an agreement made on this date.

13.17 Invalidity. If any provision of any Loan Document is determined to be invalid or unenforceable by a final judgment, that provision shall be deemed to be severed therefrom, and the remaining provisions of such Loan Document shall not be affected thereby and shall remain valid and enforceable. The Borrower shall, at the request of the Lender, enter into good faith negotiations with the Lender to replace any invalid or unenforceable provision contained in any Loan Document with a valid and enforceable provision which has the economic effect as close as possible to that of the invalid and unenforceable provision, to the extent permitted by law.

13.18 Changes. No agreement purporting to change (other than waive) any provision of any Loan Document shall be binding upon the parties hereto or thereto unless that agreement is in writing and signed by the Lender and the Borrower. No waiver of strict performance or compliance with any provision of any Loan Document shall be binding on the Lender unless such waiver is in writing signed by or on behalf of each party sought to be bound thereby.

13.19 Entire Agreement. There are no representations, warranties, conditions, other agreements or acknowledgments, whether direct or collateral, express or implied, that form part of or affect this Agreement or any other Loan Document other than as expressed herein or in such other Loan Document. The execution of each Loan Document has not been induced by, nor does the Borrower rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in any Loan Document.

13.20 This Agreement to Govern. If there is any inconsistency between the provisions of this Agreement and the provisions of any other Loan Document the provisions hereof shall govern and apply to the extent of the inconsistency. Notwithstanding the foregoing, this Section shall not apply to limit, restrict, prejudice or otherwise affect or impair in any way the rights of the Lender under any Security Document after those rights have become enforceable.

13.21 Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Agreement (including any change to this Agreement) by any party hereto to the other party to this Agreement by facsimile transmission or e-mail in pdf format, shall be as effective as delivery to the other parties hereto of an original manually executed counterpart hereof.

[Signature pages to follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

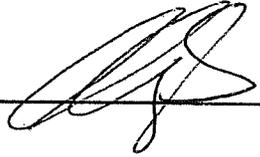
BORROWER:

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____

Name:

Title:

A handwritten signature in black ink, consisting of several loops and flourishes, is written over a horizontal line. The signature is positioned to the right of the 'By:' label and above the 'Name:' and 'Title:' labels.

THE LENDER:

ROYAL BANK OF CANADA

By:

A handwritten signature in black ink, appearing to read 'Hogan Mak', with a long horizontal flourish extending to the right.

Hogan Mak
Director

**SCHEDULE 1
ADDRESSES FOR NOTICES**

To the Borrower:

Distinct Infrastructure Group Inc.
77 Belfield Road
Toronto, Ontario, M9W 1G6

Attention: Manny Bettencourt, Chief Financial Officer
Telephone: 416 675 6485 ext 306
Email: manny.bettencourt@diginc.ca

To the Lender:

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

**SCHEDULE 3
FORM OF BORROWING REQUEST**

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: Distinct Infrastructure Group Inc. Credit Facilities

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Borrowing Request which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

1. **Request.** The Borrower hereby requests a Borrowing as follows:

(a) **Credit Facility**

(b) **Date**

(c) **Aggregate amount of Borrowing**

CAD <*>

(d) **Type and Amount of Borrowing**

(i)

() Prime Rate Loan

CAD

Amount

Converted From
(if Applicable)

(ii)

() Acceptances

CAD

Face
Amount

Term in
Months

CAD

Rollover
Amount

Converted From
(if Applicable)

(iii)

Standby Instrument

in the form attached

() Lender _____

2. **Other.** The Borrower represents, warrants and agrees:

- (a) The representations and warranties deemed to be repeated under Section 10.2 of the Credit Agreement are true and correct on and as of the date hereof.
- (b) No Default has occurred and is continuing on the date hereof or will result from the Borrowing requested herein.
- (c) The undersigned will immediately notify you if it becomes aware of the occurrence of any event between the date hereof and the Borrowing Date which would mean that the statements in the immediately preceding paragraphs (a) and (b) would not be true if made on the Borrowing Date.
- (d) All other applicable conditions precedent set out in Sections 8.2 or 8.3, as applicable, of the Credit Agreement have been fulfilled or waived in writing by the Lender.

3. **Transit and Bank Account Details.** The Borrower hereby irrevocably authorizes and directs the Lender to advance the requested Borrowing to the Borrower by bank transfer to the credit of the following Borrower's Account:

Account Number: <@>

Transit Number: <@>

DATED this _____ day of _____, _____.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

**SCHEDULE 4
FORM OF CANCELLATION NOTICE**

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: Distinct Infrastructure Group Inc. Credit Facilities

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Cancellation Notice which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

Notice is hereby given in accordance with Section 7.4 of the Credit Agreement that the undersigned wishes to cancel the Term Commitment by the amount of \$_____.

DATED this ____ day of _____, _____.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

**SCHEDULE 5
FORM OF REPAYMENT NOTICE**

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: Distinct Infrastructure Group Inc. Credit Facilities

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Repayment Notice which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

Notice is hereby given in accordance with Section _____ of the Credit Agreement that the undersigned commits to repay the _____¹ under the _____² in the amount of _____³ (the “**Repayment Amount**”) on _____, _____.

The Borrower hereby irrevocably authorizes and directs the Lender to debit the following Borrower’s Account in an amount equal to the Repayment Amount:

Account Number: <@>

Transit Number: <@>

DATED this ____ day of _____, _____.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____

Name:

Title:

¹ Specify type of Borrowing

² Specify Credit Facility

³ Specify amount and currency

By: _____
Name:
Title:

**SCHEDULE 6
FORM OF COMPLIANCE CERTIFICATE**

TO: Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: **Distinct Infrastructure Group Inc. Credit Facilities**

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Compliance Certificate which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

This certificate is given pursuant to Subsection 11.1.1 of the Credit Agreement with respect to the Test Period ending _____, 201____ (the “**Relevant Test Period**”).

The Borrower hereby certifies as follows:

- (a) **Leverage Ratio.** The attachment hereto shows the calculation of the Leverage Ratio for the Relevant Test Period to be ____:1 which is not greater than the maximum limit prescribed for this ratio under Subsection 11.3.1.
- (b) **Debt Service Coverage Ratio.** The attachment hereto shows the calculation of the Debt Service Coverage Ratio for the Relevant Test Period to be _____:1 which is not less than the minimum limit prescribed for this ratio under Subsection 11.3.2.
- (c) **Applicable Margin.** The attachment hereto shows the calculation of the Leverage Ratio for the Relevant Test Period to be ____:1 and accordingly the Applicable Margin has [changed effective on _____, _____ to / remains the same as set out below]:

Level	Leverage Ratio	Floating Rate Loans	Standby Instruments, Libor Loans and Acceptances
_____	: 1	%	%

- (d) **Standby Instruments.** A detailed listing of the Standby Instruments outstanding at the end of the Relevant Test Period is set out in the attachments hereto.
 - (i) aggregate Outstanding Amounts of all Standby Instruments is less than or equal to \$<@>. Actual amount is \$_____.
- (e) **Permitted Derivatives.** A detailed listing of all Permitted Derivatives outstanding at the end of the Relevant Test Period is set out in the attachment hereto, together with confirmation from each counterparty of such Permitted Derivatives confirming the current “marked-to-market” value thereof.
- (f) **Capital Expenditures.** The aggregate total amount of Capital Expenditures incurred by the Group (i) during the Relevant Test Period is \$_____ and (ii) during the current Fiscal Year as of the date hereof is \$_____.

Each of the calculations in the attachment hereto demonstrates compliance with the relevant financial tests listed above as at, or for the Relevant Test Period.

The undersigned represents, warrants and agrees:

- (i) The representations and warranties deemed to be repeated under Section 10.2 of the Credit Agreement are true on and as of the date hereof.
- (ii) No Default has occurred and is continuing on the date hereof.

DATED this _____ day of _____, _____.

Yours very truly,

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____

Name:

Title:

**Annex 1 to Compliance Certificate for the Borrower
for the period ending _____, 20____**



This Appendix forms part Schedule 6 - Form of Compliance Certificate as submitted by the Borrower for the period ending _____, 20____

Signature

Name and Title

Date

**SCHEDULE 7
ORGANIZATION CHART**

See attached

SCHEDULE 8
PENSION PLANS & EMPLOYEE BENEFIT PLANS

Pension Plan: mandatory for all employees, 2% employee contribution and employer matching.
Administered by Manulife Canada.

Employee Benefit Plan: standard fully insured program administered through Industrial Alliance.

**SCHEDULE 9
BORROWING BASE REPORT**

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: Distinct Infrastructure Group Inc. Credit Facilities

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Report which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

I, _____, a Responsible Officer of the Borrower hereby certify as of month ending _____:

- (a) I am familiar with and have examined the provisions of the Credit Agreement and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Group.
- (b) The Borrowing Base is \$ _____, calculated as follows:

Total accounts receivable owing by persons located in Canada	\$ _____
Less:	
(i) Accounts, any portion of which exceeds 90 days	\$ _____
(ii) Accounts due from affiliates	\$ _____
(iii) “Under 90 days” accounts where collection is suspect	\$ _____
(iv) Accounts subject to prior encumbrances	\$ _____
(v) Holdbacks, contra-accounts or rights of set-off	\$ _____
(vi) Accounts included elsewhere in the Borrowing Base calculation	\$ _____

	(vii) Other ineligible accounts		
Plus:	(viii) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Lender has designated as nevertheless good	\$ _____	
	Good Accounts Receivable		A \$ _____
	Marginable Good Accounts Receivable at 75% of A		B \$ _____
	Total Designated Accounts Receivables		\$ _____
Less:	(i) Accounts, any portion of which exceeds 90 days	\$ _____	
	(ii) Accounts due from affiliates	\$ _____	
	(iii) "Under 90 days" accounts where collection is suspect	\$ _____	
	(iv) Accounts subject to prior encumbrances	\$ _____	
	(v) Holdbacks, contra-accounts or rights of set-off	\$ _____	
	(vi) Accounts included elsewhere in the Borrowing Base calculation	\$ _____	
	(vii) Other ineligible accounts	\$ _____	
	(viii) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 20% of the amount of accounts, which the Lender has designated as nevertheless good	\$ _____	
	Good Designated Accounts Receivables		C \$ _____
	Marginable Good Designated Accounts Receivables at 85% of C		D \$ _____
Less:	Statutory Prior Claims while not limited to these include:		
	Sales tax, Excise & GST	\$ _____	
	Employee source deductions such as E.I., CPP, Income Tax	\$ _____	
	Workers Compensation Board	\$ _____	
	Wages, Commissions, Vacation Pay	\$ _____	

Unpaid Pension Plan Contributions	\$_____
Overdue Rent, Property & Business Tax and Potential claims from third parties such as subcontractors	\$_____
Other	
Total Statutory Prior Claims	E \$_____
The lesser of (x) 35% of Work In Progress and (y) \$6,000,000	F \$_____
Borrowing Base (B+D-E+F)	\$_____
Less: Facility #1 Borrowings	\$_____
Margin Surplus (Deficit)	\$_____

- (c) Annexed hereto are the following reports in respect of the Borrower:
- (i) aged list of accounts receivable,
 - (ii) aged list of accounts payable, and
 - (iii) listing of Statutory Prior Claims.
- (d) The reports and information provided herewith are accurate and complete in all respects and all amounts certified as Statutory Prior Claims are current amounts owing and not in arrears.

Dated this ____ day of _____, 20__.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

Per: _____
Name: <@>
Title: <@>



RBC Royal Bank®

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street, Toronto, ON, M5J 2W7

June 20, 2017

Private and Confidential

Distinct Infrastructure Group Inc.

77 Belfield Road
Suite 102
Toronto, ON
M9W 1G6

Attention: Manny Bettencourt

We refer to the agreement dated March 23, 2017 between DISTINCT INFRASTRUCTURE GROUP INC. as the Borrower, and ROYAL BANK OF CANADA as the Lender (the "**Agreement**").

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

The following section is added to ARTICLE 2:

2.8 Revolving Funds Arrangement. The Borrower shall establish a Borrower's Account with the Lender in each of Canadian currency and US currency (each a "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Lender daily or otherwise as and when determined by the Lender, to ascertain the balance of each General Account and:

- a) if such position is a debit balance the Lender may, subject to the revolving increment amount and minimum retained balance of C\$1,000.00 or US\$1,000.00 as applicable, make available a Borrowing by way of Prime Rate Loans, or US Base Rate Loans as applicable, under the Revolver;
- b) if such position is a credit balance, where the Revolver is indicated to be Lender revolved, the Lender may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of Prime Rate Loans, or US Base Rate Loans as applicable, under this facility;
- c) if such position is a credit balance, where this facility is indicated to be Borrower revolved, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- d) Overdrafts and Lender revolved facilities by way of Prime Rate Loans, or US Base Rate Loans, are not available on the same General Account;
- e) The above stated revolvment under clause (a) will only be completed by the Lender if the Outstanding Amount of all Advances under the Revolver will comply with S.2.3 (Revolver Limit) and S.2.5 (Availability), immediately before and after any such revolvment."

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of a duly executed copy of this amending agreement;

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until June 30, 2017, after which date it will be null and void, unless extended in writing by the Bank.

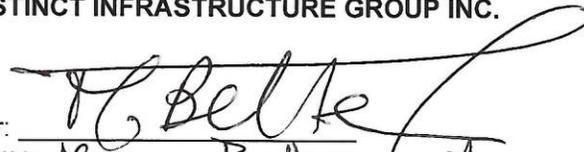
ROYAL BANK OF CANADA

Per: 
Name: **Andrew McLaughlin**
Title: **Vice President**

I have authority to bind the Lender.

Agreed to and accepted this 22 day of June, 20 17.

DISTINCT INFRASTRUCTURE GROUP INC.

Per: 
Name: **Manny Betencourt**
Title: **CFO**

I/We have the authority to bind the Borrower

Agreed to and accepted this 22 day of June, 20 17.



RBC Royal Bank®

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street, Toronto, ON, M5J 2W7

August 11, 2017

Private and Confidential

DISTINCT INFRASTRUCTURE GROUP INC.
77 Belfield Road
Toronto, Ontario
M9W 1G6

We refer to the agreement dated March 23, 2017 and any amendments thereto, between Distinct Infrastructure Group Inc. as Borrower, and Royal Bank of Canada, as Lender, (the "**Agreement**").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Events of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. The definition of "Revolving Commitment" under section 1.1 is deleted in its entirety and replaced as follows:

"**Revolver Commitment**" at any time means \$29,000,000 until October 31, 2017, at which time the amount changes to \$23,000,000; in both instances minus all reductions to such amount pursuant to each applicable provision of this Agreement occurring at or before such time."

In all other respects, the Agreement remains unamended and in full force and effect and binding upon the parties thereto.

Representations and Warranties

The Borrower represents and warrants to the Lender that:

- (a) it is a corporation duly incorporated and validly existing under the laws of the Province of Ontario, and is duly registered and qualified to carry on business in all jurisdictions where the character of the properties owned by it or the nature of its business transacted makes such registration or qualification necessary or desirable,
- (b) the execution, delivery and performance by it of this amending agreement has been duly authorized by all necessary actions and do not violate its articles of incorporation or other constating documents, as applicable, or any applicable laws or agreements to which it is subject or by which it is bound or affected,
- (c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of the Agreement, this amending agreement or any other agreement between it and the Bank,

- (d) without limiting the foregoing representations and warranties, the representations and warranties made by it to the Bank under the Agreement are true, accurate and complete in all respects as if they were made on the date of execution and delivery hereof with references therein to the Agreement being replaced by references to this amending agreement and the Agreement as amended by this amending agreement and such representations and warranties are hereby so repeated, it being understood that to the extent such representations and warranties relate solely to a specifically identified earlier date they need only be true and correct as of such earlier date.

Conditions Precedent to Amendments

The amendments to the Agreement set out in this amending agreement (the "**Amendments**") shall not become effective until the Bank has received (and/or waived receipt of) the following in form and substance satisfactory to it:

- (a) a duly executed copy of this amending agreement signed by each party hereto;
- (b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- (c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- (d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Confirmation of Security

This amending agreement is not intended by the parties to, and shall not constitute, a payment, discharge, satisfaction or novation of any Obligation of the Borrower to the Bank. The execution, delivery and effectiveness of this amending agreement shall not, except as previously provided herein, operate as or in any way be construed as a consent to, or a waiver of, any other matter or provision relating to, or contained in, the Agreement.

The Borrower ratifies and confirms its Obligations, as amended by the Amendments, and confirms and agrees that its Obligations continue in full force and effect without change, except to the extent expressly amended by the Amendments, and are binding upon it.

The execution and delivery of this amending agreement and the entry into effect of the Amendments shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of the Bank arising under, by reason of or otherwise in respect of the Agreement, except to the extent expressly amended by the Amendments.

In this amending agreement, "**Obligations**" means all indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter, as principal debtor or as surety, and wheresoever and howsoever arising) of the Borrower owing to the Bank, and any item or part of any thereof.

General

The Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation and documentation of this amending agreement and the operation or enforcement of this amending agreement.

This amending agreement may be executed and delivered in any number of counterparts and by different parties in separate counterparts, and by facsimile or PDF electronic format signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together constitute one and the same instrument. If any provision of this amending agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor invalidate, affect or impair any of the remaining provisions of this amending agreement.

This amending agreement shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Kindly acknowledge your acceptance of these amendments by signing this amending agreement in the space provided below and returning it to the Bank by no later than August 31, 2017 after which it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA

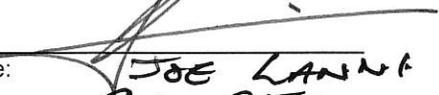
Per: _____
Name:
Title:

I have authority to bind the Lender.

Agreed to and accepted this 11th day of Aug, 2017.

DISTINCT INFRASTRUCTURE GROUP INC.

Per: 
Name: MANNY BETTENCOURT
Title: CFO

Per: 
Name: JOE LANNA
Title: CO-CEO

I/We have authority to bind the Borrower.



RBC Royal Bank®

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street, Toronto, ON, M5J 2W7

October 31, 2017

Private and Confidential

DISTINCT INFRASTRUCTURE GROUP INC.
77 Belfeld Road
Toronto, Ontario
M9W 1G6

We refer to the agreement dated March 23, 2017 and any amendments thereto, between Distinct Infrastructure Group Inc. as Borrower, and Royal Bank of Canada, as Lender, (the "**Agreement**").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Events of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. The definition of "Revolving Commitment" under section 1.1 is deleted in its entirety and replaced as follows:

"**Revolver Commitment**" at any time means \$29,000,000 until November 30, 2017, at which time the amount changes to \$23,000,000; in both instances minus all reductions to such amount pursuant to each applicable provision of this Agreement occurring at or before such time."

In all other respects, the Agreement remains unamended and in full force and effect and binding upon the parties thereto.

Representations and Warranties

The Borrower represents and warrants to the Lender that:

- (a) it is a corporation duly incorporated and validly existing under the laws of the Province of Ontario, and is duly registered and qualified to carry on business in all jurisdictions where the character of the properties owned by it or the nature of its business transacted makes such registration or qualification necessary or desirable,
- (b) the execution, delivery and performance by it of this amending agreement has been duly authorized by all necessary actions and do not violate its articles of incorporation or other constating documents, as applicable, or any applicable laws or agreements to which it is subject or by which it is bound or affected,
- (c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of the Agreement, this amending agreement or any other agreement between it and the Bank,

- (d) without limiting the foregoing representations and warranties, the representations and warranties made by it to the Bank under the Agreement are true, accurate and complete in all respects as if they were made on the date of execution and delivery hereof with references therein to the Agreement being replaced by references to this amending agreement and the Agreement as amended by this amending agreement and such representations and warranties are hereby so repeated, it being understood that to the extent such representations and warranties relate solely to a specifically identified earlier date they need only be true and correct as of such earlier date.

Conditions Precedent to Amendments

The amendments to the Agreement set out in this amending agreement (the "**Amendments**") shall not become effective until the Bank has received (and/or waived receipt of) the following in form and substance satisfactory to it:

- (a) a duly executed copy of this amending agreement signed by each party hereto;
- (b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- (c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- (d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Confirmation of Security

This amending agreement is not intended by the parties to, and shall not constitute, a payment, discharge, satisfaction or novation of any Obligation of the Borrower to the Bank. The execution, delivery and effectiveness of this amending agreement shall not, except as previously provided herein, operate as or in any way be construed as a consent to, or a waiver of, any other matter or provision relating to, or contained in, the Agreement.

The Borrower ratifies and confirms its Obligations, as amended by the Amendments, and confirms and agrees that its Obligations continue in full force and effect without change, except to the extent expressly amended by the Amendments, and are binding upon it.

The execution and delivery of this amending agreement and the entry into effect of the Amendments shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of the Bank arising under, by reason of or otherwise in respect of the Agreement, except to the extent expressly amended by the Amendments.

In this amending agreement, "**Obligations**" means all indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter, as principal debtor or as surety, and wheresoever and howsoever arising) of the Borrower owing to the Bank, and any item or part of any thereof.

General

The Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation and documentation of this amending agreement and the operation or enforcement of this amending agreement.

This amending agreement may be executed and delivered in any number of counterparts and by different parties in separate counterparts, and by facsimile or PDF electronic format signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together constitute one and the same instrument. If any provision of this amending agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor invalidate, affect or impair any of the remaining provisions of this amending agreement.

This amending agreement shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Kindly acknowledge your acceptance of these amendments by signing this amending agreement in the space provided below and returning it to the Bank by no later than October 31, 2017 after which it will be null and void, unless extended in writing by the Bank.

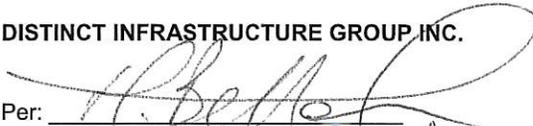
ROYAL BANK OF CANADA

Per: 
Name: Andrew McLauchlin
Title: Vice President

I have authority to bind the Lender.

Agreed to and accepted this 31 day of October, 2017.

DISTINCT INFRASTRUCTURE GROUP INC.

Per: 
Name: Manny Bellacosa
Title: CEO

Per: 
Name: Joe Lanni
Title: Co-Chief Executive Officer

I/We have authority to bind the Borrower.

**FIRST AMENDING AGREEMENT TO
CREDIT AGREEMENT**

THIS FIRST AMENDING AGREEMENT is made as of November 21, 2017

BETWEEN:

DISTINCT INFRASTRUCTURE GROUP INC., as Borrower

-and-

ROYAL BANK OF CANADA, as Lender

WHEREAS a credit agreement dated as of March 23, 2017, as amended by a letter agreement dated June 20, 2017, a letter agreement dated August 11, 2017 and a letter agreement dated October 31, 2017 (as so amended, the “**Credit Agreement**”) was entered into among the parties hereto.

AND WHEREAS the Borrower has requested the Lender to grant certain waivers and consents under and to agree to certain amendments of the Credit Agreement as set out herein, and the Lender is prepared to grant the waivers and consents and agree to amend certain provisions of the Credit Agreement all as set out herein on and subject to the terms and conditions set out herein.

NOW THEREFORE in consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Unless otherwise defined herein, words and expressions defined or given extended meanings in the Credit Agreement are used with the same respective defined or extended meanings in this first amending agreement.

1.2 Reference to Agreements

Each reference in this first amending agreement to any agreement or document (including this first amending agreement and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change thereto made at or before the time in question.

1.3 Headings, etc.

The division of this first amending agreement into Articles, Sections and Subsections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this first amending agreement. The terms “**this first amending agreement**”, “**hereof**”, “**hereunder**” and similar expressions refer to this first amending agreement and not to any particular Article, Section, Subsection, paragraph, subparagraph, clause or other portion of this first amending agreement.

1.4 Grammatical Variations

In this first amending agreement, unless the context otherwise requires, (a) words and expressions (including words and expressions defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (b) words in one gender include all genders and (c) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this first amending agreement shall be construed in like manner.

ARTICLE 2 WAIVERS AND CONSENTS

2.1 Waivers and Consents

Subject to Article 4, the Lender hereby (collectively, the “**Waivers and Consents**”):

- 2.1.1 waives as applicable compliance with the provisions of Subsection 11.3.1 of the Credit Agreement solely with respect to the Test Period ending September 30, 2017.

The Waivers and Consents are in respect of the waivers and consents expressly specified in this Section 2.1 and do not constitute a consent or waiver by the Lender of any other conditions, matters or other provisions set forth in the Credit Agreement or in any other Secured Document.

2.2 Validity

The Waivers and Consents shall be void and of no force and effect if any of the conditions set forth in Article 4 are not satisfied, fulfilled or otherwise met to the satisfaction of the Lender, in which event the Lender shall be deemed never to have given the Waivers and Consents.

ARTICLE 3 AMENDMENTS

3.1 Credit Agreement Amendments

Subject to Article 4 of this Agreement, the Credit Agreement is hereby amended as follows (collectively, the “**Amendments**”):

- 3.1.1 The definition of “**Applicable Margin**” set forth in Section 1.1 is deleted in its entirety and replaced by the following:

““**Applicable Margin**” in relation to any form of Advance or Standby Fee as of any date means the percentage rate per annum determined in accordance with the table set forth below by reference to the Leverage Ratio most recently certified by the Borrower in a Compliance Certificate delivered to the Lender pursuant to Subsection 8.1(a)(xii) or 11.1.1:

Level	Leverage Ratio	Floating Rate Loans	Standby Instruments, Libor Loans and Acceptances	Standby Fee
I	< 3.00:1	1.35 %	2.35 %	0.3525%
II	≥ 3.00:1 and < 3.50:1	1.85 %	2.85 %	0.4275%
III	≥ 3.50:1 and < 4.00:1	2.35 %	3.35 %	0.5025%
IV	≥ 4.00:1	2.75%	3.75%	0.5625%

Changes in the Applicable Margin shall take effect as of the third (3rd) Business Day following the date the Borrower delivers a Compliance Certificate to the Lender pursuant to Subsection 11.1.1 which, when delivered, discloses a Leverage Ratio at a Level that differs from that applicable to the prior period. The Applicable Margin applicable to all Types of Loans outstanding on the date any such change takes effect will be adjusted immediately, but without retroactive effect. There will be no adjustments made with respect to Acceptances which are issued before the date any such changes take effect, save that adjustments shall be made to outstanding Acceptances having a Term of more than three (3) months at the end of every three (3) months in that Term. Notwithstanding the foregoing, (y) if the Borrower fails to deliver a Compliance Certificate to the Lender by the date required to do so under Subsection 11.1.1, the Leverage Ratio shall be deemed as from such date to be at Level IV until such failure is cured, at which time the Applicable Margin shall be determined in accordance with the table set forth above, but without any adjustments having retroactive effect and (z) to the extent permitted by applicable law, the Applicable Margin shall be increased at all Levels and for all Types of Advances by two percent (2%) per annum so long as an Event of Default is continuing.”

- 3.1.2 The definition of “**Availability Period**” set forth in Section 1.1 is hereby amended by deleting reference to “May 31, 2017” and replacing it with “November 30, 2017”.
- 3.1.3 The definition of “**Borrowing Base**” set forth in Section 1.1 is hereby amended by deleting reference to “\$6,000,000” and replacing it with “\$10,000,000”.
- 3.1.4 The definition of “**Revolver Commitment**” set forth in Section 1.1 is hereby amended by deleting reference to “\$23,000,000” and replacing it with “\$30,000,000”.
- 3.1.5 The definition of “**Term Commitment**” set forth in Section 1.1 is hereby amended by deleting reference to “\$12,000,000” and replacing it with “\$20,000,000”.
- 3.1.6 New definitions of “**CUL**”, “**CUL Acquisition**” and “**CUL Acquisition Agreement**” are inserted in Section 1.1 in alphabetical order as follows:

““CUL” means Crown Utilities Ltd., a corporation existing under the laws of the Province of Manitoba.”

““CUL Acquisition” means the Acquisition by the Borrower of CUL pursuant to the CUL Acquisition Agreement.”

““CUL Acquisition Agreement” means the share purchase agreement dated November 21, 2017 among the Borrower, CUL and certain shareholders of CUL.”

- 3.1.7 Subsection 2.2.2 of the Credit Agreement is deleted in its entirety and replaced by the following:

“2.2.2 *Use of Proceeds.* The Borrower will use the Drawdowns made available to it pursuant to the Term Loan Facility solely for the purposes of financing (x) the payment in full of the Crown Capital Debt and (y) financing its day-to-day working capital requirements, as well as for other general corporate purposes, including financing Permitted Acquisitions and capital expenditures.”

- 3.1.8 Subsection 2.4.2 of the Credit Agreement is deleted in its entirety and replaced by the following:

“2.4.2 *Cancellation of Undrawn Amount.* The Term Commitment shall be cancelled and permanently reduced at the close of business on November 30, 2017 by the amount, if any, which (a) the Term Commitment at the close of business on November 30, 2017 exceeds (b) the total principal amount of all Advances outstanding under the Term Loan Facility at the end of the day on November 30, 2017.”

- 3.1.9 Subsection 2.5.2 of the Credit Agreement is deleted in its entirety and replaced by the following:

“2.5.2 *Term Loan Facility.* Upon and subject to the terms and conditions of this Agreement, the Borrower may borrow two (2) Advances under the Term Loan Facility during its Availability Period (the first Advance on or about the Closing Date and the second Advance on or about the date of the CUL Acquisition) on a non-revolving basis by way of Loan or issue of Acceptances.”

- 3.1.10 Subsection 2.6.2 of the Credit Agreement is deleted in its entirety and replaced by the following:

“2.6.2 *Term Loan Facility Drawdown Request.* The Borrower must deliver a Borrowing Request to the Lender to obtain a Drawdown under the Term Loan Facility subject to same requirements as apply to a Drawdown under the Revolver under Subsection 2.6.1, save that the Drawdowns under the Term Loan Facility must take place on or before November 30, 2017.”

- 3.1.11 A new Section 2.8 of the Credit Agreement is added as follows:

“**2.8 Accordion Feature.** The Borrower may from time to time make up to two (2) requests during the term of this Agreement to increase either Commitment by notice to

the Lender specifying the amount of the increase (which, together with all other increases previously made pursuant to this Section 2.8, shall not exceed \$10,000,000) and the Lender shall inform the Borrower in writing whether it has consented to such increase within ten (10) Business Days of such notice, provided that any such increase in such Commitment shall be (a) at the Lender's sole and absolute discretion and (b) if consented by the Lender, subject to the same terms and conditions as they are applicable to the applicable Credit Facility."

3.1.12 Subsection 3.5.1 of the Credit Agreement is deleted in its entirety and replaced by the following:

"3.5.1 Standby Letters of Credit. The Borrower shall pay a standby instrument fee to the Lender in advance on the issuance and renewal by it of each Standby Instrument under the Revolver for the period from and including the date of issuance or renewal of such Standby Instrument to and including the stated expiry date thereof, based on the rateable daily Outstanding Amount of the Standby Instrument. Such standby instrument fee shall be payable in the currency in which such Standby Instrument is denominated or in Canadian Dollars or US Dollars, as the Lender may require."

3.1.13 Section 4.1 of the Credit Agreement is deleted in its entirety and replaced by the following:

"4.1 Notice and Term. The Borrower may deliver a Borrowing Request to the Lender (which must be received by the Lender before 4pm EST, one Business Day prior to the commencement of the Term requested in such Borrowing Request to be effective) requesting that Drafts be accepted under the Revolver or Term Loan Facility on any proposed Borrowing Date and stating the aggregate face amount and the Term applicable to such Drafts. The Term of such Drafts must be a period of one (1) to twelve (12) months expiring on or before the Applicable Maturity Date."

3.1.14 Subsection 7.1.2 of the Credit Agreement is deleted in its entirety and replaced by the following:

"7.1.2 Term Loan Facility. Subject to Section 12.2, the Borrower shall repay to the Lender the outstanding Advances under the Term Loan Facility in instalments on the repayment dates set out in the table below. Each such instalment shall be in the amount determined as (a) the original principal amount of both Drawdowns made under the Term Loan Facility *multiplied by* (b) the percentage indicated opposite each such repayment date.

Repayment Date	Percentage to Be Repaid
December 31, 2018	3.571%
Last Business Day of each subsequent Fiscal Quarter commencing with the Fiscal Quarter ending on March 31, 2019	3.571%
Term Loan Maturity Date	Remaining percentage

The Term Commitment shall be permanently cancelled and reduce on each such repayment date by the amount of each such required repayment instalment.”

3.1.15 Subsection 10.1.15 of the Credit Agreement is hereby amended by deleting “Transactions” in the third line and replacing it with “CUL Acquisition”.

3.1.16 Subsection 10.1.20 of the Credit Agreement is hereby amended by deleting “Closing Date” in the fourth line and replacing it with “date of the CUL Acquisition”.

3.1.17 Subsection 11.3.1 of the Credit Agreement is deleted in its entirety and replaced by the following:

“11.3.1 *Leverage Ratio.* The Leverage Ratio shall not exceed (a) 4.50:1 for each Test Period ending on or before September 30, 2018, (b) 4.00:1 for each Test Period ending after September 30, 2018 but on or before September 30, 2019, and (c) 3.50:1 for each Test Period ending on or after December 31, 2019.”

3.1.18 Subsection 11.3.2 of the Credit Agreement is deleted in its entirety and replaced by the following:

“11.3.2 *Debt Service Coverage Ratio.* The Debt Service Coverage Ratio shall not be less than (a) 1.10:1 for each Test Period ending on or before September 30, 2018, and (b) 1.25:1 for each subsequent Test Period ending on or after December 31, 2018.”

3.1.19 Subsection 11.4.9 of the Credit Agreement is deleted in its entirety and replaced by the following:

“11.4.9 *Limitation on Investments.* It will not make any Investments, other than (w) the CUL Acquisition, (x) Investments in Cash Equivalents, (y) Investments in a Loan Party, and (z) other Investments in an aggregate outstanding amount not to exceed \$2,000,000 (or Equivalent in other currency); provided that no Default has occurred or could reasonably be expected to occur after such Investment is made. For clarity, Acquisitions made in compliance with Subsection 11.4.10 shall not constitute Investments for the purposes of this Subsection 11.4.9.”

3.1.20 Subsection 11.4.6 of the Credit Agreement is deleted in its entirety and replaced by the following:

“11.4.6 *Negative Pledge.* It will not create, incur, assume or otherwise become liable upon or permit to exist any Lien on, against or with respect to any of its assets, except for (a) Statutory Prior Liens, (b) Liens for assessments or governmental charges or levies which are paid when due or, if overdue, the validity or amount of which is being contested in good faith by appropriate proceedings and in respect of which adequate steps have been taken (which may include cash being paid to or pledged with the relevant governmental authority) to prevent penalties from being imposed, interest from accruing and the commencement or continuation of enforcement proceedings and adequate reserves in accordance with Applicable Accounting Principles have been recorded on its consolidated balance sheet, (c) construction, mechanics’, carriers’, warehousemen’s,

storage, repairers' and materialmen's Liens; provided that the obligations secured by such liens are paid when due and no Lien has been registered against any of its assets or if a Lien has been registered, same is being diligently defended in good faith by appropriate proceedings and appropriate steps have been taken to prevent any disposal of such assets, (d) Liens arising from court or arbitral proceedings; provided that the claims secured thereby are being contested in good faith by appropriate proceedings by it, execution thereon has been stayed and continues to be stayed and such Liens do not, in the aggregate, detract from the value of any asset of any Group Member or impair the use thereof in the conduct of business of any Group Member, other than in a manner that is Immaterial, (e) deposits of cash securities in connection with any appeal, review or contestation of any security or lien, or any matter giving rise to any security or lien, described in paragraph (d) above, (f) any pledge of cash by it to any insurer, guarantor, third party contractor, public utility or governmental authority made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of Debt), leases, customs duties and other similar obligations, (g) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of business in relation to deposit accounts or other funds maintained with a financial institution, (h) Liens over specific items of property (as opposed to Liens over all or any substantial part of the assets of it), excluding the Capital Stock of any Group Member, in favour of Unrelated Parties securing purchase-money Debt (including capital leases) newly incurred by the entire Group for any Test Period in an aggregate amount which does not exceed \$5,000,000 (or Equivalent in other currency) provided that the *pro forma* Leverage Ratio (including the amount of such purchase-money Debt) as at the end of such Test Period complies with Subsection 11.3.1 for such Test Period, (i) the Liens created by the Security and any other Liens created in favour of the Lender, (j) such other Liens securing such obligations as may be approved by the Lender from time to time and (k) Liens on real property which consist of (i) reservations, limitations, provisos and conditions expressed in the original grant from the Crown, (ii) any general qualifications to title imposed under the land titles registry system in which any real property is situate, (iii) any encroachments, variations in description or by-law infractions which might be revealed by an up-to-date survey of the real property which do not detract in any material way from the use or intended use of the property, (iv) any agreement with a municipality with respect to the development of the buildings, fixtures and improvements on the real property which do not create Material obligations, (v) restrictions or restrictive covenants disclosed by registered title which do not detract in any material way from the use or intended use of the property, (vi) any easement or right-of-way disclosed by registered title which do not detract in any material way from the use or intended use of the property, (vii) any easement for the supply of utilities or telephone services to the real property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, (viii) registered easements or rights of way for passage, ingress and egress of persons and vehicles over parts of the real property, (ix) facility cost sharing, servicing, parking, reciprocal and other similar agreements with neighbouring land owners and/or governmental authorities, and (x) the provisions of Applicable Laws including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning."

3.1.21 Subsection 11.4.10 of the Credit Agreement is deleted in its entirety and replaced by the following:

“11.4.10 Limitations on Acquisitions. Unless otherwise approved by the Lender and except for the CUL Acquisition, it will not make any Acquisition, unless (y) if such Acquisition involves the acquisition of Capital Stock of another person, upon such Acquisition taking place, the person acquired will be a Wholly-Owned Subsidiary of the Borrower, and (z) whether such Acquisition is of assets or Capital Stock: (i) the business Acquired has generated positive EBITDA for its most recently concluded 12-month accounting period; (ii) the assets Acquired are located in Canada; (iii) upon completion of the Acquisition, the undrawn amount under the Revolver shall not be less than \$5,000,000; (iv) the aggregate total consideration paid for all Acquisitions during any Fiscal Year, *plus* (without duplication) the aggregate total amount of all Debt assumed on a consolidated basis on all such Acquisitions, does not exceed \$5,000,000 (or Equivalent in other currency); (v) upon or immediately following completion of such Acquisition, all Debt not permitted by Subsection 11.4.1 of each person acquired shall be repaid and all Liens over the assets acquired (including those of any person acquired and each Subsidiary) that do not constitute Permitted Liens shall be released; (vi) no Default has occurred or could reasonably be expected to occur; (viii) the assets being acquired comprise a Core Business; (vii) the Acquisition does not take place pursuant to a Hostile Take-Over Bid; and (viii) the Lender has received in form and substance acceptable to it and at least fifteen (15) Business Days prior to such Acquisition: (A) a quality of earnings report and the audited financial statements for any business Acquired for which the aggregate total consideration to be paid exceeds \$10,000,000 or (B) reviewed financial statements for any business Acquired for which the aggregate total consideration to be paid does not exceed \$10,000,000. In the event that the Borrower wishes to make any Acquisition that does not comply with the limitations set out herein, the Borrower shall provide the Lender with a summary of the proposed Acquisition and the Lender shall provide its decision in its sole and absolute discretion with respect to the proposed Acquisition within 30 days of receiving the summary.”

3.1.22 Schedule 7 (Organization Chart) is hereby amended by replacing it with Schedule 7 (Organization Chart) hereto.

ARTICLE 4 CONDITIONS PRECEDENT

4.1 Conditions Precedent

Neither the Waivers and Consents nor the Amendments shall become effective unless and until the Lender confirms in writing to the Borrower (an “**Effective Notice**”) that each of the following conditions precedent has been satisfied, fulfilled or otherwise met:

- 4.1.1 the Lender has received each of the following in form and substance satisfactory to the Lender (in original or, at the Lender’s discretion, pdf, facsimile or other copy):
- (a) this first amending agreement duly executed by each party hereto;

- (b) a Certificate of the Borrower (A) attaching true copies of (I) the Constitutional Documents of the Borrower and (II) documents evidencing all necessary corporate action taken by the Borrower to authorize the execution, delivery and performance by it of each Secured Document to which it is a party and the consummation of the transactions contemplated thereby and (B) certifying (I) as to incumbency and true signatures of its Responsible Officers signatory to the Loan Documents, (II) no Material Adverse Change has occurred since the Closing Date, (III) each of the representations and warranties under Section 5.1 is true and correct, (IV) no Default exists, (V) all conditions to closing and completion of the CUL Acquisition (as defined in the Credit Agreement as amended by the Amendments) under the CUL Acquisition Agreement (as defined in the Credit Agreement as amended by the Amendments) have been satisfied, save for the payment of \$13,000,000 under Section 2.2(1) of the CUL Acquisition Agreement (and no provision of the CUL Acquisition Agreement shall have been waived, amended, supplemented or otherwise modified (including any consents thereunder) in a manner material and adverse to the Lender without the consent of the Lender), (VI) AltaCorp Capital Inc. has deposited \$9,803,306 in a Borrower's Account free from any escrow or condition except that such amount must be applied to the partial payment of \$13,000,000 under Section 2.2(1) of the CUL Acquisition Agreement, and (VII) it has issued 2,962,963 Common shares of its Capital Stock to the persons described in, and in accordance with, Schedule A to the CUL Acquisition Agreement;
- (c) evidence of the issuance of the Consideration Shares (as defined in the CUL Acquisition Agreement);
- (d) a Certificate of each Guarantor (including, for certainty, Crown Utilities Ltd. ("CUL")) (or a bring down certificate as applicable) (A) attaching true copies of (I) the Constitutional Documents of such Guarantor and (II) documents evidencing all necessary internal corporate, partnership and/or other management action taken by such Guarantor to authorize the execution, delivery and performance by it of each Secured Document to which it is a party and the consummation of the transactions contemplated thereby and (B) certifying as to incumbency and true signatures of its Responsible Officers signatory to each Secured Document to which it is a party,
- (e) an original certificate of good standing, or equivalent, with respect to the Borrower and each Guarantor (including, for certainty, CUL) from the applicable governmental authority in its jurisdiction of formation;
- (f) a security agreement from CUL creating Liens in all of its assets and a Guarantee from CUL;
- (g) such releases and discharges and undertakings to release and discharge (including evidence of registration of and/or authorizations to register such releases and discharges) of all Liens that are not Permitted Liens as the Lender (acting on the advice of Lender's Counsel) may reasonably require;

- (h) such payout statements of all Debt that is not Permitted Debt, together with such evidence of payment thereof, as the Lender (acting on the advice of Lender's Counsel) may reasonably require;
 - (i) opinions from the Borrower's Counsel addressed to the Lender and the Lender's Counsel, in respect of the Loan Parties, the laws of such applicable jurisdictions, the Secured Documents, and as to such matters and in such form as the Lender (acting on the advice of Lender's Counsel) may reasonably require;
 - (j) all documentation and other information for the Borrower, required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations;
 - (k) the duly executed CUL Acquisition Agreement;
 - (l) confirmation from the Lender that it has satisfied itself with respect to the following matters or it is prepared to waive satisfaction of the following matters: (i) completion and satisfaction with the results of legal, business, accounting and collateral due diligence enquiries on the Group, (ii) satisfaction with the corporate structure of the Group post CUL Acquisition, the transactions implementing such corporate structure, and all documentation relating thereto, (iii) satisfaction with the *pro forma* consolidated financial statements for the Group post CUL Acquisition, and (iv) the approved sources and uses of funds for the CUL Acquisition;
 - (m) a perfection certificate from CUL;
 - (n) a direction to pay and a Borrowing Request in connection with the CUL Acquisition;
 - (o) a *pro forma* Compliance Certificate prepared for the Test Period ending September 30, 2017;
 - (p) such other agreements, documents and instruments as the Lender may, in its judgment, reasonably require;
- 4.1.2 no Material Adverse Change shall have occurred since the Closing Date;
- 4.1.3 all conditions to closing and completion of the CUL Acquisition under the CUL Acquisition Agreement shall have been satisfied, save for the payment of \$13,000,000 under Section 2.2(1) of the CUL Acquisition Agreement, strictly in accordance with the terms and conditions of the CUL Acquisition Agreement and the Loan Documents (and no provision of the CUL Acquisition Agreement shall have been waived, amended, supplemented or otherwise modified (including any consents thereunder) in a manner material and adverse to the Lender without the consent of the Lender);
- 4.1.4 AltaCorp Capital Inc. has deposited \$9,803,306 in a Borrower's Account;
- 4.1.5 no Default shall exist;

- 4.1.6 all of the representations and warranties contained in Section 5.1 are true and correct;
- 4.1.7 the Security has been registered wheresoever required by the Lender (acting on the advice of Lender's Counsel) and such Security shall grant the Lender a first priority perfected Lien in the Collateral (such first priority Lien subject only to the Permitted Liens);
- 4.1.8 the Borrower shall have received all governmental and third party approvals (including shareholder approvals, landlords' consents, and other consents) necessary or, in the reasonable opinion of the Lender, advisable in connection with this first amending agreement, the CUL Acquisition or the transactions contemplated by the Secured Documents, which shall all be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement or the transactions contemplated by the Secured Documents;
- 4.1.9 arrangements satisfactory to the Lender have been made to ensure that (i) all fees then due and owing to the Lender under or in connection with any Secured Document have been or will be paid in full, and (ii) all reasonable documented out-of-pocket fees, costs and expenses incurred by the Lender (including those payable to the Lender's Counsel) reimbursable hereunder have been or will be paid in full.

The date the Lender provides the Effective Notice to the Borrower is referred to in this first amending agreement as the "**Effective Date**". The Credit Agreement as amended by the Amendments shall constitute one agreement, and the Credit Agreement as so amended is hereby ratified and confirmed by the parties hereto.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Loan Parties

Each Loan Party represents and warrants to and in favour of the Lender that:

- (a) the representations and warranties under Article 10 of the Credit Agreement are true, accurate and complete in all respects as if they were made both on the date of execution and delivery hereof and on the Effective Date with references therein to the Credit Agreement being replaced by references to this first amending agreement and the Credit Agreement (in the case of the date of execution and delivery hereof) and the Credit Agreement as amended by the Amendments (in the case of the Effective Date) and such representations and warranties are hereby so repeated, it being understood that to the extent such representations and warranties relate solely to a specifically identified earlier date they need only be true and correct as of such earlier date;
- (b) all filings, notifications and authorizations with, to or from Manitoba Hydro required to permit the change of ownership of the Purchased Shares (as defined in the CUL Acquisition Agreement) contemplated by the CUL Acquisition

Agreement without resulting in the material violation of or a material default under or any termination, amendment or acceleration of any obligation under any agreement between Manitoba Hydro and CUL (or any of its Subsidiaries) have been made, given or obtained; and

- (c) before the Effective Date, the Borrower has delivered to the Lender a complete and correct copy of the CUL Acquisition Agreement (including all schedules, exhibits, supplements, changes and assignments in respect thereof). No Loan Party is, and to its knowledge, no other person party to the CUL Acquisition Agreement is, in material default in the performance or compliance with any provisions thereof. The CUL Acquisition Agreement complies with, and the transactions contemplated therein have been consummated in accordance with, all Applicable Laws in all material respects. The transactions contemplated by the CUL Acquisition Agreement to occur on the Effective Date have been or (as the case may be) will be completed strictly in accordance with the terms and conditions of the CUL Acquisition Agreement. The CUL Acquisition Agreement is in full force and effect as of the Effective Date and has not been terminated, rescinded or withdrawn; or modified in any manner material and adverse to the interests of the Lender. All requisite approvals by any governmental authority having jurisdiction over the Borrower or the transactions contemplated by the CUL Acquisition Agreement and all third party authorizations have been obtained, and no such approvals or authorizations impose any conditions to the consummation of the transactions contemplated or to the conduct by it of its businesses thereafter. No proceeding of or before any governmental authority, arbitrator or court is pending or, to any Loan Party's knowledge, threatened against it challenging, enjoining the completion of, or otherwise in respect of, the transactions contemplated by the CUL Acquisition Agreement which if determined against it could reasonably be expected to have a Material Adverse Effect.

ARTICLE 6 CONFIRMATION

6.1 Confirmations by the Loan Parties

- 6.1.1 This first amending agreement is not intended by the parties to, and shall not constitute, a payment, discharge, satisfaction or novation of any obligation of any Loan Party to the Lender, other than as expressly provided herein. Each Loan Party hereby confirms to and agrees with the Lender that its Secured Obligations shall continue in full force and effect in accordance with their respective terms (amended, as applicable, by this first amending agreement). Each Loan Party hereby confirms and agrees that (x) any guarantee and other obligations expressed to be binding on it under or pursuant to the Secured Documents to which it is party other than the Credit Agreement (its "**Existing Secured Documents**") shall, except as contemplated hereby, be unaffected by and shall be binding upon it and continue in full force and effect, with any such guarantee guaranteeing, *inter alia*, the Secured Obligations of the other Loan Parties as amended hereby, and the execution and delivery of this first amending agreement and the entry into effect of this first amending agreement shall not in any manner whatsoever reduce, release, discharge,

impair or otherwise prejudice or change the rights of the Lender arising under, by reason of or otherwise in respect of such guarantee and other obligations, except to the extent expressly contemplated hereby, (y) the Security granted by it shall, except as expressly contemplated hereby, be unaffected by and shall be binding on it and its assets and continue in full force and effect securing the payment and performance of its Secured Obligations as amended hereby and the entry into effect of this first amending agreement shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of the Lender arising under, by reason of or otherwise in respect of its Security, except to the extent expressly contemplated hereby, and (z) each reference, if any, in its Existing Secured Documents to the Credit Agreement shall be construed as a reference to the Credit Agreement as amended by this first amending agreement.

ARTICLE 7 POST-CLOSING UNDERTAKING

7.1 Post-Closing Undertaking

The Borrower shall deliver to the Lender, in form and substance satisfactory to the Lender and no later than fifteen (15) Business Days following the Effective Date, a certificate of insurance evidencing the insurance required to be maintained by the Borrower in respect of CUL under Section 11.2.8 of the Credit Agreement.

ARTICLE 8 GENERAL

8.1 Upfront Fee

In consideration of the Lender agreeing to the Amendments, the Borrower hereby agrees to pay on or before the Effective Date to the Lender an upfront fee (the “**Upfront Fee**”) in the amount of \$75,000 (being 50 basis points computed on the \$15,000,000 increase in the amount of the Commitments). The Upfront Fee shall be fully-earned on the Effective Date and is non-refundable.

8.2 Further Assurances

Each Loan Party shall, at its own expense, do, make, execute or deliver all such further acts, documents and things in connection with this first amending agreement as the Lender may reasonably require for the purpose of giving effect to this first amending agreement, all promptly following the request of the Lender.

8.3 Benefit and Burden

This first amending agreement shall enure to the benefit of and be binding upon the signatories hereto, their respective successors and each assignee of some or all of the rights or obligations of the parties under the Secured Documents permitted by Section 13.10 of the Credit Agreement.

8.4 Expenses

The Borrower shall, promptly following the request by the Lender, reimburse the Lender on a full indemnity basis for all reasonable out-of-pocket expenses (including fees, costs and expenses of the Lender's Counsel) incurred by the Lender in connection with the preparation, settlement, execution and delivery of this first amending agreement.

8.5 Counterparts

This first amending agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same agreement, and it shall not be necessary in making proof of this first amending agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this first amending agreement by facsimile or e-mail in pdf format by one party hereto to each other party hereto shall be as effective as delivery of an original manually executed counterpart hereof to each other party hereto.

8.6 Governing Law

This first amending agreement shall be governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario, but without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of any Loan Party may be found.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties have executed this first amending agreement as of the date first written above.

THE BORROWER

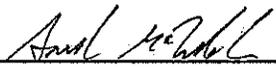
**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: 
Name: Danny Bettercourt
Title: CEO

By: _____
Name:
Title:

LENDER:

ROYAL BANK OF CANADA

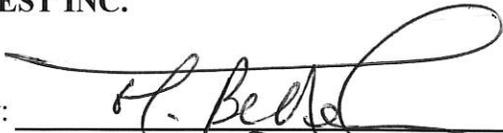
By: 
Name: **Andrew McLauchlin**
Title: **Vice President**

By: _____
Name:
Title:

We acknowledge and accept the terms and conditions of this first amending agreement as of the date first written above.

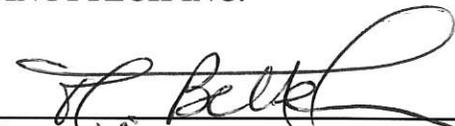
GUARANTORS:

**DISTINCT INFRASTRUCTURE GROUP
WEST INC.**

By: 
Name: Danny Bettencourt
Title: CFO

By: _____
Name: _____
Title: _____

DISTINCTTECH INC.

By: 
Name: Danny Bettencourt
Title: CFO

By: _____
Name: _____
Title: _____

IVAC SERVICES INC.

By: _____



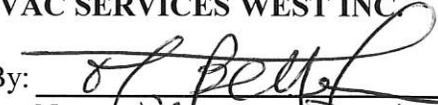
Name: Danny Bettercourt
Title: CEO

By: _____

Name:
Title:

IVAC SERVICES WEST INC.

By: _____



Name: Danny Bettercourt
Title: CEO

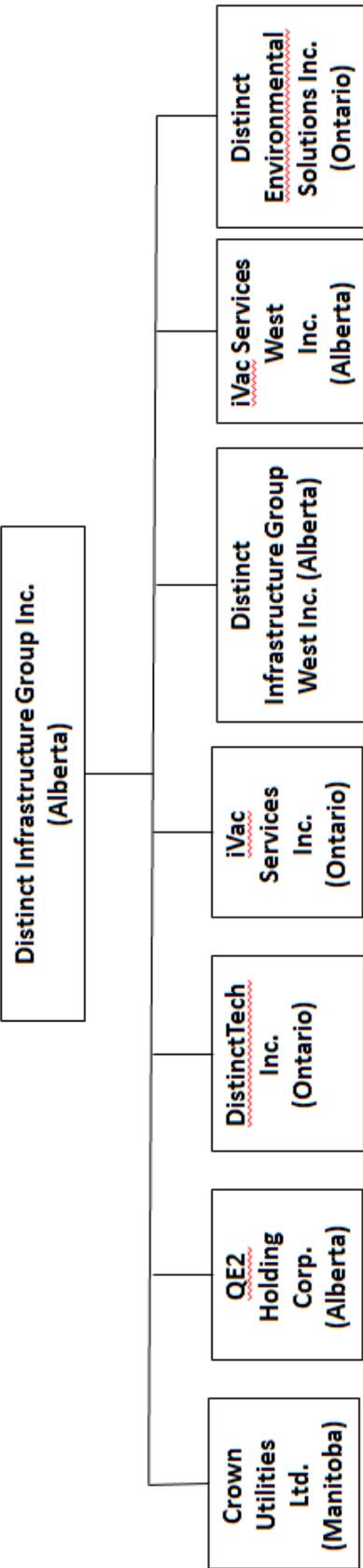
By: _____

Name:
Title:

SCHEDULE 7
ORGANIZATION CHART

See attached

**DISTINCT INFRASTRUCTURE GROUP INC.
CORPORATE STRUCTURE**



**SECOND AMENDING AGREEMENT TO
CREDIT AGREEMENT**

THIS SECOND AMENDING AGREEMENT is made as of September 12, 2018

BETWEEN:

DISTINCT INFRASTRUCTURE GROUP INC., as Borrower

-and-

ROYAL BANK OF CANADA, as Lender

WHEREAS a credit agreement dated as of March 23, 2017, as amended by a letter agreement dated June 20, 2017, a letter agreement dated August 11, 2017, a letter agreement dated October 31, 2017, a first amending agreement dated November 21, 2017, a waiver letter dated May 30, 2018, a waiver and amendment letter dated June 22, 2018 and a waiver and amendment letter dated July 31, 2018 (as so amended, the “**Credit Agreement**”) was entered into by the Borrower and the Lender.

AND WHEREAS the Borrower has requested the Lender to agree to certain amendments of the Credit Agreement as set out herein, and the Lender is prepared amend certain provisions of the Credit Agreement all as set out in this second amending agreement.

NOW THEREFORE in consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Unless otherwise defined herein, words and expressions defined or given extended meanings in the Credit Agreement are used with the same respective defined or extended meanings in this second amending agreement.

1.2 Reference to Agreements

Each reference in this second amending agreement to any agreement or document (including this second amending agreement and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change thereto made at or before the time in question.

1.3 Headings, etc.

The division of this second amending agreement into Articles, Sections and Subsections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this second amending agreement. The terms “**this second amending agreement**”, “**hereof**”, “**hereunder**” and similar expressions refer to this second amending agreement and not to any particular Article, Section, Subsection, paragraph, subparagraph, clause or other portion of this second amending agreement.

1.4 Grammatical Variations

In this second amending agreement, unless the context otherwise requires, (a) words and expressions (including words and expressions defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (b) words in one gender include all genders and (c) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this second amending agreement shall be construed in like manner.

ARTICLE 2 AMENDMENTS

2.1 General Rule

Subject to the terms and conditions herein contained, the Existing Credit Agreement is hereby amended to the extent necessary to give effect to the provisions of this agreement and to incorporate the provisions of this agreement into the Existing Credit Agreement.

2.2 Amendment of the Existing Credit Agreement.

Subject to the satisfaction (or waiver) of the conditions set forth in Article 3 hereof, the Existing Credit Agreement, effective as of the Amendment No. 2 Effective Date (but prior to giving effect to this second amending agreement (the “**Existing Credit Agreement**”)), is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold underlined text (indicated textually in the same manner in the following example: **underlined text**) as set forth on the pages of the Credit Agreement and all schedules thereto (as conformed for all amendments and waivers prior to this second amending agreement) and attached hereto as Exhibit A.

ARTICLE 3 CONDITIONS PRECEDENT

3.1 **Conditions Precedent.** This second amending agreement shall not become effective until the following conditions have been satisfied (the “**Amendment No. 2 Effective Date**”):

- (a) the Lender has received each of the following in form and substance satisfactory to the Lender (in original or, at the Lender’s discretion, pdf, facsimile or other copy):

- (i) this second amending agreement duly executed by each party hereto;
 - (ii) a Certificate of the Borrower (A) attaching true copies of (I) the Constitutional Documents of the Borrower and (II) documents evidencing all necessary corporate action taken by the Borrower to authorize the execution, delivery and performance by it of this second agreement and the consummation of the transactions contemplated thereby, (B) certifying as to incumbency and true signatures of its Responsible Officers signatory to this second amending agreement and (c) certifying that no Material Adverse Change has occurred since June 30, 2018;
 - (iii) a pro forma Compliance Certificate for the quarter ending on June 30, 2018 evidencing (x) a Leverage Ratio $\leq 4.75:1$ and (y) Debt Service Coverage Ratio $\geq 1.10:1$;
 - (iv) an original certificate of good standing, or equivalent, with respect to the Borrower and each Guarantor from the applicable governmental authority in its jurisdiction of formation;
 - (v) opinions from the Borrower's Counsel addressed to the Lender and the Lender's Counsel, in respect of the Loan Parties, the laws of such applicable jurisdictions, this second amending agreement and as to such matters and in such form as the Lender (acting on the advice of Lender's Counsel) may reasonably require;
 - (vi) such other agreements, documents and instruments as the Lender may, in its judgment, reasonably require;
- (b) the Borrower shall have made a voluntary repayment to the Revolver in accordance with Section 7.3 of the Existing Credit Agreement in an amount equal to the aggregate proceeds received pursuant to the 2018 Debentures net of all reasonable and documented transaction costs incurred in connection therewith provided; such amount shall not be less than \$9,400,000;
 - (c) arrangements satisfactory to the Lender have been made to ensure that (i) all fees then due and owing to the Lender under or in connection with any Secured Document have been or will be paid in full, and (ii) all reasonable documented out-of-pocket fees, costs and expenses incurred by the Lender (including those payable to the Lender's Counsel) reimbursable hereunder have been or will be paid in full;
 - (d) the Borrower shall deliver to the Lender, in form and substance satisfactory to the Lender, duly executed Subordination Agreements entered into by Joe Lanni and Alex Agius;
 - (e) the Borrower shall have irrevocably paid the Lender a \$25,000 waiver fee; and
 - (f) the Borrower shall have irrevocably paid the Lender a \$25,000 work fee.

On and after the Amendment No. 2 Effective Date, the Existing Credit Agreement as amended by the amendments set forth in Section 2.2 shall constitute one agreement, and the Credit Agreement as so amended is hereby ratified and confirmed by the parties hereto.

ARTICLE 4 CONFIRMATION

4.1 Confirmations by the Loan Parties

4.1.1 This second amending agreement is not intended by the parties to, and shall not constitute, a payment, discharge, satisfaction or novation of any obligation of any Loan Party to the Lender, other than as expressly provided herein. Each Loan Party hereby confirms to and agrees with the Lender that its Secured Obligations shall continue in full force and effect in accordance with their respective terms (amended, as applicable, by this second amending agreement). Each Loan Party hereby confirms and agrees that (x) any guarantee and other obligations expressed to be binding on it under or pursuant to the Secured Documents to which it is party other than the Credit Agreement (its “**Existing Secured Documents**”) shall, except as contemplated hereby, be unaffected by and shall be binding upon it and continue in full force and effect, with any such guarantee guaranteeing, *inter alia*, the Secured Obligations of the other Loan Parties as amended hereby, and the execution and delivery of this second amending agreement and the entry into effect of this second amending agreement shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of the Lender arising under, by reason of or otherwise in respect of such guarantee and other obligations, except to the extent expressly contemplated hereby, (y) the Security granted by it shall, except as expressly contemplated hereby, be unaffected by and shall be binding on it and its assets and continue in full force and effect securing the payment and performance of its Secured Obligations as amended hereby and the entry into effect of this second amending agreement shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of the Lender arising under, by reason of or otherwise in respect of its Security, except to the extent expressly contemplated hereby, and (z) each reference, if any, in its Existing Secured Documents to the Credit Agreement shall be construed as a reference to the Credit Agreement as amended by this second amending agreement.

ARTICLE 5 GENERAL

5.1 Post-Closing Covenant

The Borrower hereby covenants and agrees to deliver to the Lender, on or prior to September 21, 2018, a legal opinion from its Ontario legal counsel in respect of this second amending agreement, the Subordination Agreements referred to in Section 3.1(d) hereof and as to such matters and in such form as the Lender (acting on the advice of Lender’s Counsel) may reasonably require.

5.2 Waiver Fee and Work Fee

In consideration of the Lender agreeing to the amendments set forth in Section 2.2, the Borrower hereby agrees to pay on or before the Amendment No. 2 Effective Date to the Lender a waiver fee in the amount of \$25,000 and a work fee in the amount of \$25,000 (collectively, the “Fees”). The Fees shall be fully-earned on the Amendment No. 2 Effective Date and is non-refundable.

5.3 Further Assurances

Each Loan Party shall, at its own expense, do, make, execute or deliver all such further acts, documents and things in connection with this second amending agreement as the Lender may reasonably require for the purpose of giving effect to this second amending agreement, all promptly following the request of the Lender.

5.4 Benefit and Burden

This second amending agreement shall enure to the benefit of and be binding upon the signatories hereto, their respective successors and each assignee of some or all of the rights or obligations of the parties under the Secured Documents permitted by Section 13.10 of the Credit Agreement.

5.5 Expenses

The Borrower shall, promptly following the request by the Lender, reimburse the Lender on a full indemnity basis for all reasonable out-of-pocket expenses (including fees, costs and expenses of the Lender’s Counsel) incurred by the Lender in connection with the preparation, settlement, execution and delivery of this second amending agreement.

5.6 Counterparts

This second amending agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same agreement, and it shall not be necessary in making proof of this second amending agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this second amending agreement by facsimile or e-mail in pdf format by one party hereto to each other party hereto shall be as effective as delivery of an original manually executed counterpart hereof to each other party hereto.

5.7 Governing Law

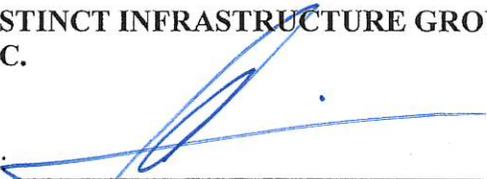
This second amending agreement shall be governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario, but without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of any Loan Party may be found.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties have executed this second amending agreement as of the date first written above.

THE BORROWER

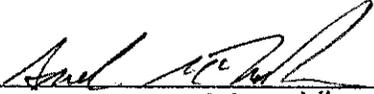
**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: 
Name: Joe Lanni
Title: Co-CEO

By: 
Name: Alex Agius
Title: Co-CEO

LENDER:

ROYAL BANK OF CANADA

By: 
Name: **Andrew McLaughlin**
Title: **Vice President**

By: _____
Name:
Title:

We acknowledge and accept the terms and conditions of this second amending agreement as of the date first written above.

GUARANTORS:

**DISTINCT INFRASTRUCTURE GROUP
WEST INC.**

By: _____
Name: Joe Lanni
Title: Co-CEO

By: _____
Name: Alex Agius
Title: Co-CEO

DISTINCTTECH INC.

By: _____
Name: Joe Lanni
Title: Co-CEO

By: _____
Name: Alex Agius
Title: Co-CEO

IVAC SERVICES INC.

By: _____

Name: Joe Lanni
Title: Co-CEO

By: _____

Name: Alex Agius
Title: Co-CEO

IVAC SERVICES WEST INC.

By: _____

Name: Joe Lanni
Title: Co-CEO

By: _____

Name: Alex Agius
Title: Co-CEO

CROWN UTILITIES LTD.

By: _____

Name: Joe Lanni
Title: Co-CEO

By: _____

Name: Alex Agius
Title: Co-CEO

EXHIBIT A

See attached

CONFORMED CREDIT AGREEMENT INCLUDING THE LETTER AGREEMENTS DATED JUNE 20, 2017, AUGUST 11, 2017 AND OCTOBER 31, 2017 , THE FIRST AMENDING AGREEMENT DATED NOVEMBER 21, 2017, THE WAIVER ~~AND AMENDMENT~~ DATED MAY 30, ~~2018 AND 2018~~, THE WAIVER AND AMENDMENT DATED JUNE 22, 2018, THE WAIVER AND AMENDMENT DATED JULY 31, 2018 AND A SECOND AMENDING AGREEMENT DATED SEPTEMBER 12, 2018.

Execution Copy
DM#101280071

BETWEEN:

DISTINCT INFRASTRUCTURE GROUP INC.
as Borrower

- and -

ROYAL BANK OF CANADA
as Lender

CREDIT AGREEMENT

March 23, 2017

FASKEN

This conformed credit agreement is in no way to be construed as replacing or modifying the Agreement, the above-noted amending agreements or any other Credit Document (each as defined herein). This consolidated credit agreement shall not be used as an interpretive tool with respect to any of the documents referred to herein. Readers with questions about their roles or

responsibilities should always consult with the terms of the documents referred herein or their legal advisors for clarification and should not rely on this consolidated agreement for any purposes whatsoever

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CREDIT AGREEMENT

THIS AGREEMENT is made as of March 23, 2017

AMONG:

DISTINCT INFRASTRUCTURE GROUP INC.
as Borrower

- and -

ROYAL BANK OF CANADA
as Lender

BACKGROUND:

The Borrower has requested the Lender to make available (i) a committed non-revolving secured term loan in the aggregate principal amount of \$12,000,000 available to the Borrower, and (ii) a committed senior secured revolving credit facility in the aggregate maximum principal amount of \$23,000,000 available to the Borrower, and the Lender has agreed to do so subject to and upon the terms and conditions set out herein.

NOW THEREFORE in consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties hereto hereby agree as follows:

Article 1 INTERPRETATION

1.1 General Definitions. Unless the context otherwise requires, in this Agreement:

[“2018 Debenture” means the unsecured subordinated convertible debenture dated <@>, 2018 issued by the Borrower in favour of the Holder.](#)

“**Acceptance**” means a Draft drawn by the Borrower, accepted by the Lender and issued for value pursuant to a Credit Facility.

“**Acceptance Proceeds**” means the cash proceeds realized on the sale of an Acceptance pursuant to this Agreement before deduction of the Stamping Fee.

“**Account Control Agreement**” means an agreement (i) amongst a Loan Party, a depository institution and the Lender intended to grant control over a bank account maintained by that Loan Party with that depository institution and any credit balance credited thereto or (ii) amongst a Loan Party, a securities intermediary and the Lender intended to grant control to the Lender over a securities account maintained by that Loan Party with that securities intermediary and the financial assets credited thereto; in each case in form and substance satisfactory to the Lender.

“**Acquisition**” means an acquisition of all or any part of the business of another person, including any line of business or division and the assets comprised therein, in a single transaction or in a series of transactions, related or not, whether by acquisition of assets or of Capital Stock of that person or by way of Business Combination.

“**Advance**” means any amount of money or credit advanced, deemed advanced or to be advanced (as the context requires) by the Lender to the Borrower pursuant to this Agreement.

“**Affiliate**” in relation to any person (the “relevant party”) means any other person (i) that, directly or indirectly, Controls, is Controlled by or is under common Control with, the relevant party, (ii) that beneficially owns or Controls a majority of the Voting Capital Stock, on an undiluted or a fully diluted basis, of the relevant party or (iii) of which a majority of the Voting Capital Stock, on an undiluted or a fully diluted basis, is beneficially owned or Controlled by the relevant party.

“**Agreement**” means this credit agreement.

“**Annual Operating Budget**” for a Fiscal Year means a detailed financial operating budget for the Group for such Fiscal Year (broken out by Fiscal Quarter) which includes a projected consolidated balance sheet, consolidated statement of income and comprehensive income, consolidated statement of changes in equity and (to the extent available) consolidated statement of cash flows, *pro forma* projected financial covenant calculations, a statement of material assumptions, narrative description, explanation and a comparison to the results of the prior Fiscal Year.

“**Anti-Money Laundering Legislation**” means the *Criminal Code* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), and the *United Nations Act* (Canada), including the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (Canada) and the *United Nations Al-Qaida and Taliban Regulations* (Canada) promulgated under the *United Nations Act* (Canada), and any other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, including any guidelines or orders thereunder.

“**Anti-Terrorism Laws**” means any applicable anti-terrorism laws of Canada or any other applicable jurisdiction.

“**Applicable Accounting Principles**” means generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada (or any successor institute) and applied in accordance with IFRS or ASPE, as the case may be, on a consistent basis.

“**Applicable Law**” means any international treaty, any treaty with first nations peoples, any domestic or foreign constitution or any multinational, federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation or order (including any consent decree or administrative order), applicable to, or any guideline or policy (the compliance with which guideline or policy is generally regarded as mandatory by the person to whom it

applies) or authorization of any governmental authority, and any order of any governmental authority.

“Applicable Margin” means:

(i) in relation to any form of Advance or Standby Fee as of any date to and including June 30, 2019, means the percentage rate per annum set forth in the table below:

<u>Floating Rate Loans</u>	<u>Standby Instruments, Libor Loans and Acceptances</u>	<u>Standby Fee</u>
<u>3.25 %</u>	<u>4.25 %</u>	<u>0.6375%</u>

(ii) in relation to any form of Advance or Standby Fee as of any date following June 30, 2019, means the percentage rate per annum determined in accordance with the table set forth below by reference to the Leverage Ratio most recently certified by the Borrower in a Compliance Certificate delivered to the Lender pursuant to Subsection 8.1(a)(xii) or 11.1.1:

Level	Leverage Ratio	Floating Rate Loans	Standby Instruments, Libor Loans and Acceptances	Standby Fee
I	< 3.00:1	1.35 %	2.35 %	0.3525%
II	≥ 3.00:1 and < 3.50:1	1.85 %	2.85 %	0.4275%
III	≥ 3.50:1 and < 4.00:1	2.35 %	3.35 %	0.5025%
IV	≥ 4.00:1	2.75%	3.75%	0.5625%

~~Changes~~Following the Fiscal Quarter ending on June 30, 2019, changes in the Applicable Margin shall take effect as of the third (3rd) Business Day following the date the Borrower delivers a Compliance Certificate to the Lender pursuant to Subsection 11.1.1 which, when delivered, discloses a Leverage Ratio at a Level that differs from that applicable to the prior period. The Applicable Margin applicable to all Types of Loans outstanding on the date any such change takes effect will be adjusted immediately, but without retroactive effect. There will be no adjustments made with respect to Acceptances which are issued before the date any such changes take effect, save that adjustments shall be made to outstanding Acceptances having a Term of more than three (3) months at the end of every three (3) months in that Term. Notwithstanding the foregoing, (y) if the Borrower fails to deliver a Compliance Certificate to the Lender by the date required to do so under Subsection 11.1.1, the ~~Leverage Ratio shall be deemed as from such date to be at Level IV~~Applicable Margin shall remain as set forth in the table under paragraph (i) hereof until such failure is cured, at which time the Applicable Margin shall be determined in accordance with the table set forth in paragraph (ii) above, but without any adjustments having retroactive effect and (z) to the extent permitted by applicable law, the Applicable Margin shall

be increased at all Levels and for all Types of Advances by two percent (2%) per annum so long as an Event of Default is continuing.

“**Applicable Maturity Date**” means the Revolver Maturity Date or Term Loan Maturity Date, as the context requires.

“**ASPE**” means Accounting Standards for Private Enterprises as set out in the CPA Canada Handbook.

“**Auditors**” means the firm of MNP LLP or any other firm of certified public accountants as the Borrower may select from time to time as its auditors, provided such auditors are reasonably acceptable to the Lender.

“**Availability Period**” means the period from (and excluding) the Closing Date to (and including) (i) November 30, 2017 in the case of the Term Loan Facility and (ii) the Revolver Maturity Date in the case of the Revolver.

“**BA Reference Rate**” in relation to any issue of Acceptances means: (i) the CDOR rate, or if the CDOR rate is unavailable at the time of quoting, (ii) the rate quoted by the Lender to the Borrower as being the rate at which it was receiving bids at or about 10:00 a.m. on the Borrowing Date of such issue of Acceptances to purchase its Canadian Dollar denominated bankers’ acceptances of comparable term to the Tenor of such issue of Acceptances.

“**Bailee Waiver**” means an agreement amongst a Loan Party, a warehouseman (or equivalent storage person) and the Lender intended to grant the Lender rights to cure defaults by that Loan Party under the storage arrangement with that warehouseman (or equivalent storage person) and permit the Lender access to the goods stored, in form and substance satisfactory to the Lender.

“**Borrower**” means Distinct Infrastructure Group Inc., existing as at the date hereof as a corporation formed under the laws of the Province of Alberta, as the context requires.

“**Borrower’s Account**” means a current account of the Borrower maintained with the Lender.

“**Borrower’s Counsel**” means (i) in the Provinces of Alberta, Bishop & McKenzie LLP, (ii) in each other relevant jurisdiction, such local legal counsel of recognized local standing as the Borrower may select as the Borrower’s legal counsel in that jurisdiction, and (iii) in each case, such replacement or additional firm of recognized local standing as the Borrower may select from time to time as the Borrower’s legal counsel.

“**Borrowing**” means a Conversion, Drawdown or Rollover, as the context requires.

“**Borrowing Base**” at any time means the amount reported in the most recent Borrowing Base Report provided to the Lender pursuant to Section 8.1(a)(xiii) or 11.1.1 equal to the sum (without duplication) of (i) 75% of the Good Accounts Receivables plus (ii) 85% of the Good Designated Accounts Receivables plus (iii) the lesser of (x) 35% of Work In Progress- and (y)(A) to and including March 31, 2019, \$14,000,000 and (B) at any time following March 31, 2019, \$10,000,000. Where any receivable falls within more than one of the categories described above,

the Borrower shall elect in the Borrowing Base Report which category that Eligible Receivable is to be included for the purpose of computing the Borrowing Base.

“**Borrowing Base Report**” at any time means a report of the Borrower substantially in the form of Schedule 9 (or in such other form to substantially similar effect as the Lender may accept) signed by a Responsible Officer of the Borrower setting out a statement as at such time of (i) the items that comprise the Borrowing Base and (ii) the calculation of the Borrowing Base.

“**Borrowing Date**” means a Conversion Date, Drawdown Date or Rollover Date, as the context requires.

“**Borrowing Request**” means a duly completed and signed notice from the Borrower requesting a Borrowing, in the form of Schedule 3 (or in such other form to substantially the same effect as the Lender may accept) signed by the Borrower.

“**Business Combination**” means any merger, amalgamation, arrangement, consolidation or other business combination.

“**Business Day**” means (i) in respect of any Libor Loan or US Base Rate Loan in respect of which a payment or Borrowing is due to be made, a New York Banking Day, (ii) in respect of any determination of LIBOR, a London Banking Day and (iii) otherwise, a day which is not a Saturday or Sunday on which banks are generally open for commercial lending and foreign exchange business in Toronto, Ontario.

“**Canadian Dollars**” and the symbols “**CAD**” and “**\$**” each means the lawful currency of Canada.

“**Cancellation Notice**” means a notice in the form of or to substantially similar effect as Schedule 4 given to the Lender by the Borrower pursuant to Section 7.4.

“**Capital Expenditures**” means (without duplication) any expenditure (whether payable in cash or other property or accrued as a liability) made by a Group Member that, in conformity with Applicable Accounting Principles, would be required to be classified as a capital expenditure on the consolidated balance sheet of the Group. For certainty, Capital Expenditures includes (i) the cost of assets acquired under capital leases and (ii) expenditures for equipment which is purchased simultaneously with the trade-in of existing equipment owned by a Group Member, to the extent of the net purchase price of the purchased equipment after giving effect to any trade-in. Capital Expenditures, however, excludes (x) expenditures made in connection with the replacement, repair or restoration of buildings, fixtures or equipment to the extent reimbursed or financed from insurance or expropriation proceeds, (y) capital lease payments and (z) the cost of any Acquisition.

“**Capital Stock**” means common shares, preferred shares or other equivalent equity interests (howsoever designated) of capital stock in a body corporate, partnership, limited partnership, trust or other artificial legal or commercial entity.

“**Cash Equivalents**” means (i) short-term obligations of, or fully guaranteed by, the government of Canada, or of a Province of Canada, in each case having an approved credit rating, (ii) demand

or current deposit accounts maintained in the ordinary course of business with the Lender or with another financial institution having an approved credit rating, (iii) certificates of deposit issued by and time deposits with the Lender or any commercial bank or trust company (whether domestic or foreign) having an approved credit rating; provided in each case that the same has a term not exceeding six (6) months, provides for payment of both principal and interest (and not principal alone or interest alone) and is not subject to any contingency regarding the payment of principal or interest (and for certainty, the mere passage of time is not a contingency).

“**Cash Management Agreement**” means an agreement to which the Lender is party providing for cash management services to a Group Member, including treasury, depository, overdraft, credit or debit card, electronic funds transfers, cash concentration and other cash management services.

“**Cash Management Obligations**” means the Debt and other obligations of a Group Member owing to the Lender or any of its Affiliates arising under, pursuant to or otherwise in respect of each Cash Management Agreement, including any Guarantee thereof or otherwise, and any item or part of any thereof. For certainty, “Cash Management Obligations” shall include interest accruing subsequent to the commencement of, or which would have accrued but for the commencement of, any Insolvency Proceeding in accordance with and at the rate (including the default rate to the extent lawful) specified in an applicable Cash Management Agreement, whether or not such interest is an allowable claim in such Insolvency Proceeding.

“**CDOR**” means for any day and relative to Bankers’ Acceptances having any specified term and face amount, the average of the annual rates applicable to Canadian Dollar Bankers’ Acceptances having such specified term and face amount (or a term and face amount as closely as possible comparable to such specified term and face amount) quoted daily by the banks listed in Schedule 1 of the *Bank Act* (Canada) that appears on the Reuters Screen CDOR page at 10:00 a.m. EST on such day (or, if such day is not a Business Day, as of 10:00 a.m. EST on the preceding Business Day).

“**Certificate**” from any person that is a corporation or other artificial legal or commercial entity means a written certificate of that person signed by a Responsible Officer of that person.

“**Change in Control**” means Mr. Alex Agius and Mr. Joe Lanni cease to own and Control, directly or indirectly, at least a majority of each class of voting Capital Stock of the Borrower and of the economic interest in the Borrower.

“**Change in Law**” means any change in, or the coming into effect of, any Applicable Law or order (whether or not having the force of law), or any change in the interpretation, administration or application thereof by any governmental authority, or compliance by the Lender with any Applicable Law or any order of any governmental authority (whether or not having the force of law). Notwithstanding the foregoing, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), the Office of the Superintendent of Financial Institutions or any federal or state banking authority in the United States, in each case pursuant to Basel III, shall, in each case, be treated as a Change in Law regardless of the date enacted, adopted or issued.

“**Clean-Up**” means the remediation, containment, removal, treatment, neutralization or inactivation of any Contaminant.

“**Closing**” means the time when the Lender confirms to the Borrower that each of the conditions precedent to the closing set forth in Section 8.1 have been met or (to the extent not met) waived by the Lender to permit such closing to occur.

“**Closing Date**” means the date that the Closing occurs.

“**Code**” means the *United States Internal Revenue Code of 1986*, as amended, and the U.S. Treasury Regulations promulgated thereunder.

“**Collateral**” means all assets in or to which any Loan Party now or hereafter has rights and which is subject to (or intended by the express or implied terms of any Loan Document to be subject to) the Security, or any item or part thereof.

“**Commitment**” means Revolver Commitment or Term Commitment, as the context requires.

“**Compliance Certificate**” means a duly completed and signed Certificate of the Borrower substantially in the form attached as Schedule 6 (or in such other form to substantially similar effect as the Lender may accept) setting out, among other things, a statement of the calculations of the financial tests set out in Section 11.3.

“**Constitutional Documents**” in relation to any person that is a corporation or other artificial legal or commercial entity means the articles, any unanimous shareholder agreement, the limited liability, operating or members’ agreement or the partnership agreement, declaration of trust or equivalent documents governing the incorporation or formation, capacity, powers, assets and affairs of that person; together, in each case, with the by-laws or other documents, regulating the organization, Control or internal management of that person.

“**Contaminant**” means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of any of them that may (i) impair the quality of the Environment for any use that can be made of it, (ii) injure or damage property or plant or animal life, (iii) harm or materially discomfort any person, (iv) adversely affect the health of any individual, (v) impair the safety of any individual, (vi) render any property or plant or animal life unfit for use by man, (vii) cause loss of enjoyment of normal use of property or (viii) interfere with the normal course of business, and includes any “contaminant” within the meaning assigned to such term in any Environmental Law.

“**Contested Tax Proceedings**” means proceedings in respect of a Tax claim which are being contested in good faith by a Group Member by appropriate proceedings, in respect of which adequate reserves in accordance with Applicable Accounting Principles have been recorded in the consolidated accounts and financial statements of the Group and, to the extent required to ensure that no penalties or interest would be charged if such contest is unsuccessful, the amount of Taxes being contested is paid under reserve or protest to the applicable governmental authority.

“**Control**” when used with respect to any person other than an individual means the power to direct the management and policies of such person, directly or indirectly, whether through ownership of Voting Capital Stock, by contract or otherwise.

“**Conversion**” means a conversion of a Loan or an Acceptance pursuant to Section 5.1.

“**Conversion Date**” means any day on which a Conversion takes place.

“**Copyrights**” means all rights (and all related ancillary rights) arising under any Applicable Law in or relating to copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordings thereof and all applications in connection therewith.

“**Core Business**” means utility and telecom infrastructure provision with design, engineering, construction, service and maintenance, and materials management.

“**Courts of Primary Jurisdiction**” means any of the courts referred to in Subsection 13.14.1(a).

“**Credit Facility**” means the Revolver or Term Loan Facility, as the context requires.

~~“**Crown Capital**” means Crown Capital Fund IV, LP.~~

~~“**Crown Capital Debt**” means the Subordinated Debt owing to Crown Capital in a principal amount not exceeding \$20,000,000 under the credit agreement dated as of November 25, 2015 between Crown Capital and the Borrower.~~

“**CUL**” means Crown Utilities Ltd., a corporation existing under the laws of the Province of Manitoba.

“**CUL Acquisition**” means the Acquisition by the Borrower of CUL pursuant to the CUL Acquisition Agreement.

“**CUL Acquisition Agreement**” means the share purchase agreement dated November 21, 2017 among the Borrower, CUL and certain shareholders of CUL.

“**Debt**” of any person at any time means obligations of such person to pay (in whole or in part) (i) liabilities which, in accordance with Applicable Accounting Principles, would be classified on the unconsolidated balance sheet of that person prepared as at such time as indebtedness for borrowed money, including bank indebtedness, long-term debt, capital lease obligations and indebtedness to Affiliates and other financial indebtedness, (ii) amounts payable, actual or contingent, primary, secondary or by way of guarantee, matured or unmatured, under, by reason of or otherwise in respect of, any bankers’ acceptance, (iii) amounts payable, actual or contingent, primary, secondary or by way of guarantee, matured or unmatured, under, by reason of or otherwise in respect of any sale of promissory notes, sale of accounts, factoring, securitization or discounting arrangement to the extent recourse to such person or any Affiliate of it exists to recover such amounts payable, (iv) the repurchase amount payable under any repurchase transaction, (v) the deferred purchase price for property acquired or services

(excluding trade debt paid and payable in the ordinary course of business on customary trade terms), (vi) the amount payable under or secured by any Lien over property acquired, whether or not assumed, (excluding any such amount payable if recourse to receive such payment is limited to the property acquired, the terms of payment thereof are customary trade terms and the amount payable is non-interest bearing and not outstanding for more than ninety (90) days), (vii) Out-of-the-Money Derivative Exposure, (viii) amounts payable, actual or contingent, primary, secondary or by way of guarantee, matured or unmatured, under, by reason of or otherwise in respect of, (A) any liability under any financing lease or so-called “synthetic” lease transaction or (B) any obligations arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the unconsolidated balance sheet of such person prepared in accordance with Applicable Accounting Principles, (ix) amounts payable under convertible debentures and other like instruments, whether or not they would, in accordance with Applicable Accounting Principles, be included in equity in the balance sheet of such person, (x) the redemption or retraction price of any Preferred Shares, (xi) all reimbursement or other obligations in respect of letters of credit, and (xii) any amount payable under any direct or indirect guarantee of any amount of the nature described in any of Clauses (i) to (xi) above.

“**Debt Service Coverage Ratio**” for any period means the ratio for that period (determined on a consolidated basis for the Group in accordance with Applicable Accounting Principles) of:

- (i) the EBITDA of the Borrower for that period;
- to:
- (ii) the sum (without duplication) for that period of (A) Interest Expense paid in cash or paid in kind by each Group Member *plus* (B) scheduled principal repayments of Debt of each Group Member, excluding any voluntary prepayments made pursuant to Section 7.3.

“**Default**” means any Event of Default or any default, breach, failure, event, state or condition which, unless remedied or waived, with the lapse of time or giving of notice, or both, would or could reasonably be expected to constitute or result in the occurrence of an Event of Default.

“**Default Rate**” means the percentage rate per annum equal to the sum of (i) the Prime Rate, if the sum on which interest is being computed is denominated in Canadian Dollars or (as applicable) the US Base Rate if the sum on which interest is being computed is denominated in US Dollars *plus* (ii) the Applicable Margin for Floating Rate Loans *plus*, to the extent permitted by law, unless an Event of Default has occurred and is continuing, (iii) two percent (2%) per annum.

“**Defined Benefit Plan**” means any Pension Plan which contains a “defined benefit provision”, as defined in subsection 147.2(1) of the *Income Tax Act* (Canada).

“**Derivative**” means any transaction or agreement evidencing a transaction that is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap

transaction, cross-currency rate swap transaction, currency option, credit derivative or any other similar transaction or agreement evidencing such transaction (including any option with respect to any of these transactions), and any combination of any of the aforesaid transactions.

“**Derivative Exposure**” in relation to any person (the “relevant party”) and any counterparty of the relevant party at any time means the amount which is or would be payable by the relevant party to that counterparty, or by that counterparty to the relevant party, as the case may be, pursuant to the agreement governing the Derivatives entered into between them and in effect at that time if those Derivatives have been or were to be terminated at such time. If the Derivative Exposure is payable by a Group Member to any counterparty of a Group Member, it is referred to herein as “**Out-of-the-Money Derivative Exposure**”.

“**Derivative Obligations**” means (without duplication) the Debt and other obligations of a Group Member owing to the Lender incurred under, pursuant to or otherwise in respect of any Derivative, including any Guarantee thereof, and any item or part of any thereof. For certainty, “**Derivatives Obligations**” shall include interest accruing subsequent to the commencement of, or which would have accrued but for the commencement of, any Insolvency Proceeding, in accordance with and at the rate (including any applicable default rate to the extent lawful) specified herein or in another applicable Secured Document, whether or not such interest is an allowable claim in such Insolvency Proceeding.

“**Designated Accounts Receivable**” means trade accounts receivable of a Loan Party owing by Shaw Communications, Fortis Inc., Bell Canada, Rogers, Expertech Network Installation, Cogeco, Hydro-one and Telus and any other accounts receivable as mutually agreed between the Lender (in its sole discretion) and the Borrower from time to time.

“**Distribution**” in relation to any person that is a corporation or other artificial legal or commercial entity means (i) the retirement, redemption, retraction, purchase, or other acquisition by such person or any Affiliate of it of any of its Capital Stock, (ii) the declaration or payment of any dividend, return of capital or other distribution (in cash, securities or other property or otherwise) of, on or in respect of, its Capital Stock and (iii) any other payment or distribution (in cash, securities or other property, or otherwise) by such person of, on or in respect of any Capital Stock of such person.

“**Draft**” means a blank non-interest bearing bill of exchange (within the meaning of the *Bills of Exchange Act* (Canada)) or a blank depository bill (within the meaning of the *Depository Bills and Notes Act* (Canada)), as applicable, drawn by the Borrower, made payable to the Borrower, bearer or a clearing house bearing such distinguishing letters and numbers and being in such form as the Lender may require.

“**Drawdown**” means a new Advance which is not derived from a Conversion or Rollover.

“**Drawdown Date**” means any day on which a Drawdown takes place.

“**EBITDA**” of a person for any period means the Net Income of that person for that period, adjusted (without duplication) on a consolidated basis as follows:

- (a) such Net Income shall be increased by (to the extent, if any, such Net Income was reduced by) the sum (without duplication) for that period of (i) Interest Expense, *plus* (ii) income tax expenses *plus* (iii) depreciation, amortization and other reductions to income not involving an outlay of cash *plus* (iv) extraordinary charges (if any) to the extent the Lender agrees to their inclusion for this purpose *plus* (v) non-recurring charges (if any) to the extent the Lender agrees to their inclusion for this purpose *plus* (vi) non-cash expenses for which no cash payment has been made or will ever be required, *plus* (vii) losses realized upon the disposal of capital property *plus* (viii) foreign exchange translation losses *plus* (ix) transaction charges, expenses and fees, or any amortization thereof, incurred in connection with (A) this Agreement occurring on the Closing Date and (B) the 2018 Debenture *plus* (x) other non-recurring costs, fees or expenses approved by the Lender in its reasonable discretion;
- (b) such Net Income shall be reduced by (to the extent, if any, such Net Income was increased by) the sum (without duplication) for that period of (i) extraordinary gains *plus* (ii) gains realized upon the disposal of capital property *plus* (iii) foreign exchange translation gains;
- (c) the Net Income during that period (adjusted as provided in paragraphs (a) and (b) above) attributable to any Subsidiary acquired by that person during that period shall be included on a pro forma basis for that period (assuming such acquisition and the incurrence or assumption of any related Debt in connection therewith occurred on the first day of that period); provided that such pro forma calculations shall be in form and substance reasonably satisfactory to the Lender; and
- (d) the Net Income during that period (adjusted as provided in paragraphs (a) and (b) above) attributable to any Subsidiary disposed of by that person during that period shall be excluded on a pro forma basis for that period (assuming such disposition and the repayment of any related Debt in connection therewith occurred on the first day of that period); provided that such pro forma calculations shall be in form and substance reasonably satisfactory to the Lender.

“**Employee Benefit Plan**” means any employee benefit plan maintained or contributed to by any Loan Party that is a Canadian group registered retirement savings plan, profit sharing, savings, supplemental retirement, retiring allowance, severance, deferred compensation, welfare, bonus, incentive compensation, phantom stock, legal services, supplementary unemployment benefit plan or arrangement and any life, health, dental and disability plan or arrangement in which the employees or former employees of any Loan Party participate or are eligible to participate, in each case whether written or oral, funded or unfunded, insured or self-insured, reported or unreported, but excluding all stock option or stock purchase plans, but excluding any Pension Plan or government sponsored pension plan (such as the Canada Pension Plan or the Quebec Pension Plan).

“**Environment**” means the ambient air, all layers of the atmosphere, surface, water, underground water, all land, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matter and living organisms, and includes indoor spaces.

“**Environmental Law**” means any Applicable Law relating to the Environment, Hazardous Materials or Waste or occupational health or safety which applies to the assets of any particular person.

“**Environmental Liabilities**” means liabilities arising under any Environmental Law or applicable common or civil law.

“**Equivalent**” on any date means the amount in a specified currency which would result from the conversion of a specified amount in another currency at the Spot Rate. For the purposes of this definition, “Spot Rate” as at any date with respect to the conversion of an amount in one currency (the “original currency”) to another currency (the “other currency”) means the Bank of Canada rate of exchange published on the immediately preceding Business Day for the purchase of such original currency with such other currency (and if neither currency is Canadian Dollars, purchasing Canadian Dollars first with such other currency and using the Canadian Dollars purchased to purchase the original currency).

“**Event of Default**” is used as defined meaning given to it in Section 12.1.

“**Excluded Taxes**” means (i) any Taxes now or hereafter imposed, levied, collected, withheld or assessed on net income or net profits of the Lender or capital taxes or franchise taxes imposed on the Lender by any jurisdiction by reason of the Lender (A) having a permanent establishment in such jurisdiction, (B) being organized under the laws of such jurisdiction, (C) being resident in such jurisdiction, (D) being engaged in a trade or business in such jurisdiction, (E) having any other present or former connection with such jurisdiction (other than any such status in clauses (C) and (D) and this clause (E) arising solely from, or the activities contemplated by, the Loan Documents) and (ii) any U.S. federal withholding Taxes imposed under FATCA.

“**Existing Credit Facilities**” has the meaning given to in Section 8.1(e).

“**Existing QE2 Subordinated Debt**” means ~~(a) the Crown Capital Debt; and (b)~~ Subordinated Debt in a principal amount not exceeding \$979,000 as evidenced by one or more debentures issued under the convertible debenture indenture dated as of October 20, 2014 between QE2 Acquisition Corp. and Computershare Trust Company of Canada.

“**FATCA**” means Sections 1471 through 1474 of the Code, 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), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“**Fees**” means the Upfront Fee, Stamping Fees, Standby Fees, Standby Instrument Fees and any other fees payable by the Borrower to the Lender under or otherwise in respect of this Agreement or the Credit Facilities.

“**Final Maturity Date**” means the last Applicable Maturity Date to occur.

“**Finance Related Agreements**” and “**FINANCE RELATED AGREEMENTS**” has the defined meaning assigned to “FINANCE RELATED AGREEMENTS” in Subsection 13.14.1.

“**Fiscal Quarter**” means one of the four (4) three-month accounting periods of the Borrower comprising a Fiscal Year.

“**Fiscal Year**” means the twelve (12) month accounting period of the Borrower which, as at the date hereof, ends on December 31 of each calendar year.

“**Floating Rate**” means the Prime Rate or US Base Rate, as the context requires.

“**Floating Rate Loan**” means a Prime Rate Loan or US Base Rate Loan, as the context requires.

“**Fraudulent Conveyances Law**” means the *Assignment and Preferences Act* (Ontario), the *Fraudulent Conveyances Act* (Ontario), sections 95 to 101 inclusive of the *Bankruptcy and Insolvency Act* (Canada) or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign.

“**Funded Debt**” means, at time, the aggregate of the following obligations of the Group on a consolidated basis, without duplication, at such time: (i) all Debt of the type described in Clauses (i) to (xii), inclusive, of the definition of Debt (excluding Clauses (vi) and (vii)), (ii) all liabilities on which interest charges are customarily paid, and (iii) all Advances made to the Borrower under the Credit Facilities.

“**Good Accounts Receivables**” means trade accounts receivable of a Loan Party owing by persons whose chief operating activities are located in Canada (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Lender has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to or *pari passu* with the Security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Base calculation, or (vii) any accounts which the Lender has previously advised to be ineligible.

“**Good Designated Accounts Receivables**” means Designated Accounts Receivable excluding (i) the entire amount of accounts, any portion of which is outstanding more than 120 days after billing date, provided that the under 120 day portion may be included where the over 120 day portion is less than 20% of the amount of accounts, or where the Lender has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to or *pari passu* with the Security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Base calculation, or (vii) any accounts which the Lender has previously advised to be ineligible.

“**Group**” at any time means the Borrower and each Subsidiary of the Borrower as at such time and “**Group Member**” means any member of the Group.

“**Group’s Business**” means the business engaged in by the Group which is comprised of the Core Business and business activities reasonably incidental, related or complementary thereto.

“**Guarantee**” means a guarantee by a Guarantor of the Secured Obligations of each Loan Party other than that Guarantor.

“**Guarantor**” at any time means each Group Member that is not an Immaterial Subsidiary at that time.

“**Group Facilities**” means the buildings, plants, infrastructure and other facilities (including all real property on which such facilities are situated), vehicles, trailers and other machinery and equipment owned, leased, managed, controlled or operated by a Group Member or for which a Group Member is otherwise obligated under Environmental Law.

“**Hazardous Materials**” means any pollutant or Contaminant, including any hazardous, dangerous, registrable or toxic chemical, material or other substance within the meaning of any Environmental Law, including urea formaldehyde foam type of insulation, asbestos or asbestos containing materials, polychlorinated biphenyls (PCB’s) or PCB contaminated fluids.

[“Holder” means Rogers Financial Management Corp.](#)

“**Holding Entity**” of any person that is a corporation or other artificial legal or commercial entity means another person that Controls that person.

“**Hostile Take-Over Bid**” means a Take-Over Bid by any Group Member or in which any Group Member is involved, in respect of which the board of directors (or equivalent governing body) of the target entity has not recommended acceptance of such Take-Over Bid to the target entity’s Capital Stock holders or which is opposed or contested by such governing body.

“**ICC Rules**” means, (i) the International Standby Practices - ISP98, ICC Publication No. 590, (ii) the Uniform Rules for Demand Guarantees, ICC Publication No. 758 or (iii) any prior or replacement publication of any of the foregoing by the International Chamber of Commerce, as applicable.

“**IFRS**” means International Financial Reporting Standards as adopted by the International Accounting Standards Board and approved by the Chartered Professional Accountants of Canada (or any successor institute) for application in Canada.

“**Immaterial**” means (i) is not, and could not reasonably be expected to be, Material and (ii) does not, and could not reasonably be expected to, have a Material Adverse Effect.

“**Immaterial Subsidiary**” at any time means any Subsidiary of the Borrower (i) whose business activities contributed (on a consolidated basis) less than five percent (5%) to the consolidated EBITDA of the Borrower for the most recently concluded Fiscal Quarter and (ii) whose

consolidated assets represented less than five percent (5%) of the consolidated assets of the Borrower as at the end of the most recently concluded Fiscal Quarter of the Borrower. As of the Closing Date, QE2 Holding Corp. and Distinct Environmental Solutions Inc. are Immaterial Subsidiaries.

“**Indemnified Taxes**” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of a Loan Party under any Secured Document and (ii) to the extent not otherwise described in (i), Other Taxes.

“**Insolvency Event**” means, with respect to any person, that such person does not pay or perform its obligations generally as they become due or admits in writing its inability to pay or perform its debts generally, that such person commits an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada), or any Insolvency Proceeding is instituted by or against that person (excluding any Insolvency Proceeding being contested by that person in good faith by appropriate proceedings so long as enforcement remains stayed, none of the relief sought is granted (either on an interim or permanent basis) and such Insolvency Proceeding is dismissed within thirty (30) days of its commencement), or that person takes corporate, partnership or other internal management action to authorize any of the actions set forth above in this definition.

“**Insolvency Law**” means the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), any provision of any statute governing the existence of any artificial legal person permitting that legal person to propose a compromise or an arrangement with respect to any class or any claims of any of its creditors or any other like, equivalent or analogous legislation of any jurisdiction.

“**Insolvency Proceeding**” means, with respect to any person, any proceeding contemplated by any application, petition, assignment, filing of notice or other means, whether voluntary or involuntary, under any Insolvency Law seeking any moratorium, reorganization, adjustment, composition, proposal, compromise, arrangement, administration or other like or similar relief in respect of all or any substantial part of the obligations of such person, seeking the winding up, liquidation or dissolution of such person or all or any substantial part of its property, seeking any order, declaring, finding or adjudging such person insolvent or bankrupt, seeking the appointment (provisional, interim or permanent) of any receiver or resulting, by operation of law, in the bankruptcy of such person.

“**Insurance Event**” means any loss or damage to the assets of a Group Member that gives rise to a claim and payment to a Group Member under any insurance policy maintained by a Group Member (excluding any claim under a business interruption insurance policy).

“**Insurance Proceeds**” means an amount paid to a Group Member by reason of an Insurance Event, net of any reasonable out-of-pocket fees, costs and expenses actually paid by a Group Member to an Unrelated Party to recover payment of such amount.

“**Intellectual Property**” means all rights in or relating to intellectual property and industrial property arising under any Applicable Law or common or civil law and all ancillary rights relating thereto, including all Copyrights, patents, Software, Trade-marks, internet domain names, trade secrets and licences of any of the foregoing.

“**Interest Expense**” for any period means the total consolidated interest expense of the Group for that period determined on a consolidated basis, including all but the principal component of rentals in respect of capital leases, adjusted (to the extent applicable) in accordance with the net payments made by a Group Member pursuant to any interest rate swaps hedging interest rate exposure on Debt, and including interest expense ~~actually~~-paid in cash ~~(as opposed to Capital Stock)~~ and paid in kind attributable to convertible debentures (including, for certainty, the 2018 Debenture and the Shareholder Debt) and other like instruments which, in accordance with Applicable Accounting Principles, would be included in capital stock in the consolidated balance sheet of the Group.

“**Interest Payment Date**” means: (i) with respect to each Floating Rate Loan, or any amount on which interest is payable with reference to a Floating Rate, and any period of time elapsed in any calendar month, the first (1st) Business Day of the immediately following calendar month; and (ii) with respect to each Libor Loan, or any amount on which interest is payable with reference to LIBOR, the last day of each Interest Period applicable to it and, with respect to each Interest Period longer than three (3) months, each day that falls every three (3) months after the commencement of that Interest Period (or the next following Business Day, if any such day is not a Business Day) during that Interest Period.

“**Interest Period**” for any Libor Loan means the period selected by the Borrower in a Borrowing Request for that Libor Loan in accordance with Subsection 6.1.3(b).

“**Investment**” means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business) or contribution of capital to any other person or any acquisition of Capital Stock, deposit accounts, certificates of deposit, mutual funds, bonds, notes, debentures or other securities of any other person or any structured notes or Derivatives.

“**Landlord Acknowledgement Agreement**” means an agreement amongst a Loan Party, a landlord and the Lender intended to grant the Lender rights to cure defaults by that Loan Party under a lease of real property premises and permit the Lender access to those premises, in form and substance satisfactory to the Lender.

“**Liquidity**” means, in respect of the Borrower, cash plus the lesser of (x) the amount, if any, by which the Liquidity Revolver Commitment at such time exceeds the Outstanding Amount of the Advances outstanding under the Revolver at such time and (y) the Liquidity Borrowing Base.

“**Liquidity Borrowing Base**” means at any time means the amount equal to the sum (without duplication) of (i) 75% of the Good Accounts Receivables plus (ii) 85% of the Good Designated Accounts Receivables plus (iii) the lesser of (x) 35% of Work In Progress and (y) \$10,000,000. Where any receivable falls within more than one of the categories described above, the Borrower shall elect in the Borrowing Base Report which category that Eligible Receivable is to be included for the purpose of computing the Liquidity Borrowing Base.

“**Liquidity Revolver Commitment**” means \$30,000,000, minus all reductions to such amount pursuant to any applicable provision of this Agreement occurring at or before such time.

“**Lender**” means Royal Bank of Canada and any successor or assign thereof.

“**Lender’s Counsel**” means (i) in the Province of Ontario, Fasken Martineau DuMoulin LLP, (ii) in each other relevant jurisdiction, such local legal counsel as the Lender may designate as the Lender’s legal counsel in that jurisdiction, and (iii) in each case, such replacement or additional firm as the Lender may designate from time to time as the Lender’s legal counsel.

“**Level**” means a level set out in the first column of the table contained in the definition of Applicable Margin corresponding to the range within which the Leverage Ratio as of any Fiscal Quarter end falls.

“**Leverage Ratio**” (A) for any Test Period prior to and including March 31, 2019, means the ratio for the Borrower of (i) ~~Net Funded Senior~~ Debt at the end of that Test Period to (ii) EBITDA of the Borrower for that Test Period; and (B) for any Test Period following March 31, 2019, means the ratio for the Borrower of (i) Net Funded Debt at the end of that Test Period to (ii) EBITDA of the Borrower for that Test Period; provided, Net Funded Debt shall not include the Shareholder Debt for the purposes of subparagraph (B)(i) of this definition.

“**LIBOR**” in relation to any Interest Period for any Libor Loan means the greater of (i) zero percent (0%) and (ii) the rate (rounded upwards to be expressed to two (2) decimal places) quoted by the Lender as of 11:00 a.m. (London time) two (2) London Banking Days before the commencement of that Interest Period for the offering of deposits by it in US Dollars in reasonable market size to leading banks in the London interbank market for a period comparable to that Interest Period.

“**Libor Loan**” means an Advance made by way of loan in United States Dollars under the Revolver or Term Loan Facility upon which interest shall be calculated and payable in accordance with the applicable provisions of this Agreement with reference to LIBOR.

“**Lien**” means (i) any right of set-off intended to secure the payment or performance of an obligation, (ii) any interest in property created by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, hire purchase agreement, conditional sale agreement, deposit arrangement, title retention, capital lease or discount, factoring or securitization arrangement on recourse terms, (iii) any statutory deemed trust or lien, (iv) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property, and (v) any agreement to grant any of the rights or interests described in (i) to (iii) of this definition.

“loan o” means a Libor Loan or Floating Rate Loan, as the context requires.

“**Loan Documents**” at any time means, collectively, this Agreement, each Security Document executed by a Loan Party, the Subordination Agreements, and each other document delivered to or for the benefit of the Lender pursuant to or otherwise in connection with any of the foregoing agreements.

“**Loan Obligations**” means the Debt and other obligations of each Loan Party owing to the Lender incurred under or pursuant to this Agreement or any other Loan Document, and any item

or part of any thereof. For certainty, “**Loan Obligations**” shall include interest accruing subsequent to the commencement of, or which would have accrued but for the commencement of, any Insolvency Proceeding in accordance with and at the rate (including the Default Rate to the extent lawful) specified herein or in another applicable Loan Document, whether or not such interest is an allowable claim in such Insolvency Proceeding.

“**Loan Party**” means the Borrower or a Guarantor, as the context requires.

“**London Banking Day**” means a day on which dealings in US Dollar deposits by and between banks may be transacted in the London interbank market.

“**Material**” means material in relation to the business, operations, properties, revenues, assets, liabilities (including contingent liabilities), obligations, results of operations, cash flows, prospects or condition (financial or otherwise) of the Group taken as a whole.

“**Material Adverse Change**” means any circumstance, occurrence, fact, condition (financial or otherwise) or change (including a change in Applicable Law, event, development or effect) that, individually or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect. The initial determination as to whether a Material Adverse Change has occurred may be made by the Borrower. Any determination by the Lender made in good faith and in a commercially reasonable manner that a Material Adverse Change has occurred shall override any determination by the Borrower as of and from the date the Lender notifies the Borrower of the Lender’s determination.

“**Material Adverse Effect**” means (i) an adverse effect that is Material, (ii) any material impairment of any Loan Party’s ability to perform its Secured Obligations or (iii) any prejudice to, restriction on or rendering unenforceable or ineffective, any Secured Obligation or any Security over any material asset or any material right intended or purported to be granted under or pursuant to any Loan Document by any Loan Party to or for the benefit of the Lender.

“**Mega Diesel Promissory Note**” means the subordinated promissory note dated March 7, 2016 in the aggregate principal amount of \$404,160 with a maturity date of July 7, 2017 issued to Mega Diesel Holdings Ltd. in connection with the acquisition of all of the issued and outstanding securities in the capital of Mega Diesel Excavation Ltd.

“**Multi-Employer Plan**” means a “multi-employer pension plan”, as such term is defined in the *Pension Benefits Act* (Ontario) or any similar plan registered under pension standards legislation of another jurisdiction in Canada to which a Group Member or any Affiliate contributes for its employees or former employees employed in Canada.

“**Net Acceptance Proceeds**” means the cash proceeds realized on the issuance and sale of an Acceptance pursuant to the Revolver after deduction of the Stamping Fee.

“**Net Funded Debt**” at any time means the amount of (i) Funded Debt minus (ii) the lesser of (x) Cash Equivalents and (y) \$5,000,000.

“**Net Income**” for any period means, for any person, the consolidated net income of that person determined in accordance with Applicable Accounting Principles.

“**New York Banking Day**” means a day on which banks generally are open for the conduct of commercial lending and foreign exchange business in New York City.

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing, property or excise or similar Taxes that arise from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under or otherwise with respect to, this Agreement or any other Secured Document, except any such Taxes that are imposed with respect to an assignment as a result of a present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising from the Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Secured Document, or sold or assigned an interest in any Advance or Secured Document).

“**Outstanding Amount**” when used in relation to any outstanding Advance at any time means (i) its aggregate face amount if it is an issue of Acceptances, (ii) its outstanding principal balance if it is a Prime Rate Loan, (iii) the Standby Instrument Exposure if it is a Standby Instrument denominated in Canadian Dollars (iv) the Equivalent in Canadian Dollars of its outstanding principal balance if it is a Libor Loan or US Base Rate Loan and (v) the Equivalent in Canadian Dollars of the Standby Instrument Exposure if it is a Standby Instrument denominated in US Dollars or other foreign currency.

“**Pension Event**” means (i) the termination or wind-up in whole or in part of a Pension Plan, (ii) the occurrence of any circumstance or event that would provide any basis for a governmental authority to take steps to cause the termination or wind-up, in whole or in part, of any Pension Plan, the issuance of a notice (or a notice of intent to issue such a notice) to terminate in whole or in part any Pension Plan or the receipt of a notice of intent from a governmental authority to require the termination in whole or in part of any Pension Plan, revoking the registration of same or appointing a new administrator of such a plan, (iii) an event or condition which constitutes grounds under applicable pension standards or tax legislation for the issuance of an order, direction or other communication from any governmental authority or a notice of an intent to issue such an order, direction or other communication requiring a Group Member to take or refrain from taking any action in respect of a Pension Plan, (iv) the issuance of either any order or charges which may give rise to the imposition of any fines or penalties to or in respect of any Pension Plan or the issuance of such fines or penalties, (v) the failure to remit by any Group Member any contribution to a Pension Plan when due or the receipt of any notice from an administrator, a trustee or other funding agent or any other person that a Group Member has failed to remit any contribution to a Pension Plan or a similar notice from a governmental authority relating to a failure to pay any fees or other amounts, (vi) the non-compliance by a Group Member with any law applicable to any Pension Plan and (vii) the existence of a solvency deficiency with respect to any Pension Plan.

“**Pension Plan**” means any plan, program or arrangement which is considered to be a pension plan or required to be registered for the purposes of any applicable pension benefits standards or tax statute and/or regulation in Canada or any Province or Territory thereof established, maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Group Member, its employees or former employees, in each case whether written or oral, funded

or unfunded, insured or self-insured, reported or unreported, including any pension benefit plan within the meaning of the *Pension Benefits Act* (Ontario), but excluding any government-sponsored plan (such as the Canada Pension Plan and the Quebec Pension Plan) and any Multi-Employer Plan.

“**Period End Date**” means the last day of an Interest Period or of the Term of an Acceptance, as the context requires.

“**Permitted Acquisition**” means an Acquisition which is permitted to be made pursuant to Subsection 11.4.10.

“**Permitted Debt**” means Debt permitted to exist pursuant to Subsection 11.4.1.

“**Permitted Derivative**” means (i) a Derivative which is entered into by a Group Member with the Lender, an Affiliate of the Lender or on a non-credit enhanced basis with any other bank as a *bona fide* hedge (and not for speculation) against fluctuations in interest rates or currency exchange rates relating to Debt of a Group Member, (ii) a spot or forward foreign exchange contract entered into to pay or *bona fide* hedge (and not speculate on) the actual or anticipated capital expenditures or receipts or operating revenues or expenses of a Group Member denominated in foreign currency and (iii) Derivatives entered into by a Group Member to *bona fide* hedge (and not speculate on) its commodity price exposure.

“**Permitted Distribution**” means a Distribution permitted to be made by a Loan Party pursuant to Subsection ~~11.4.11~~[11.4.11](#).

“**Permitted Investment**” means an Investment permitted to be made by a Group Member pursuant to Subsection 11.4.9.

“**Permitted Liens**” means a Lien permitted to exist pursuant to Subsection 11.4.6.

“**Postponement Agreement**” means the Lender’s standard form postponement agreement and assignment of claim or such other postponement agreement in form and substance satisfactory to the Lender acting reasonably.

“**PPSA**” means the *Personal Property Security Act* (Ontario), including each regulation and order promulgated pursuant thereto.

“**Preferred Shares**” means Capital Stock of any Group Member (i) that may be redeemed by any Group Member, (ii) that is retractable at the option of the holder or (iii) which any Group Member may be required to purchase or otherwise acquire; in each case, before or within 12 months after the last Applicable Maturity Date.

“**Prime Rate**” on any day means the variable nominal interest rate equal on such day to the percentage rate per annum determined by the Lender (rounded up to two (2) decimal places) to be the greater of (i) the rate of interest which the Lender establishes at that time as the reference rate of interest for determination of the interest rates it will charge for loans made in Canadian Dollars in Canada and which it refers to as its prime rate (or its equivalent or analogous such

rate) and (ii) the sum of (A) the yearly rate of interest to which the one (1) month CDOR is equivalent *plus* (B) one percent (1%).

“**Prime Rate Loan**” means an Advance made under a Credit Facility by way of loan in Canadian Dollars upon which interest shall be calculated in accordance with the applicable provisions of this Agreement with reference to the Prime Rate.

“**Related Party**” means any other person (i) that is an Affiliate of a Loan Party, (ii) that is a Responsible Officer or director of a Loan Party or an Affiliate of a Loan Party or (iii) that is an associate of any person referred to in (i) or (ii).

“**Relevant**” when used in relation to any Availability Period, Borrowing or Credit Facility means the applicable one of them, as the context requires.

“**Repayment Notice**” means a duly completed notice in the form of or to substantially the same effect as Schedule 5 signed by the Borrower and delivered to the Lender pursuant to Section 7.3.

“**Responsible Officer**” of a person (other than an individual) means the president, chief executive officer, chief operating officer, chief financial officer, treasurer, an executive vice-president, a senior vice-president or other executive officer of that person.

“**Revolver**” means the committed senior secured revolving credit facility established by the Lender in favour of the Borrower under Subsection 2.1.1.

“**Revolver Commitment**” ~~at any time~~ means (x) to and including March 31, 2019, \$35,000,000 until August 31, 2018, and (y) at which time the amount reduces to \$30,000,000, in both instances any time following March 31, 2019, \$30,000,000 and in each case, minus all reductions to such amount pursuant to any applicable provision of this Agreement occurring at or before such time.

“**Revolver Maturity Date**” means the third anniversary of the Closing Date or the preceding Business Day if that day is not a Business Day as such Revolver Maturity Date may be extended by the Lender in its sole discretion at the request of the Borrower.

“**Rollover**” means (i) the continuation on the Period End Date of an outstanding Libor Loan (or a portion thereof) for another Interest Period pursuant to Subsection 5.2.1 or (ii) a new issue of Acceptances on the Period End Date of an outstanding issue of Acceptances in an aggregate face amount equal to the aggregate face amount of such outstanding issue of Acceptances (or a portion thereof) pursuant to Subsection 5.2.2.

“**Rollover Date**” means a Business Day on which a Rollover of all or a portion of a Libor Loan or an issue of Acceptances takes place, as the context requires.

“**Sales Taxes**” means sales, transfer, turnover or value added taxes of any nature or kind, including Canadian goods and services and harmonized sales taxes and Canadian federal, provincial and local sales and excise taxes.

“Senior Debt” means Funded Debt less any Debt attributable to the 2018 Debenture, Existing QE2 Subordinated Debt, the Mega Diesel Promissory Note and the Shareholder Debt.

“Secured Documents” at any time means the Cash Management Agreements, Loan Documents and Derivatives entered into with the Lender in effect at that time.

“Secured Obligations” means Cash Management Obligations, Loan Obligations and Derivative Obligations, and any item or part of any thereof.

“Security” at any time means the Liens created (or intended by their express or implied terms to be created) in favour of the Lender by any of the Security Documents.

“Security Documents” at any time means the documents delivered or required to be delivered (as the case may be) pursuant to this Agreement to or for the benefit of the Lender at or before such time to secure the payment or performance of any of the Secured Obligations, including the documents required to be delivered pursuant to Article 9.

“Shareholder Debt” means, collectively, (i) the Debt incurred pursuant to the subordinated promissory note dated August 3, 2018 in an aggregate principal amount of \$500,000 issued by the Borrower in favour of Alex Agius and (ii) the Debt incurred pursuant to the subordinated promissory note dated August 3, 2018 in an aggregate principal amount of \$500,000 issued by the Borrower in favour of Joe Lanni.

“Shareholder Postponement Agreements” means, collectively, (i) the postponement agreement dated September 12, 2018 entered into by the Lender, the Borrower and Alex Agius; and (ii) the postponement agreement dated September 12, 2018 entered into by the Lender, the Borrower and Joe Lanni.

“Software” means (i) all computer programs, including source code and object code versions, (ii) all data, databases and compilations of data, whether machine readable or otherwise and (iii) all documentation, training materials and configurations related to any of the foregoing.

“Solvent” at any time when used with respect to a person means that at such time (i) such person is not for any reason unable to meet its obligations as they generally become due, (ii) such person has not ceased paying its current obligations in the ordinary course of business as they generally become due and (iii) the aggregate property of such person is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all its obligations, due and accruing due.

“Stamping Fee” means the stamping fee payable to the Lender on an Acceptance at the time that Acceptance is issued, calculated and payable in the manner provided for in Section 4.6.

“Standby Fee Rate” means the Applicable Margin for the Standby Fee.

“Standby Fees” means the standby fees payable under Subsection 6.3.1 or 6.3.2, as the context requires.

“**Standby Instrument**” means a trade letter of credit, a bank guarantee or a standby (within the meaning attributed thereto under the ICC Rules) issued or deemed issued by the Lender pursuant to this Agreement. For certainty, “**Standby Instrument**” shall not include any documentary letter of credit.

“**Standby Instrument Disbursement**” means any amount paid by the Lender under or otherwise in respect of any Standby Instrument, including all amounts which the Borrower is obligated to indemnify the Lender against pursuant to Subsection 3.2.2.

“**Standby Instrument Exposure**” in relation to any Standby Instrument at any time means the maximum amount remaining available to be drawn upon under that Standby Instrument at that time.

“**Standby Instrument Fees**” means standby instrument fees payable pursuant to Section 3.5 in respect of Standby Instruments.

“**Statutory Prior Claims**” means claims for any unpaid wages, vacation pay, worker’s compensation, unemployment insurance, pension plan contributions, Unfunded Liabilities, employee or non-resident withholding tax source deductions, unremitted Sales Taxes, realty taxes (including utility charges and business taxes which are collectable like realty taxes), customs duties or similar statutory obligations secured by a Lien on a Group Member’s assets.

“**Statutory Prior Liens**” means Liens securing Statutory Prior Claims that are not delinquent.

“**Subordinated Debt**” means (A) any Debt of the Borrower which is (i) subject to terms and conditions satisfactory to the Lender and (ii) subordinated and postponed to the prior payment in full of the Secured Obligations in a manner and in form and substance acceptable to the Lender; and (B) Debt of the Borrower incurred pursuant to the 2018 Debenture. For certainty, Debt permitted pursuant to Subsection 11.4.1(f) and (g) shall constitute “Subordinated Debt” for the purposes of this Agreement. c

“**Subordination Agreement**” means ~~(i)~~ an agreement amongst the Lender, a Loan Party and each holder (or a trustee under a related trust indenture) of Subordinated Debt pursuant to which such Subordinated Debt is subordinated and postponed to the prior payment in full of the Secured Obligations in a manner and in form and substance acceptable to the Lender. For certainty, the Shareholder Postponement Agreements shall each constitute a “Subordination Agreement” for the purposes of this Agreement.

“**Subsidiary**” of any person (the “relevant party”) at any time means and includes (i) any body corporate that is Controlled by the relevant party or a majority of whose Voting Capital Stock is at that time owned by the relevant party directly or indirectly through Subsidiaries of the relevant party and (ii) any limited or general partnership, association, joint venture or other entity Controlled by the relevant party and in which the relevant party directly or indirectly through Subsidiaries has a majority of the equity or participating interests at the time and (iii) any other body corporate, limited or general partnership, joint venture or other entity (A) the accounts of which are consolidated with those of the relevant party in the relevant party’s consolidated financial statements prepared in accordance with Applicable Accounting Principles and (B) that

is Controlled by the relevant party. A person shall be deemed to be a Subsidiary of another person if it is a Subsidiary of a person that is that other's Subsidiary. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Taxes" means all taxes, charges, levies, imposts and other assessments of any kind or nature whatsoever including federal large corporation taxes, provincial capital taxes, realty taxes, business taxes, property transfer taxes, income taxes, Sales Taxes, customs duties, payroll taxes, stamp taxes, royalties, duties, imposts and all fees, deductions (compulsory loans) and withholdings (including backup withholding) imposed, levied, collected, withheld or assessed as of the date hereof or at any time in the future, by any governmental authority of or within Canada or any other jurisdiction whatsoever having power to tax, together with instalments, penalties, fines, additions to tax and interest thereon.

"Term" for any Advance by way of Acceptances means the period of at least three (3) but not more than twelve (12) months, as selected by the Borrower in a Borrowing Request commencing on the Borrowing Date of such Advance; provided (i) that any Term that would otherwise end on a day which is not a Business Day shall be extended to end on the next Business Day and (ii) the Borrower may not select a Term which would result in a Period End Date falling after the Applicable Maturity Date.

"Term Commitment" at any time means \$20,000,000 minus all reductions to such amount pursuant to each applicable provision of this Agreement occurring at or before such time.

"Term Loan Facility" means the non-revolving term loan facility established by the Lender under Subsection 2.2.1

"Term Loan Maturity Date" means the fifth anniversary of the Closing Date or the preceding Business Day if that day is not a Business Day as such Term Loan Maturity Date may be extended by the Lender in its sole discretion at the request of the Borrower.

"Test Period" means a period of four (4) consecutive Fiscal Quarters.

"Trade-mark" means all rights (and all related ancillary rights) arising under any Applicable Law in or relating to trade-marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and, in each case, all goodwill associated therewith, all registrations and recordations thereof and all applications in connection therewith.

"Type" means, with respect to any Advance, its form as a Loan or an issue of Acceptances.

"Unfunded Capital Expenditures" means Capital Expenditures that are not (i) financed by capital lease or other Debt secured by a Lien permitted under Subsection 11.4.6(h), (ii) financed from the net proceeds of issuance of common shares in the capital of the Borrower, or (iii) financed with Insurance Event proceeds or asset disposal proceeds.

"Unfunded Liabilities" means the amount (if any) by which the present value of all vested and unvested accrued benefits under a Pension Plan exceeds the fair market value of assets allocable to such benefits, all determined as of the then most recent actuarial valuation date for such

Pension Plan required under Applicable Law using the assumptions and methodologies applied under generally accepted actuarial principles and/or Applicable Law in the case of any other Pension Plan.

“**United States Dollars**”, “**US Dollars**” and the symbols “**USD**” and “**US\$**” each means dollars which are the lawful money of the United States of America.

“**Unrelated Party**” in relation to any person (the “relevant party”) means another person that is not a Related Party of the relevant party.

“**Upfront Fee**” means the upfront fee payable under Section 6.4.

“**US Base Rate**” on any day means the variable nominal interest rate equal on such day to the percentage rate per annum determined by the Lender to be the greater of (i) the rate of interest which the Lender (rounded up to two (2) decimal places) establishes from time to time as the reference rate of interest for determination of the interest rates it will charge for loans made in US Dollars in Canada and which it refers to as its base rate (or any equivalent or analogous such rate) or (ii) the sum of (A) the yearly rate of interest to which the Federal Funds Rate is equivalent *plus* (B) one percent (1%). For the purpose of this definition, “Federal Funds Rate” on any day means the arithmetic mean of the rates (rounded up, if necessary to be expressed to two (2) decimal places), as quoted by the Lender, for the last transaction in overnight US Dollar Federal funds arranged by US Dollar Federal funds dealers prior to 9:00 a.m. on such day, or the preceding New York Banking Day if such day is not a New York Banking Day.

“**US Base Rate Loan**” means an Advance made under a Credit Facility by way of loan in United States Dollars upon which interest shall be calculated in accordance with the applicable provisions of this Agreement with reference to the US Base Rate.

“**Voting Capital Stock**” means Capital Stock of a person that is a corporation or other artificial legal or commercial entity which carries voting rights or the right to Control such person under any circumstances; provided that Capital Stock which carries the right to vote or Control conditionally upon the happening of an event shall not be considered Voting Capital Stock until the occurrence of such event and then only during the continuance of such right to vote or Control.

“**Waste**” means ashes, garbage and refuse and includes domestic waste, industrial waste, municipal refuse or such other wastes as are designated as such under any Environmental Law.

“**Wholly-Owned Subsidiary**” of a person (the “relevant party”) means any Subsidiary, all of the outstanding Capital Stock of which, shall at the time be owned (except for director’s qualifying shares) and Controlled, directly or indirectly, by the relevant party or one or more Wholly-Owned Subsidiaries of the relevant party, or by the relevant party and one or more Wholly-Owned Subsidiaries of the relevant party. A person shall be deemed to be a Wholly-Owned Subsidiary of another person if it is a Wholly-Owned Subsidiary of a person that is that other’s Wholly-Owned Subsidiary.

“**Work in Process**” means projects, programs and jobs commenced but not yet complete. All references to Work in Process amounts shall mean the Work in Process figure as reported on the most recent financial statements of the Borrower.

1.2 Extended Meanings. To the extent the context so admits, in this Agreement the following words and expressions shall be given the following corresponding extended meanings set forth opposite them:

an “**agreement**” – any agreement, oral or written, any simple contract, deed or specialty, and includes any bond, bill of exchange, indenture, instrument or undertaking.

an “**approved credit rating**” – a rating at or above the following rating categories issued by at least two (2) of the following credit rating organizations (or their respective successors) for the category of commercial paper/short term debt (or any replacement such rating category), namely (i) R-1 (low) issued by DBRS Limited, (ii) F1 issued by Fitch Ratings, (iii) P-1 issued by Moody’s Investors Service or (iv) A-1 (Low) issued by Standard & Poor’s.

an “**asset**” – any undertaking, business, property (real, personal or mixed, tangible or intangible) or other asset.

an “**associate**” - as defined in the *Business Corporations Act* (Ontario).

an “**authorization**” – any authorization, approval, consent, exemption, licence, permit, franchise, quota, privilege or no-action letter from any governmental authority or from any person in connection with any easements or contractual rights.

“**change**” – change, modify, alter, amend, restate, amend and restate, supplement, extend, renew, compromise, novate, replace, terminate (excluding, for clarity, termination in accordance with the express terms of an applicable agreement, but not resulting from any breach, default or other equivalent or analogous cause), release, discharge, cancel, suspend or waive.

“**claim**” – claim, claim over, counter-claim, cross-claim, defence, demand or liability (actual or contingent, now existing or arising hereafter), whether arising by agreement or statute, at law or in equity or otherwise, or any proceeding, judgment or order of any court or other governmental authority or arbitrator.

“**dispose**”, “**disposal**” and “**disposition**” – lease, sell, transfer, licence (other than a licence that is not a permanent-user licence and is granted in the ordinary course of conducting day-to-day business) or otherwise dispose of any property, or the commercial benefits of use or ownership of any property, including the right to profit or gain therefrom, whether in a single transaction or in a series of related transactions (other than the payment of money).

a “**document**” – a written agreement, consent, waiver, certificate, notice or other written document or instrument.

a “**final judgment**” – a judgment, order, declaration or award of a court, other governmental authority, arbitrator or other alternative dispute resolution authority of competent jurisdiction

from which no appeal may be made or from which all rights of appeal have expired or been exhausted.

a “**government**” – (i) the Crown in right of Canada or in the right of any Province of Canada, (ii) the government of a Territory in Canada, (iii) a municipality in Canada or (iv) the government of a foreign country or any political subdivision of it.

a “**governmental authority**” – any court, administrative tribunal, regulatory authority, government, union of nations or any agency or other authority of a government or union of nations.

“**guarantee**” – any guarantee, indemnity, letter of comfort or other assurance made in respect of any Debt or any other obligation or financial condition of another, including (i) any purchase or repurchase agreement, (ii) any obligation to supply funds or invest in such other, (iii) any keep-well, take-or-pay, through-put or other arrangement having the effect of assuring or holding harmless another against financial loss, or maintaining another’s solvency or financial viability or (iv) any obligation under any credit Derivative; but shall exclude endorsements on notes, bills and cheques presented to financial institutions for collection or deposit in the ordinary course of business.

“**include**” – include without limitation and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.

“**losses and expenses**” – losses, costs, expenses, damages, penalties, orders, proceedings and claims, including any applicable court costs and legal fees and disbursements on a full indemnity basis.

“**obligations**” – indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

“**order**” – any order, award, directive, direction or request of any governmental authority, arbitrator or other decision-making authority of competent jurisdiction.

“**ordinary course of business**” – in respect of any transaction involving any person, the ordinary course of such person’s business, as conducted by such person in accordance with past practice and undertaken by such person in good faith and not for purposes of evading any obligation or restriction in any Loan Document.

“**paid in full**”, “**payment in full**” and “**repaid in full**” in relation to any payment obligation owing to any person (the “creditor”) – permanent, indefeasible and irrevocable payment in cash (or other freely available funds transfer as may be expressly provided for in the applicable document creating or evidencing such payment obligation) to that creditor in full of such payment obligation in accordance with the express provisions of the applicable document creating or evidencing such payment obligation, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any Insolvency Law, Fraudulent Conveyances Law or other similar such laws, any law affecting creditors’ rights

generally or general principles of equity, and, if applicable, the cancellation or expiry of any commitment of that creditor to lend or otherwise extend credit.

a “**person**” – an individual, including an individual in his or her capacity as trustee, executor, administrator or other representative, a sole proprietorship, a partnership, an unincorporated association, an unincorporated syndicate, an unincorporated organization, a trust, including a business trust, a body corporate organized under the laws of any jurisdiction, a government or agency of a government or any other artificial legal or commercial entity.

a “**proceeding**” – any proceeding, legal action, lawsuit, arbitration, mediation, alternative dispute resolution proceeding or other proceeding.

a “**receiver**” – a privately appointed or court appointed receiver or receiver and manager, interim receiver, liquidator, trustee-in-bankruptcy, administrator, administrative receiver and any other like or similar official.

“**register**” – register, file or record with an applicable governmental authority.

a “**representative**” – any person empowered to act for another, including an agent, an officer or other employee of a body corporate or association and a trustee, executor or administrator of an estate.

“**rights**” – rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

“**set-off**” – any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, abatement, deduction, counter-claim or any similar right or obligation, or (as the context requires) any exercise of any such right or performance of such obligation.

“**written**” and “**in writing**” – an original writing, a pdf or facsimile copy of a writing or an e-mail.

1.3 **References to Agreements.** Unless the context otherwise requires, each reference in this Agreement to any agreement (including this Agreement and any other defined term that is an agreement) at any time shall be construed so as to include such agreement (including any attached schedules, appendices and exhibits) and each change made to it at or before that time; provided that (i) no change to this Agreement shall be effective unless it is made in compliance with Section 13.18 and (ii) any change to any agreement which is not made in compliance with the Loan Documents shall be disregarded for the purposes of determining whether or not the Borrower party thereto is in compliance with its obligations relative thereto under the Loan Documents (save for any obligations not to change such agreement contained in any Loan Document).

1.4 **References to Statutes.** Unless the context otherwise requires, each reference in this Agreement to any code, statute, regulation, official interpretation, directive or

other legislative enactment of Canada or any political subdivision of either thereof or any other foreign jurisdiction (including any political subdivision thereof) at any time shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each amendment, re-enactment, reissuance or replacement thereof made at or before that time.

- 1.5 Headings, etc.** The division of this Agreement into Articles, Sections and Subsections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section, Subsection, paragraph, subparagraph, Clause or other portion of this Agreement.
- 1.6 Grammatical Variations.** In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Agreement shall be construed in like manner.
- 1.7 Accounting Principles.** Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Agreement, including the contents of any certificate to be delivered hereunder, such determination, consolidation or computation shall, unless the parties otherwise agree or the context otherwise requires, be made in accordance with Applicable Accounting Principles applied on a consistent basis. The parties hereto confirm that the definitions of financial terms and the levels of financial tests set out in this Agreement were based upon Applicable Accounting Principles adopted by the Group and applied in their December 31, 2016 financial statements (“**Historical GAAP**”). If at any time the Group changes how it applies Applicable Accounting Principles or Applicable Accounting Principles change and such change is reflected in any subsequently prepared financial statements of the Group, then the Borrower or the Lender may request the other to agree upon amendments to the definitions of financial terms and/or to the levels of financial tests set out in this Agreement if the requesting party reasonably believes that such amendment is required to reflect substantially the same commercial or financial determination, consolidation, computation or financial measure under Applicable Accounting Principles, as applied under Historical GAAP. Until such amendments are agreed upon, or the requesting party withdraws such request for amendments, all such financial terms, determinations, consolidations and computations shall be made in accordance with Historical GAAP and the Borrower shall provide the Lender a reconciliation of Applicable Accounting Principles, as so changed and applied, to Historical GAAP treatment with every Compliance Certificate provided to the Lender pursuant hereto.

- 1.8 Permitted Liens.** The inclusion of reference to Permitted Liens in any Loan Document is not intended to subordinate and will not subordinate, any Security to any Permitted Lien.
- 1.9 References to Time.** Each reference in this Agreement to any time of the day shall, unless otherwise stated, be construed as a reference to Toronto time.
- 1.10 Rounding.** Unless otherwise stated, (i) all currency amounts determined pursuant to this Agreement shall be rounded up, if necessary to be expressed in a whole number of cents, to the nearest cent and (ii) all financial ratios required to be determined hereunder shall be truncated after five (5) decimal places without rounding.

Article 2 CREDIT FACILITIES

2.1 Grant of Revolver.

2.1.1 Grant. Upon and subject to the terms and conditions of this Agreement, the Lender hereby establishes a committed senior secured revolving credit facility in the amount equal to the Revolver Commitment available to the Borrower.

2.1.2 Use of Proceeds. The Borrower will use each Advance made available to it pursuant to the Revolver solely for the purposes of (x) paying the Existing Credit Facilities in full and (y) financing its day-to-day working capital requirements, as well as for other general corporate purposes, including financing Permitted Acquisitions and capital expenditures.

2.2 Grant of Term Facility.

2.2.1 Grant. Upon and subject to the terms and conditions of this Agreement, the Lender hereby establishes a committed senior secured non-revolving term loan facility in the amount equal to the Term Commitment available to the Borrower.

2.2.2 Use of Proceeds. The Borrower will use the Drawdowns made available to it pursuant to the Term Loan Facility solely for the purposes of ~~financing (x) the payment in full of the Crown Capital Debt and (y)~~ financing its day-to-day working capital requirements, as well as for other general corporate purposes, including financing Permitted Acquisitions and capital expenditures.

2.3 Revolver Limit.

2.3.1 Facility Limit. On each Borrowing Date under the Revolver, the Borrower shall ensure that the total Outstanding Amount of all Advances outstanding under the Revolver does not exceed the Revolver Commitment. Subject to Section 7.6, except for temporary excesses arising from foreign exchange fluctuations, the Borrower shall ensure that the aggregate Outstanding Amount of the Advances outstanding under the Revolver shall not exceed the lesser of (a) the Revolver Commitment and (b) the amount equal to the Borrowing Base.

2.3.2 *Reductions.* The Revolver Commitment shall reduce by the amount of each reduction in the Revolver Commitment made pursuant to Section 7.4.

2.4 Term Loan Facility Limit.

2.4.1 *Facility Limit.* The Outstanding Amount of all Advances under the Term Loan Facility shall not exceed the Term Commitment.

2.4.2 *Cancellation of Undrawn Amount.* The Term Commitment shall be cancelled and permanently reduced at the close of business on November 30, 2017 by the amount, if any, which (a) the Term Commitment at the close of business on November 30, 2017 exceeds (b) the total principal amount of all Advances outstanding under the Term Loan Facility at the end of the day on November 30, 2017.

2.4.3 *Reductions.* The Term Commitment shall reduce by the amount of each reduction in the Term Commitment made pursuant to Subsections 2.4.2 and 7.1.2 and Section 7.3.

2.5 Availability.

2.5.1 *Revolver.* Upon and subject to the terms and conditions of this Agreement the Borrower may borrow, repay and reborrow Advances under the Revolver during its Availability Period on a revolving basis by way of Loans, Acceptances and Standby Instruments.

2.5.2 *Term Loan Facility.* Upon and subject to the terms and conditions of this Agreement, the Borrower may borrow two (2) Advances under the Term Loan Facility during its Availability Period (the first Advance on or about the Closing Date and the second Advance on or about the date of the CUL Acquisition) on a non-revolving basis by way of Loan or issue of Acceptances.

2.6 Drawdown Requests

2.6.1 *Revolver Drawdown Request.* The Borrower must deliver a Borrowing Request to the Lender to obtain a Drawdown under the Revolver at the times and stipulating the information specified below:

- (a) for a Prime Rate Loan, before noon on the Business Day before the proposed Drawdown Date specifying the principal amount (which must be \$100,000 or a whole number multiple of \$10,000 in excess thereof) and proposed Drawdown Date (which must be a Business Day falling within the Availability Period for the Revolver);
- (b) for a US Base Rate Loan, before noon on the Business Day before the proposed Drawdown Date specifying the principal amount (which must be US\$100,000 or a whole number multiple of US\$10,000 in excess thereof) and proposed Drawdown Date (which must be a Business Day during the Availability Period for the Revolver);

- (c) for a Libor Loan, before noon on the third (3rd) Business Day before the proposed Drawdown Date specifying the principal amount (which must be at least US\$100,000 and be a whole number multiple of US\$10,000) and the proposed Interest Period complying with the requirements of Subsection 6.1.3(b); and
- (d) for an issue of Acceptances, as required in accordance with Article 4.

2.6.2 *Term Loan Facility Drawdown Request.* The Borrower must deliver a Borrowing Request to the Lender to obtain a Drawdown under the Term Loan Facility subject to same requirements as apply to a Drawdown under the Revolver under Subsection 2.6.1, save that the Drawdowns under the Term Loan Facility must take place on or before November 30, 2017.

2.7 Proceeds of Drawdown. The proceeds of each Drawdown by way of Rate Loan under a Credit Facility shall, subject to Sections 7.7 and 8.2, be advanced by the Lender to the Borrower by bank transfer to the credit of the Borrower's Account. The proceeds of the sale of Acceptances will be dealt with in accordance with Article 4 and Article 5.

2.8 Revolving Funds Arrangement. The Borrower shall establish a Borrower's Account with the Lender in each of Canadian currency and US currency (each a "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Lender daily or otherwise as and when determined by the Lender, to ascertain the balance of each General Account and:

- (a) if such position is a debit balance the Lender may, subject to the revolving increment amount and minimum retained balance of C\$1,000,00 or US\$1,000.00 as applicable, make available a Borrowing by way of Prime Rate Loans, or US Base Rate Loans as applicable, under the Revolver;
- (b) if such position is a credit balance, where the Revolver is indicated to be Lender revolved, the Lender may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of Prime Rate Loans, or US Base Rate Loans as applicable, under this facility;
- (c) If such position is a credit balance, where this facility is indicated to be Borrower revolved, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- (d) Overdrafts and Lender revolved facilities by way of Prime Rate Loans, or US Base Rate Loans, are not available on the same General Account;
- (e) The above stated revolvment under clause (a) will only be completed by the Lender if the Outstanding Amount of all Advances under the Revolver will comply with S.2.3 (Revolver Limit) and S.2.5 (Availability), immediately before and after any such revolvment.

- 2.9** **Accordion Feature.** The Borrower may from time to time make up to two (2) requests during the term of this Agreement to increase either Commitment by notice to the Lender specifying the amount of the increase (which, together with all other increases previously made pursuant to this Section 2.9, shall not exceed \$10,000,000) and the Lender shall inform the Borrower in writing whether it has consented to such increase within ten (10) Business Days of such notice, provided that any such increase in such Commitment shall be (a) at the Lender's sole and absolute discretion and (b) if consented by the Lender, subject to the same terms and conditions as they are applicable to the applicable Credit Facility.

Article 3
STANDBY INSTRUMENTS

- 3.1** **Issuance of Standby Instruments.** The following provisions apply to the issuance of Standby Instruments under the Revolver:
- (a) The Borrower may request the issue of a Standby Instrument under the Revolver in Canadian Dollars or US Dollars or, with the prior consent of the Lender, any other currency.
 - (b) The Lender will issue all Standby Instruments under the Revolver in accordance with this Article 3.
 - (c) The aggregate Outstanding Amount of all Standby Instruments may not exceed \$2,000,000 at any time.
 - (d) Following the occurrence of an Event of Default that is continuing, the Lender shall have the right, in its sole discretion, (i) to amend any Standby Instrument or (ii) agree or not agree to renew or extend the expiry date of any Standby Instrument.
 - (e) The Borrower may not request the issuance of any Standby Instrument (i) if the aggregate Outstanding Amount of all Advances under the Revolver would, after the issuance of the Standby Instrument in question, exceed the Revolver Commitment, (ii) having a term exceeding one (1) year from its issue date (provided such Standby Instrument may have an automatic renewal feature) or (iii) having a term expiring after the Revolver Maturity Date unless cash collateralized or otherwise "backstopped" pursuant to arrangements reasonably satisfactory to the Lender.
 - (f) The Borrower shall deliver to the Lender a Borrowing Request for any requested Standby Instrument and attach the proposed form and content of such Standby Instrument no less than three (3) Business Days before the date of requested issuance of the Standby Instrument. Such Borrowing Request must comply with the provisions of this Section 3.1 and specify (i) the stated amount of the Standby Instrument requested, (ii) the requested date of issuance of such Standby Instrument, which must be a Business Day falling within the Availability Period

for the Revolver and (iii) the date on which such requested Standby Instrument is to expire. Upon request from the Lender, the Borrower shall also execute and deliver such application, indemnity and other documents as the Lender shall reasonably require consistent with its prevailing practice relative to the issuance of bank guarantees and standby credits provided such documents shall not be inconsistent with this Agreement.

- (g) Upon receipt of a Borrowing Request in compliance with this Section 3.1, the Lender on the requested issue date, but subject to Section 8.2, shall issue the requested Standby Instrument in accordance with the Lender's usual and customary business practices, subject to such modification thereto as the Lender may reasonably require and subject further to receipt of any other signed documents requested by the Lender pursuant to paragraph (f) above.
- (h) In addition, any amendment or renewal of any Standby Instrument shall be deemed to be an issuance of a new Standby Instrument and shall be subject to the same requirements as are set forth above with respect to original issuance (including delivery of a Borrowing Request to the Lender).

3.2 Reimbursement by the Borrower.

3.2.1 Authorization. The Borrower unconditionally and irrevocably authorizes the Lender to pay the amount of any demand made on the Lender in substantial compliance with the terms of any Standby Instrument issued for its account on demand without requiring proof of the Borrower's agreement that the amount so demanded was due and notwithstanding that the Borrower may dispute the validity of any such demand or payment.

3.2.2 Indemnity. The Borrower shall indemnify and save the Lender harmless, on a full indemnity (after Taxes) basis, from and against any and all payments, claims and losses and expenses which the Lender may make, suffer or incur arising in any manner whatsoever out of the issuance of any Standby Instrument, including the making of, or refusal to make, any payments demanded thereunder (including any court costs and reasonable legal costs on a solicitor and client and full indemnity basis incurred in connection with any proceedings to restrain the Lender from making, or to compel the Lender to make, any such payment). This indemnity shall be unconditional, shall not be subject to any qualification or exception whatsoever, and shall not be lessened, invalidated or otherwise prejudiced for any reason whatsoever including by reason of (i) any lack of validity or enforceability of the Standby Instrument, (ii) any claim or other right the Borrower may have against the beneficiary of the Standby Instrument, including any claim that a demand for payment under the Standby Instrument is fraudulent or (iii) any of the matters referred to in Subsection 3.2.4.

3.2.3 Good Faith Payments. Notwithstanding any other provision of this Agreement to the contrary, any payment made by the Lender in good faith in response to any demand for payment under any Standby Instrument shall be deemed to have been properly made, shall be binding upon the parties hereto and shall oblige the Borrower to reimburse and indemnify the Lender for such payment under Subsection 3.2.2.

3.2.4 *Saving.* Nothing in Subsection 3.2.2 or 3.2.3 shall relieve the Lender from any liability to the Borrower arising by reason of any losses and expenses suffered by the Borrower directly caused by the gross negligence or wilful misconduct of the Lender as determined by a final judgment.

3.3 Lender Not Liable.

3.3.1 *Waiver.* The Lender shall not have any obligation, responsibility or liability for, or duty to inquire into, the sufficiency, authorization, execution, signature, endorsement, correctness, genuineness or legal effect of any certificate or other document presented to it pursuant to any Standby Instrument and the Borrower assumes all risks with respect to the same, including all risks of the acts or omissions of any beneficiary of any Standby Instrument with respect to the use by any beneficiary of any Standby Instrument. Without limiting the generality of the foregoing, the Lender shall not have any obligation, responsibility or liability:

- (a) for the validity or genuineness of certificates or other documents delivered under or in connection with any Standby Instrument that appear on their face to be in order, even if such certificates or other documents should in fact prove to be invalid, fraudulent or forged;
- (b) for errors, omissions, interruptions or delays in transmission or delivery of any messages by mail, cable, telegraph, telecopy, S.W.I.F.T., e-mail, internet, wireless or otherwise, whether or not they are in code;
- (c) for errors in translation or for errors in interpretation of technical terms or for errors in the calculation of amounts demanded under any Standby Instrument;
- (d) for any failure or inability by the Lender or anyone else to make payment under any Standby Instrument as a result of any Applicable Law or by reason of any control or restriction rightfully or wrongfully exercised by any person asserting or exercising governmental or paramount powers;
- (e) for any other consequences arising from causes beyond the control of the Lender;
or
- (f) for any error, neglect or default of any correspondent of the Lender or of any advising, confirming, negotiating or paying bank,

and none of the above shall lessen, invalidate or otherwise prejudice any of the rights of the Lender hereunder or the obligations of the Borrower under Subsection 3.2.2.

3.3.2 *Exclusion.* Notwithstanding the provisions of Subsection 3.3.1, the Borrower shall not be responsible for any loss or expense suffered or incurred by the Lender to the extent such loss or expense is determined by a final judgment that is binding on the Lender to have been directly caused by the wilful misconduct or gross negligence of the Lender.

3.3.3 *ICC Rules.* Save to the extent expressly provided otherwise in this Article 3, the rights and obligations between the Lender and the Borrower with respect to each Standby Instrument shall be determined in accordance with the applicable provisions of the ICC Rules.

3.4 Reimbursement Advance.

3.4.1 *Deemed Borrowing Request.* The Borrower shall pay to the Lender, within one Business Day following receipt by the Borrower of notice from the Lender of any Standby Instrument Disbursement if such notice is received by noon (and if such notice is not received by such time, then within two Business Days following receipt of such notice), the amount of such Standby Instrument Disbursement, together with interest at the Default Rate from the date such notice is given until payment in full by the Borrower to the Lender. If the Borrower fails to pay or reimburse the Lender the amount of any Standby Instrument Disbursement on the date such Standby Instrument Disbursement is made or any payment, loss and expense made or incurred by the Lender referred to in Subsection 3.2.2, the Borrower shall be deemed to have requested and received an Advance from the Lender in a principal amount equal to such unreimbursed Standby Instrument Disbursement (if denominated in Canadian Dollars or US Dollars) or in the equivalent amount in Canadian Dollars of such unreimbursed Standby Instrument Disbursement determined at the Lender's spot rate of exchange (if such unreimbursed Standby Instrument Disbursement or such payment, loss or expense is denominated in foreign currency other than US Dollars).

3.4.2 *Deemed Advance.* Any Advance deemed to have been made under Subsection 3.4.1 in respect of any Standby Instrument issued by the Lender shall be deemed to have been made under the Revolver as a Prime Rate Loan (if denominated in CAD) or US Base Rate Loan (if denominated in USD).

3.5 Standby Instrument Fees.

3.5.1 *Standby Letters of Credit.* The Borrower shall pay a standby instrument fee to the Lender in advance on the issuance and renewal by it of each Standby Instrument under the Revolver for the period from and including the date of issuance or renewal of such Standby Instrument to and including the stated expiry date thereof, based on the rateable daily Outstanding Amount of the Standby Instrument. Such standby instrument fee shall be payable in the currency in which such Standby Instrument is denominated or in Canadian Dollars or US Dollars, as the Lender may require.

3.5.2 *Customary Charges.* In addition to the standby instrument fees payable under Subsection 3.5.1, the Borrower shall pay the Lender standby instrument fees determined in accordance with the Lender's prevailing scheduled rates for services (including advices, confirmations, amendments and renewals) provided by the Lender in relation to Standby Instruments.

Article 4
BANKERS' ACCEPTANCES

- 4.1 Notice and Term.** The Borrower may deliver a Borrowing Request to the Lender (which must be received by the Lender before 4pm EST, one Business Day prior to the commencement of the Term requested in such Borrowing Request to be effective) requesting that Drafts be accepted under the Revolver or Term Loan Facility on any proposed Borrowing Date and stating the aggregate face amount and the Term applicable to such Drafts. The Term of such Drafts must be a period of one (1) to twelve (12) months expiring on or before the Applicable Maturity Date.
- 4.2 Face Amount of Drafts.** The aggregate face amount of an issue of Drafts to be accepted on any particular Borrowing Date must be \$1,000,000 or a whole number multiple of \$100,000 in excess thereof. The face amount of each Draft must be a whole number multiple of \$100,000.
- 4.3 Power of Attorney.** In order to facilitate issues of Acceptances pursuant to this Agreement, the Borrower authorizes the Lender, and for this purpose appoints the Lender its lawful attorney with full right of substitution and delegation, to complete, sign and endorse Drafts issued in accordance with a Borrowing Request delivered to the Lender pursuant to Section 4.1 on its behalf in handwritten or by facsimile or mechanical signature or otherwise and, once so completed, signed and endorsed, and following acceptance of them as Acceptances under this Agreement, then discount, negotiate or deliver such Acceptances in accordance with the provisions of this Article 4. Drafts so completed, signed, endorsed, negotiated or delivered on behalf of the Borrower by the Lender shall bind the Borrower as fully and effectively as if so performed by an authorized officer of the Borrower.
- 4.4 Restrictions.**
- 4.4.1 General.* The Lender shall have the discretion to restrict the Term and maturity date of an issue of Acceptances and the number of issues of Acceptances outstanding at any one time.
- 4.4.2 Marketability.* The obligations of the Lender to accept and discount any requested issue of Acceptances pursuant to the Revolver or Term Loan Facility are also subject to the Lender's reasonable determination that no BA Disruption Event (as defined in Subsection 6.7.1) has occurred that is continuing.
- 4.5 Discount and Sale of Acceptances.**
- 4.5.1 Purchase at Discount.* The Lender shall accept Drafts and purchase and take delivery of each issue of Acceptances for its own account on the Borrowing Date of such Acceptances at the purchase price equal to the face amount of such Acceptances less an amount equal to the amount that yields to the Lender (excluding the Stamping Fee) an interest rate per annum equal to the BA Reference Rate for the applicable Term of such Acceptances. The

Lender shall be entitled to deduct from the Acceptance Proceeds derived from the purchase by it of Acceptances the Stamping Fee payable to it pursuant to Section 4.6. The Net Acceptance Proceeds for any Acceptances purchased by the Lender shall be determined in accordance with the following formula:

$$\text{Net Acceptance Proceeds} = \text{Face amount of Acceptances} \times \left(\frac{1}{1 + (\text{BA Reference Rate} \times n/365) - (\text{AM} \times n/365)} \right)$$

Where n is the number of days to elapse in the Term of the Acceptances, BA Reference Rate is expressed as a decimal and AM is the Applicable Margin expressed as a decimal.

4.5.2 *Payment and Advance of Net Acceptance Proceeds.* Subject to Sections 4.7, 5.3 and 8.2, the Lender shall credit the Borrower's Account on the Borrowing Date of each issue of Acceptances with the Net Acceptance Proceeds of such issue of Acceptances.

4.5.3 *Dealings with Acceptances.* The Lender may at any time and from time to time purchase, hold, sell, rediscount or otherwise dispose of any Acceptance issued by it and no such dealing shall alter or release the Borrower's obligations under Section 4.7.

4.6 **Stamping Fee.** The Borrower shall pay a stamping fee to the Lender on the issuance of each Acceptance which shall be in an amount equal to the product of (a) the face amount of such Acceptance *multiplied by* (b) the actual number of days to elapse in the Term of such Acceptance *multiplied by* (c) the quotient of (i) the Applicable Margin for Acceptances *divided by* (ii) 365. The Lender is authorized by the Borrower to deduct the Stamping Fee from the Acceptance Proceeds of the Acceptances accepted by it.

4.7 **Maturity of Acceptances.** Unless made subject to a Conversion or a Rollover, the Borrower shall pay to the Lender the full face amount of each Acceptance accepted by the Lender on the Period End Date of such Acceptance. If an issue of Acceptances matures and the Borrower has not made such payment or provided for its Conversion or Rollover, such Acceptances shall be deemed to be converted on their Period End Date into a Prime Rate Loan made available by the Lender to the Borrower for whom such Acceptance was issued in an aggregate principal amount equal to their aggregate face amount.

4.8 **Waivers.** The Borrower shall not claim from the Lender any days of grace for the payment at maturity of any Drafts presented and accepted by the Lender pursuant to this Agreement. In addition, the Borrower waives demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour and any other notice or defence to payment which might otherwise exist if for any reason an Acceptance is held by the Lender in its own right at the maturity thereof.

4.9 **Notice of Maturing Acceptances.** The Borrower shall give the Lender, before noon on the Business Day before the Period End Date of each issue of Acceptances, a Repayment Notice or Borrowing Request in respect of such

Acceptances requesting a Conversion or Rollover on such Period End Date in order to permit the Lender to organize its internal funding requirements to fund the payment of the face amount of such Acceptances to the respective holders thereof upon or following maturity.

4.10 Clearing House System. The Borrower agrees that the Lender may require that Drafts accepted by it be made payable to a clearing house (such as CDS & Co.) and that the resulting Acceptances (including the delivery thereof) may be subject to the rules, regulations, policies and other guidelines established from time to time by the applicable clearing house and that the Lender will be required to comply with the same at all times. The Borrower hereby consents to the deposit (by or on behalf of the Lender) of any Acceptance in the book-based system maintained by a recognized clearing house, and to the sale or resale (without recourse in the case of each subsequent holder thereof) of any interest whatsoever held by the Lender or by any third party at any time in such Acceptance. Further, the Borrower agrees to abide by, and to assist and co-operate with the Lender in observing, complying with and fulfilling (to the extent that the Lender may reasonably require the Borrower do so), any and all obligations, requirements and directions issued by or on behalf of an applicable clearing house with respect to Acceptances issued hereunder.

4.11 Deemed Acceptances. Whenever the Lender is required under any provision of this Agreement to purchase and take delivery of any Acceptances, the Lender shall be deemed for all purposes of this Agreement to have completed and signed a Draft giving rise to such Acceptance pursuant to Section 4.5 and to have accepted such Draft and purchased and taken delivery of such Acceptance hereunder whether or not it actually does so.

Article 5 CONVERSIONS AND ROLLOVERS

5.1 Conversions.

5.1.1 Generally. Subject to Subsection 5.1.2, the Borrower may request the Lender to convert:

- (a) at any time, a Floating Rate Loan or a portion thereof into a different Type of Advance available under the same Credit Facility;
- (b) on a Period End Date, a Libor Loan or a portion thereof into a different Type of Advance available under the same Credit Facility; or
- (c) on a Period End Date, an issue of Acceptances or a portion thereof into a Type of Advance by way of Loan available under the same Credit Facility,

upon delivering a Borrowing Request to the Lender specifying both the amount of the Advance to be converted and the amount and Type of the requested resulting Advance.

5.1.2 *Conversion Conditions.* The Borrowing Request for a Conversion must (a) be delivered to the Lender before noon on (i) the Business Day before the proposed Conversion to a Floating Rate Loan, (ii) the Business Day before the proposed Conversion to an issue of Acceptances and (iii) the third (3rd) Business Day before the proposed Conversion to a Libor Loan, (b) specify the principal amount (which must be US\$ or \$500,000 or a whole number multiple of US\$ or \$100,000 in excess thereof) of both the portion of the Advance being Converted and any portion not being Converted, (c) specify the proposed Conversion Date (which must be a Business Day falling before the Relevant Maturity Date), (d) the proposed Term (which must end on or before the Relevant Maturity Date), in the case of a Conversion to an issue of Acceptances and (e) the proposed Interest Period complying with the requirements of Subsection 6.1.3(b), in the case of a Conversion to a Libor Loan. The Borrower shall not be entitled to Convert any Advance to an issue of Acceptances or a Libor Loan if the conditions to such Conversion set forth in Section 8.3 are not satisfied.

5.1.3 *Same Currency Denomination.* If the Borrower has requested a Conversion of an Advance to a Type of Advance denominated in the same currency, no payment shall be required to be made by the Borrower to the Lender on such Conversion, save to the extent required by Section 5.3 if the resulting Advance is an issue of Acceptances.

5.1.4 *Different Currency Denomination.* If the Borrower has requested a Conversion of an Advance to a Type of Advance denominated in a different currency, the Borrower shall repay the Advance (or relevant portion) being converted and, subject to the foregoing provisions of this Section 5.1 and receipt by the Lender of such repayment, the Lender shall, subject to Section 8.2, make the Type of Advance requested on the Conversion to the Borrower on the Conversion Date.

5.1.5 *Acceptances.* If the Borrower has requested a Conversion into an issue of Acceptances, the Lender shall, subject to the foregoing provisions of this Section 5.1, accept Drafts and purchase and take delivery of the resulting issue of Acceptances for its own account on the Conversion Date in the manner provided for in Section 5.3.

5.2 **Rollovers.**

5.2.1 *Libor Loans.* At or before noon on the third (3rd) Business Day before the commencement of each Interest Period for each Libor Loan, the Borrower may, if it is entitled to do so in accordance with the provisions of this Section 5.2, deliver a Borrowing Request to the Lender requesting a Rollover and selecting the next Interest Period applicable to the relevant Libor Loan complying with the requirements of Subsection 6.1.3(b). If the Borrower fails or is not entitled to deliver a Borrowing Request for a Rollover or Conversion to the Lender, then the relevant Libor Loan shall, unless the Lender otherwise agrees, be deemed to be converted to a US Base Rate Loan made available under the same Credit Facility by the Lender to the Borrower on the current Period End Date.

5.2.2 *Rollover Conditions.* A Borrowing Request for a Rollover must (a) specify the principal amount (which must be US\$ or \$500,000 or a whole number multiple of US\$ or \$100,000 in excess thereof) of both the portion of the Advance subject to the Rollover and any portion not subject to the Rollover, (b) specify the proposed Rollover Date (which must be a Business Day occurring before the Final Maturity Date), (c) the proposed Term (which must

comply with Subsection 5.2.2), in the case of a Rollover of an issue of Acceptances and (d) the proposed Interest Period complying with the requirements of Subsection 6.1.3(b), in the case of a Rollover of a Libor Loan. The Borrower shall not be entitled to a Rollover of any Advance if the conditions to such Rollover set forth in Section 8.2 are not satisfied.

5.3 Conversions to and Rollovers of Acceptances. On the Conversion Date of any Advance being converted to an issue of Acceptances, and on the Rollover Date of any issue of Acceptances, the Lender shall accept Drafts and purchase and take delivery of the resulting issue of Acceptances for its own account in the manner provided for in Section 4.5, save that in lieu of remitting the Net Acceptance Proceeds of such resulting issue of Acceptances to the Borrower on the Borrowing Date of such resulting issue of Acceptances, the Lender shall retain such Net Acceptance Proceeds for its own account and the Borrower shall pay to the Lender on that Borrowing Date the amount by which the aggregate face amount of such resulting issue of Acceptances exceeds such Net Acceptance Proceeds.

5.4 Not a Repayment. Neither a Rollover nor a Conversion of an Advance shall constitute a repayment by the Borrower, but rather shall constitute a continuation or change in the form of credit being extended by the Lender to the Borrower. The Borrower shall repay each Advance resulting from any Rollover or Conversion to the Lender in accordance with the provisions of this Agreement as if such Advance had resulted from a Drawdown on the Rollover Date or Conversion Date.

5.5 Consolidations. Each Libor Advance under the same Credit Facility that has an Interest Period ending on the same Period End Date shall be consolidated on such Period End Date to form a single Advance and each issue of Acceptances under the same Credit Facility that has a Term ending on the same Period End Date shall be consolidated on such Period End Date to form a single Advance, unless and to the extent the Borrower (a) elects to effect a Conversion or Rollover of part, but not all, of such Advances or (b) requests, in compliance with the relevant provisions of this Agreement, Advances, Conversions or Rollovers with more than one Term or Interest Period, as applicable.

Article 6

INTEREST AND FEE CALCULATIONS AND CHANGES IN CIRCUMSTANCES

6.1 Interest.

6.1.1 Prime Rate Loans. The Borrower shall pay interest on the outstanding principal amount of each Prime Rate Loan borrowed by it under each Credit Facility calculated and payable from the Borrowing Date of such Prime Rate Loan until the date Converted or deemed Converted to another Type of Advance in accordance with the provisions hereof or the date due to be repaid hereunder, as applicable, at a percentage rate per annum equal to the sum of (a) the Prime Rate *plus* (b) the Applicable Margin for Floating Rate Loans.

6.1.2 US Base Rate Loans. The Borrower shall pay interest on the outstanding principal amount of each US Base Rate Loan borrowed under each Credit Facility calculated and payable from the Borrowing Date of such US Base Rate Loan until the date Converted to another Type of

Advance in accordance with the provisions hereof or the date due to be repaid hereunder, as applicable, at a percentage rate per annum equal to the sum of (a) the US Base Rate *plus* (b) the Applicable Margin for Floating Rate Loans.

6.1.3 *Libor Loans.*

- (a) Interest. The Borrower shall pay interest on the outstanding principal amount of each Libor Loan borrowed under each Credit Facility calculated and payable from each Borrowing Date of such Libor Loan until the date Converted or deemed to be Converted to another Type of Advance in accordance with the provisions hereof or the date due to be repaid hereunder, as applicable, at a percentage rate per annum during each Interest Period relative to such Libor Loan equal to the sum of (i) LIBOR for that Interest Period *plus* (ii) the Applicable Margin for Libor Loans.

- (b) Interest Periods. The Borrower shall, in any Borrowing Request for any Advance by way of Libor Loan, select an Interest Period of three (3) to twelve (12) months commencing on a Borrowing Date of that Libor Loan; provided that (y) any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to end on the next Business Day, unless that next Business Day falls in the next calendar month, in which case that Interest Period shall be shortened to end on the preceding Business Day, and (z) the Borrower may not select an Interest Period for any Libor Loan under any Credit Facility which would result in (1) a Period End Date falling after the Final Maturity Date or (2) the Outstanding Amount of all Advances outstanding under the Term Loan Facility exceeding the Commitment under the Term Loan Facility were such Libor Loan to remain outstanding during that Interest Period.

6.1.4 *Overdue Amounts.* If any sum payable by the Borrower under any provision of this Agreement is not paid when due and payable hereunder (whether on its stipulated due date, on demand, on acceleration or otherwise), the Borrower shall pay interest to the Lender on the outstanding balance thereof calculated and payable from the date such sum was first so due and payable until the date it is paid in full in accordance with the provisions hereof at the Default Rate.

6.2 **Fees in Respect of Acceptances.** The Borrower shall pay to the Lender a Stamping Fee on each Borrowing Date of Acceptance with respect to each Draft issued by the Borrower and accepted by the Lender under a Credit Facility calculated and payable at the time and in the manner specified in Article 4.

6.3 **Standby Fee.**

6.3.1 *Revolver.* The Borrower shall pay to the Lender under the Revolver a standby fee in relation to its Commitment based on the unused portion of the Revolver payable in Canadian Dollars which shall be in the amount determined by the Lender to be equal to the sum of the products for each day during the Availability Period of the Revolver of (a) the amount by which the Commitment under the Revolver exceeds the aggregate Outstanding Amount of all Advances under the Revolver at the end of that day *multiplied by* (b) the quotient of (i) the Standby Fee Rate for that day *divided by* (ii) 365.

6.3.2 *Term Loan Facility.* The Borrower shall pay to the Lender a standby fee in relation to its Commitment under the Term Loan Facility based on the unused portion of the Term Loan Facility payable in Canadian Dollars which shall be in the amount determined by the Lender to be equal to the sum of the products for each day during the Availability Period of the Term Loan Facility of (a) the amount by which the Commitment under the Term Loan Facility exceeds the aggregate Outstanding Amount of all Advances under the Term Loan Facility at the end of that day *multiplied by* (b) the quotient of (i) the Standby Fee Rate for that day *divided by* (ii) 365.

6.3.3 *Payment Dates.* The first payment of each of the Standby Fees payable under Subsections 6.3.1 and 6.3.2 for the period commencing on the Closing Date and ending on the immediately following calendar quarter end will be made on such calendar quarter end day. Thereafter the Borrower shall pay these Standby Fees quarterly in arrears for each calendar quarter on the third (3rd) Business Day of the following calendar quarter. The final payment of each of these Standby Fees will be made on the Final Maturity Date or any earlier date of termination of the Relevant Credit Facility.

6.4 **Upfront Fee.** The Borrower shall pay to the Lender an upfront fee of \$64,500 on the Closing Date. The Borrower irrevocably authorizes and directs the Lender to debit the Borrower's Account for collection of the Upfront Fee on the Closing Date.

6.5 **Interest and Fee Calculations and Payments.**

6.5.1 *General.* Interest payable on any amount payable under this Agreement shall be (a) calculated upon the daily outstanding balance of such amount from (and including) the date it is first outstanding or advanced until (but excluding) the date it is repaid in full to the Lender, (b) paid in the same currency in which such amount is denominated and (c) payable in arrears on each Interest Payment Date relative thereto and on the date the final balance thereof is paid in full based upon the actual number of days elapsed in the relevant period of calculation. Interest payable on each such amount shall be payable both before and after demand, default and judgment at the applicable rate set out in Section 6.1 with interest on overdue interest at the same rate (except to the extent provided otherwise in Subsection 6.1.4).

6.5.2 *Rates Based on Years of 360 or 365 Days.* The rates of interest per annum payable on or in respect of Floating Rate Loans, CDOR and the BA Reference Rate, are expressed on the basis of a 365 day year. The rates of interest per annum payable on or in respect of Libor Loans are expressed on the basis of a 360 day year.

6.5.3 *Interest Act Compliance.* For the purposes of the *Interest Act* (Canada), any rate of interest made payable under the terms of this Agreement at a rate or percentage (the "**Contract Rate**") for any period that is less than a consecutive twelve (12) month period, such as a 360 or 365 day basis, (the "**Contract Rate Basis**") is equivalent to the yearly rate or percentage of interest determined by multiplying the Contract Rate by a fraction, the numerator of which is the number of days in the consecutive twelve (12) month period commencing on the date such equivalent rate or percentage is being determined and the denominator of which is the number of days in the Contract Rate Basis.

6.5.4 *No Deemed Reinvestment.* The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement.

6.5.5 *Rates are Nominal Rates.* The rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

6.5.6 *Changes in a Floating Rate.* Changes in a Floating Rate will cause an immediate adjustment of interest payable on or in respect of the corresponding Floating Rate Loans outstanding from time to time, without the necessity of any notice to the Borrower.

6.6 **Increased Costs.**

6.6.1 *Change in Law.* If any Change in Law:

- (a) subjects the Lender to, or causes the withdrawal or termination of a previously available exemption with respect to, any Taxes or changes the basis of taxation of payments due to the Lender or increases any Taxes payable by the Lender (other than (i) Indemnified Taxes provided for under Section 6.9 and (ii) Excluded Taxes) on or in respect of payments of principal, interest, fees or other amounts payable by the Borrower to the Lender under this Agreement or any other Secured Document;
- (b) imposes, modifies or deems applicable any reserve, liquidity, cash, margin, special deposit, deposit insurance or assessment, or any other regulatory or similar requirement against assets held by, or deposits with or for the account of, or loans or commitments by, or any other acquisition of funds for loans by, the Lender, or on any unutilized portion of any Credit Facility, or on any obligation of the Lender under any Secured Document;
- (c) imposes on the Lender any Taxes on reserves or deemed reserves in respect of the undrawn portion of any Credit Facility or any "transaction tax" that is not based on the Lender's net income;
- (d) requires the Lender to maintain any capital adequacy or additional capital requirement (including a requirement which affects the Lender's allocation of capital resources to its obligations) in respect of any Credit Facility, any Advance, this Agreement or the Lender's obligations hereunder or under any other Secured Document, or imposes any other condition or requirement with respect to the maintenance by the Lender of a contingent liability with respect to any Credit Facility, any Advance or any Secured Document; or
- (e) imposes on the Lender any other condition or requirement with respect to this Agreement, any other Secured Document or a Credit Facility,

and the Lender, acting reasonably, determines (which determination shall be conclusive absent manifest error and bind the Borrower) that such occurrence has the effect of:

- (f) increasing the cost to the Lender of agreeing to make or making, maintaining or funding any Advance or any portion of any thereof;
- (g) reducing the net income received by the Lender in respect of this Agreement, any Credit Facility, any Advance or any portion of any thereof;
- (h) directly or indirectly reducing the effective return to the Lender under any Secured Document on its overall capital as a result of the Lender entering into such Secured Document or as a result of any of the transactions or obligations contemplated by such Secured Document; or
- (i) causing the Lender to make any payment or to forego any interest, fees or other return on or calculated by reference to any sum received or receivable by the Lender under any Secured Document,

then, within seven (7) days of demand from time to time being made by the Lender to the Borrower accompanied in each case by a certificate of the Lender documenting the relevant calculations of the compensation being claimed by the Lender, the Borrower shall forthwith pay to the Lender such additional amounts as are set out in each such certificate in order to fully compensate the Lender for such additional cost, reduction, payment, foregone interest or other return; provided that the Lender shall not be entitled to compensation for any such additional cost, reduction, payment, foregone interest or other return for any period of time occurring more than 270 days prior to the date of request therefor, unless the Change in Law has retroactive effect, in which case the Lender shall also be entitled to compensation for any portion of such period of retroactive effect.

6.6.2 Exclusions. Subsection 6.6.1 does not apply to the extent the additional cost, reduction, payment, foregone interest or other return is attributable to a Tax deduction for which right or entitlement to compensation is adequately provided for in Section 6.9.

6.7 Market Disruption.

6.7.1 Libor Loans. If at any time prior to the commencement of a proposed Interest Period the Lender, acting reasonably, determines (which determination shall be conclusive and bind the Borrower) that:

- (a) by reason of circumstances affecting the London interbank market, or any bank participants therein, adequate and fair means do not exist for ascertaining the rate of interest with respect to a Libor Loan during the proposed Interest Period;
- (b) US Dollar deposits are not being offered to the Lender in the London interbank market in the ordinary course of business;
- (c) the making or continuing by the Lender of any Libor Loan during the proposed Interest Period has been made impracticable by the occurrence of any change in national or international financial, political or economic conditions or currency

exchange rates or exchange control, or an event which materially and adversely affects the London interbank market;

- (d) LIBOR for the proposed Interest Period does not accurately reflect the effective cost to that Lender of funding any Libor Loan for the proposed Interest Period; or
- (e) the Lender is unable to determine LIBOR for the proposed Interest Period of the Libor Loan,

(any of the foregoing, a “**Libor Disruption Event**”), then the Lender may give notice (a “**Market Disruption Notice**”) of such determination to the Borrower. Thereafter, and until the Lender notifies the Borrower that the Libor Disruption Event no longer exists or applies, the right of the Borrower to request an Advance by way of Libor Loan shall be suspended and any Borrowing Request given by the Borrower with respect to any proposed Libor Loan that has not yet been made shall be deemed to be replaced by a Borrowing Request for a US Base Rate Loan in the same amount as the requested Libor Loan.

6.7.2 *Acceptances.* If at any time on or prior to the commencement of the Term of a proposed issue of Acceptances the Lender, acting reasonably, determines (which determination shall be conclusive and bind the Borrower) that:

- (a) the issuance or discount of any Acceptances for the proposed Term thereof has been made impossible or impracticable by reason of the occurrence of any event affecting the Canadian money markets or any national or international financial, political, terrorist or economic event;
- (b) there does not exist a normal money market in Canada for the purchase and sale of bankers’ acceptances or such money market has been disrupted by the occurrence of an extraordinary event or an act of terrorism or some other state or conditions exists which prevents, delays or impedes the free negotiability and marketability of Acceptance in the ordinary course;
- (c) the Lender is unable to determine the BA Reference Rate for the proposed Term of the proposed issue of Acceptances; or
- (d) a state, event or condition referred to in Subsection 4.4.2 has occurred or exists,

(any of the foregoing, a “**BA Disruption Event**”) then the Lender will promptly notify the Borrower of such determination. Thereafter, and until the Lender notifies the Borrower that the BA Disruption Event no longer exists or applies, the right of the Borrower to request an Advance by way of Acceptances shall be suspended and any Borrowing Request given by the Borrower with respect to any proposed issue of Acceptances that has not yet been made shall be deemed to be replaced by a Borrowing Request for a Prime Rate Loan in the same Outstanding Amount as the requested issue of Acceptances.

6.8 **Illegality.** If at any time the Lender, acting reasonably, determines (which determination shall be conclusive and bind the Borrower) that any Change in Law has made it unlawful or impossible for the Lender to make, fund or maintain any

Advance or to give effect to its obligations in respect of such Advance (an “**Affected Advance**”), the Lender will promptly notify the Borrower. Upon giving such notice the obligation of the Lender to make or continue any Affected Advance shall be suspended for so long as such condition exists. Thereafter, and until the Lender notifies the Borrower otherwise, the Borrower shall not have the right to request the Lender to make such Affected Advance available in the manner requested. Rather, except as otherwise provided in the next sentence, such Affected Advance may be made available by way of an advance in the same currency as the Affected Advance and shall bear interest payable in the same manner as any Prime Rate Loan from the expiry of the applicable Term or as a U.S. Base Rate Loan from the expiry of the applicable Interest Period, as the case may be. If, however, the Affected Advance is a Prime Rate Loan, the Borrower shall forthwith prepay to the Lender such Affected Advance and the Lender shall not be required to make any such Affected Advance available in any manner.

6.9 Taxes Generally.

6.9.1 No Withholding; Gross-Up Requirement. Each payment required to be made by the Borrower under each Secured Document shall be made without set-off or counterclaim, free and clear of, and without deduction or withholding for or on account of, any present or future Taxes, except to the extent such deduction or withholding is required by any Applicable Law then in effect. To the extent and each time that the Borrower is so required to deduct or withhold Taxes from any such payment to or for the account of the Lender, then the Borrower will (a) promptly notify the Lender of such requirement, (b) promptly pay when due to the relevant governmental authority the full amount required to be deducted or withheld (including the full amount of Taxes required to be deducted or withheld from any additional amount paid by the Borrower to or for the account of the Lender under this Subsection 6.9.1), (c) promptly forward to the Lender an official receipt (or a certified copy), or other evidence reasonably acceptable to the Lender, evidencing such payment to such governmental authority and (d) with respect to Indemnified Taxes of the Lender, forthwith pay to the Lender, in addition to the payment to which the Lender is otherwise entitled under such Secured Document, such additional amount as is necessary to ensure that the net amount actually received by the Lender (free and clear of Indemnified Taxes and free and clear of deductions and withholdings applicable to additional sums payable under this Section 6.9, whether assessed against the Borrower or the Lender) will equal the full amount the Lender would have received had no such deduction or withholding been required.

6.9.2 Indemnity. If the Borrower fails to pay to the relevant governmental authority when due any Taxes that it was required to deduct or withhold under Subsection 6.9.1 in respect of any payment to or for the benefit of the Lender under any Secured Document or fails to promptly furnish the Lender with the documentation referred to in Subsection 6.9.1(c), the Borrower shall forthwith within seven (7) days of demand fully indemnify the Lender on a full indemnity after-Taxes basis from and against any Taxes (including interest and penalties), losses and expenses which the Lender may suffer or incur as a result of such failure.

6.9.3 General Tax Indemnity. Without duplication of any other indemnity under this Agreement, and notwithstanding any provision of this Agreement to the contrary, the Borrower

agrees to indemnify the Lender (including its direct or indirect beneficial owners) for the full amount of any Taxes imposed by any jurisdiction on amounts payable under this Section 6.9, any liability (including penalties, interest and expenses) arising thereon with respect to the Borrower. Amounts payable by the Borrower under the indemnity set forth in this Subsection 6.9.3 shall be paid within seven (7) days from the date on which the party seeking indemnification hereunder makes written demand therefor, which demand shall be conclusive as to the amount of such indemnity absent manifest error.

6.9.4 *Indemnity for Additional Income Tax.* The Borrower shall also indemnify the Lender, on a full indemnity after-Taxes basis, for any additional Indemnified Taxes on net income that the Lender may be obliged to pay as a result of the payment by the Borrower of any amount under this Section 6.9.

6.9.5 *Other Taxes.* The Borrower shall pay, and shall indemnify and hold the Lender harmless from (on a full indemnity (after Taxes) basis) all Other Taxes.

Article 7 REPAYMENT AND PREPAYMENT

7.1 Repayments of each Credit Facility.

7.1.1 *Revolver.* Subject to Section 12.2, the Borrower shall repay to the Lender the outstanding Advances under the Revolver on the Revolver Maturity Date.

7.1.2 *Term Loan Facility.* Subject to Section 12.2, the Borrower shall repay to the Lender the outstanding Advances under the Term Loan Facility in instalments on the repayment dates set out in the table below. Each such instalment shall be in the amount determined as (a) the original principal amount of both Drawdowns made under the Term Loan Facility *multiplied by* (b) the percentage indicated opposite each such repayment date.

Repayment Date	Percentage to Be Repaid
December 31, 2018	3.571%
Last Business Day of each subsequent Fiscal Quarter commencing with the Fiscal Quarter ending on March 31, 2019	3.571%
Term Loan Maturity Date	Remaining percentage

The Term Commitment shall be permanently cancelled and reduce on each such repayment date by the amount of each such required repayment instalment.

7.2 Mandatory Prepayments.

7.2.1 *Comprehensive Insurance Proceeds.* Except to the extent the Borrower is relieved of this obligation pursuant to Subsection 7.2.2, the Borrower shall prepay Advances outstanding under the Credit Facilities in the Outstanding Amount equal to the lesser of (a) the total Outstanding Amount of all Advances then outstanding under the Credit Facilities and (b)

the Insurance Proceeds from any Insurance Event to the extent such Insurance Proceeds are not applied or committed to being applied (and in fact is so applied within the ensuing six (6) months of such commitment being made) to repair or replace the property compensated for within six (6) months of receipt of such Insurance Proceeds or, if committed to be reapplied within such six (6) month period, but not reinvested in the immediately following six (6) month period, on the tenth (10th) Business Day after the anniversary of receipt of such Insurance Proceeds.

7.2.2 *Exemption.* The Borrower shall be relieved of its obligations to prepay Advances pursuant to Subsection 7.2.1 in respect of the events described therein occurring prior to the Final Maturity Date until the aggregate total amount otherwise payable pursuant to such Subsection exceeds \$1,000,000 in that Test Period.

7.2.3 *Application of Repayments.* Each prepayment made pursuant to this Section 7.2 shall be applied (a) first, until the Term Loan Facility is repaid in full, to (i) repay Advances outstanding under the Term Loan Facility, (ii) permanently cancel and reduce the Term Commitment to the extent of the Outstanding Amount of such prepayment and (iii) satisfy, to the extent of the amount of such prepayment the Borrower repayment obligations under Subsection 7.1.2 in direct chronological order, unless otherwise directed the Borrower, and (b) second, to repay Advances under the Revolver, but without reduction or cancellation of any Revolver Commitment.

7.3 **Voluntary Repayments before the Maturity Date.** The Borrower shall have the right at any time and from time to time to prepay all or any portion of each Loan made to it under each Relevant Credit Facility which, in the case of a Libor Loan, must be made on its current Period End Date. Such right may only be exercised if the Borrower delivers a Repayment Notice to the Lender specifying the proposed repayment date (which Repayment Notice must be received by the Lender before noon on the third (3rd) Business Day (in the case of a Libor Loan) or the Business Day (in the case of a Floating Rate Loan) before the specified repayment date to be effective) and the amount of such Loan to be repaid (which must be in a principal amount of US\$ or \$100,000 or a whole number multiplier of US\$ or \$10,000 in excess thereof). The Borrower shall repay such Loan on such repayment date to the extent specified in such Repayment Notice. Any voluntary repayment of any Advance under a Term Loan Facility shall be applied in the same manner as a mandatory prepayment of a Term Loan Facility under Section 7.2. For the avoidance of doubt, Acceptances and Standby Instruments may not be voluntarily prepaid, but may be collateralized by way of cash cover.

7.4 **Voluntary Reductions of the Revolver.** The Borrower shall have the right at any time and from time to time to permanently cancel all or any unused portion of the Revolver; provided that no Default has occurred and is continuing. Such right may only be exercised by the Borrower delivering a Cancellation Notice to the Lender specifying the proposed effective date of cancellation (which must be no less than seven (7) days thereafter) and the amount of the Revolver Commitment to be cancelled (which must be in an aggregate principal amount of \$100,000 or a multiple of \$10,000 in excess thereof). The Revolver Commitment shall

permanently reduce on the effective date of each such cancellation in the amount so cancelled.

7.5 Mandatory Repayments of the Revolver.

7.5.1 Order of Application. On the date of each reduction of the Revolver of the Lender pursuant to Subsection 7.1.1 or 7.4, the Borrower shall repay to the Lender such amount as may be required to ensure that the Outstanding Amount under the Revolver does not exceed the Revolver Commitment at that time after giving effect to that reduction. The Lender shall apply any such amount so repaid (a) first, to repay any Floating Rate Loans outstanding under the Revolver, (b) second, to repay any Libor Loans outstanding under the Revolver, (b) third, to prepay (or at the option of the Lender, provide cash cover to the Lender for the obligations of the Borrower under Section 4.7 in respect of Acceptances issued by the Lender under the Revolver and (c) fourth, to prepay (or at the option of the Lender to provide cash cover to the Lender for) the Borrower's obligations under Subsection 3.2.2 in respect of outstanding Standby Instruments until such Standby Instruments expire or are drawn upon, whereupon the Lender shall account to the Borrower for the amount so paid to it to be applied to any other Outstanding Amount then due or, if none, and, subject to Section 12.2, return any remaining amount to the Borrower.

7.5.2 Cash Cover. The Borrower provides "cash cover" for an issue of Acceptances or a Standby Instrument by paying to the Lender a Canadian Dollar amount equal to the face amount thereof (in the case of Acceptance) or an amount in the currency of the Standby Instrument equal to one hundred and five percent (105%) of the Standby Instrument Exposure under that Standby Instrument (in the case of a Standby Instrument) for credit to an interest-bearing account in the name of the Borrower and the following conditions being met: (a) the account is with the Lender; (b) until those Acceptances are paid for by the Borrower or no amount is or may be drawn down under that Standby Instrument, as the case may be, withdrawals from the account may only be made to pay the Lender amounts due and payable to it under Section 4.7 in respect of those Acceptance or (as the case may be) the indemnity documentation in respect of that Standby Instrument; and (c) the Borrower has executed a security document over that account, in favour of and in form and substance satisfactory to the Lender, creating a first ranking security interest over that account.

7.6 Facility Excesses by Reason of Foreign Currency Fluctuations.

7.6.1 Revolver. If and each time the Lender determines (which determination shall be conclusive and bind the Borrower, absent manifest error) that the Outstanding Amount of all Advances under the Revolver exceeds the lesser of (a) the Revolver Commitment and (b) the amount equal to the Borrowing Base (such lesser amount, the "**Revolver Limit**") by more than three percent (3%) by reason of fluctuations in exchange rates, the Lender may request the Borrower to repay the entire excess above the Revolver Limit.

7.6.2 Term Loan Facility. If and each time the Lender determines (which determination shall be conclusive and bind the Borrower, absent manifest error) that the Outstanding Amount of all Advances under the Term Loan Facility exceeds the Term Loan Commitment by more than three percent (3%) by reason of fluctuations in exchange rates, the Lender may request the Borrower to repay the entire excess above the Term Loan Commitment.

7.6.3 *Repayment.* Within five (5) Business Days of the receipt of any repayment request made by the Lender pursuant to Subsection 7.6.1 or 7.6.2, the Borrower shall repay to the Lender Advances outstanding under the Revolver or the Term Loan Facility (as the case may be) as may be required to ensure that such entire excess is eliminated.

7.7 **Netting of Payments.** If, on any date, principal amounts would be due and payable under this Agreement in the same currency by the Borrower to the Lender and by the Lender to the Borrower, in each case under the Revolver, then, on such date, unless notice is given by the Lender to the Borrower stating that netting is not to apply to such payments, the obligations of each such party to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by the Borrower to the Lender exceeds the aggregate amount that would otherwise have been payable by the Lender to the Borrower or *vice versa*, such obligations shall be replaced by an obligation upon whichever of the Borrower or the Lender would have had to pay the larger aggregate amount to pay to the other the excess of the larger aggregate amount over the smaller aggregate amount.

7.8 **Place of Payment of Principal, Interest and Fees.** Each payment of principal of, or interest or Fees computed on, any Advance and each other amount owing by the Borrower under or otherwise in respect of any Loan Document shall be made by the Borrower to the Lender in the currency in which such Advance or other amount is denominated no later than 1.00 p.m. in immediately available, freely transferable, cleared funds for value on the due date (or on the next Business Day if such due date is not a Business Day) to the credit of the accounts of the Lender as the Lender may notify to the Borrower from time to time as being the applicable account or accounts to which payments and transfers to the Lender pursuant to this Agreement are to be made.

Article 8 CONDITIONS PRECEDENT

8.1 **Conditions Precedent To Closing.** The Borrower agrees to satisfy each of the following conditions precedent to Closing on or before May 31, 2017. Closing shall not occur, and the Lender shall have no obligation to lend hereunder, unless and until the Lender provides written notice to the Borrower (a “**Closing Notice**”) that each of the following conditions precedent to closing have been satisfied or waived by the Lender to permit closing to occur (the date that such notice is given, the “**Closing Date**”):

- (a) the Lender has received each of the following in form and substance satisfactory to the Lender (in original or, at the Lender’s discretion, pdf, facsimile or other copy):
 - (i) a Certificate of the Borrower (A) attaching true copies of (I) the Constitutional Documents of the Borrower and (II) documents evidencing all necessary corporate action taken by the Borrower to authorize the

execution, delivery and performance by it of each Secured Document to which it is a party and the consummation of the transactions contemplated thereby and (B) certifying (I) as to incumbency and true signatures of its Responsible Officers signatory to the Loan Documents, (II) no Material Adverse Change has occurred since December 31, 2016, (III) each of the representations and warranties under Section 10.1 is true and correct as of the Closing Date, and (IV) no Default exists on the Closing Date;

- (ii) a Certificate of each Guarantor (A) attaching true copies of (I) the Constitutional Documents of such Guarantor and (II) documents evidencing all necessary internal corporate, partnership and/or other management action taken by such Guarantor to authorize the execution, delivery and performance by it of each Secured Document to which it is a party and the consummation of the transactions contemplated thereby and (B) certifying as to incumbency and true signatures of its Responsible Officers signatory to each Secured Document to which it is a party,
- (iii) an original certificate of good standing, or equivalent, with respect to the Borrower and each Guarantor from the applicable governmental authority in its jurisdiction of formation;
- (iv) this Agreement and each Loan Document referred to in Section 9.1 and each Guarantor is party duly executed by each party thereto;
- (v) certificate of insurance evidencing the insurance required to be maintained by the Borrower under Subsection 11.2.8;
- (vi) such releases and discharges and undertakings to release and discharge (including evidence of registration of and/or authorizations to register such releases and discharges) of all Liens that are not Permitted Liens as the Lender (acting on the advice of Lender's Counsel) may reasonably require;
- (vii) such payout statements of all Debt that is not Permitted Debt, together with such evidence of payment thereof, as the Lender (acting on the advice of Lender' Counsel) may reasonably require;
- (viii) opinions from the Borrower's Counsel addressed to the Lender and the Lender's Counsel, in respect of the Loan Parties, the laws of such applicable jurisdictions, the Secured Documents, and as to such matters and in such form as the Lender (acting on the advice of Lender's Counsel) may reasonably require;
- (ix) the audited consolidated financial statements for the Borrower for its most recently completed Fiscal Year;
- (x) all documentation and other information for the Borrower, required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations;

- (xi) confirmation from the Lender that it has satisfied itself with respect to the following matters or it is prepared to waive satisfaction of the following matters to permit Closing to occur: (A) completion and satisfaction with the results of legal, business, accounting and collateral due diligence enquiries on the Borrower and its Subsidiaries, including all contingent obligations and guarantees, (B) satisfaction with the form and substance of historical financial information for the Borrower, (C) satisfaction with the corporate structure of the Borrower and its Subsidiaries and (D) no material adverse change in the capital markets or the primary or secondary loan markets has occurred;
 - (xii) a Compliance Certificate;
 - (xiii) a Borrowing Base Report;
 - (xiv) a perfection certificate from each Loan Party;
 - (xv) a direction from the Borrower to pay the Existing Credit Facilities in full;
 - (xvi) such other agreements, documents and instruments as the Lender may, in its judgment, reasonably require.
- (b) the Borrower's Accounts shall have been opened with the Lender and all current account documentation completed;
- ~~(e) either (x) Crown Capital shall have consented in writing to the Closing and the effectiveness of the Loan Documents, or (y) the Crown Capital Debt shall have been paid in full;~~
- (c) ~~(d)~~ no Material Adverse Change has occurred since December 31, 2016;
- (d) ~~(e)~~ the existing credit facilities made available by the Lender to Distincttech Inc. pursuant to a letter of financing dated May 1, 2014 (the "**Existing Credit Facilities**") shall have been paid in full, terminated and cancelled with the proceeds of a Drawdown under the Revolver;
- (e) ~~(f)~~ each of the representations and warranties with respect to the Loan Parties made under Section 10.1 is true, accurate and complete and no Default has occurred;
- (f) ~~(g)~~ the Security has been registered wheresoever required by the Lender (acting on the advice of Lender's Counsel) and such Security shall grant the Lender a first priority perfected Lien in the Collateral (such first priority Lien subject only to the Permitted Liens);
- (g) ~~(h)~~ arrangements satisfactory to the Lender have been made to ensure that (i) all fees then due and owing to the Lender under or in connection with any Loan Document have been or will contemporaneously with the initial Drawdown under

a Credit Facility be paid in full and (ii) all reasonable documented out-of-pocket fees, costs and expenses incurred by the Lender (including those payable to the Lender's Counsel) reimbursable hereunder have been or will contemporaneously with the initial Drawdown under a Credit Facility be paid in full;

- (h) ~~(i)~~ the Borrower shall have received all governmental and third party approvals (including shareholder approvals, landlords' consents, and other consents) necessary or, in the reasonable opinion of the Lender, advisable in connection with the Agreement or the transactions contemplated by the Loan Documents, which shall all be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on this Agreement or the transactions contemplated by the Loan Documents; and
- (i) ~~(ii)~~ there shall not exist on the Closing Date any injunction or temporary restraining order which, in the judgment of the Lender, would prohibit the extension of the Loans or the transactions contemplated under this Agreement, or any litigation which could reasonably be expected to result in a Material Adverse Effect.

8.2 Conditions to all Drawdowns. The Lender shall not be obliged to make or allow, and the Borrower shall not be entitled to request or receive, any Drawdown, including the first Drawdown, under the Relevant Credit Facility, unless the Closing Date has occurred and the terms and conditions set out below in respect of such Drawdown have been and remain satisfied (or waived by the Lender to permit such Drawdown to take place):

- (a) the Lender has received a duly completed Borrowing Request for such Drawdown complying with the applicable provisions of Section 2.6;
- (b) each of the representations and warranties deemed to be repeated under Section 10.2 is true and correct in all material respects (except to the extent any such representation or warranty is already qualified by materiality, in which case it must be true and correct in all respects) as of the date such Drawdown is requested and as of the proposed Drawdown Date as though made on and as of each such date;
- (c) no Default or Material Adverse Change has occurred that is continuing on the date such Drawdown is requested or on the proposed Drawdown Date, nor would any Default or Material Adverse Change result after giving effect to the requested Drawdown; and
- (d) each of the other terms and conditions applicable to such Drawdown contained in this Agreement shall have been fully complied with in all material respects.

8.3 Conditions to Conversions and Rollovers. The Lender shall not be obliged to make or allow, and the Borrower shall not be entitled to request, any Rollover under a Credit Facility or Conversion to an issue of Acceptances or a Libor Loan

unless the terms and conditions set out below in respect of such Conversion or Rollover have been and remain satisfied (or waived by the Lender to permit such Rollover to take place):

- (a) the Lender has received a duly completed Borrowing Request for such Conversion or Rollover complying with the applicable provisions of Section 5.1 or 5.2, respectively;
- (b) each of the representations and warranties deemed to be repeated under Section 10.2 is true and correct in all material respects (except to the extent any such representation or warranty is already qualified by materiality, in which case it must be true and correct in all respects) as of the date such Conversion or Rollover is requested and as of the proposed Conversion Date or Rollover Date;
- (c) no Default or Material Adverse Change has occurred that is continuing on the date such Conversion or Rollover is requested or on the proposed Conversion Date or Rollover Date, nor would any Default or Material Adverse Change result after giving effect to the Requested Conversion or Rollover; and
- (d) each of the terms and conditions applicable to such Conversion or Rollover contained in this Agreement shall have been fully complied with in all material respects.

Article 9

GUARANTEE AND SECURITY

9.1 Initial Guarantee and Security. To guarantee and secure the due payment and performance of the Secured Obligations, on the Closing Date and within five Business Days of a Group Member becoming a Loan Party, the Borrower shall deliver to the Lender, or cause the delivery to the Lender of each of the following documents, (each in form and substance satisfactory to the Lender):

- (a) a security agreement from each Loan Party creating Liens in all of the assets of such Loan Party;
- (b) a Guarantee from each Loan Party; and
- (c) if requested by the Lender, a Landlord Acknowledgement Agreement, Bailee Waiver or other collateral access agreement in respect of each premise not owned by a Loan Party where the tangible assets of any Loan Party are located.

9.2 Registration. Unless the Lender notifies the Borrower otherwise, the Borrower shall cause the Borrower's Counsel and their respective agents to register the Security (or a financing statement, notice or other document in respect thereof) on behalf of the Lender in all offices where (a) such registration is necessary or of advantage to create, preserve, protect and perfect the Security and its validity, effect, priority and perfection at all times, including any land registry or land titles office and/or (b) the Lender's Counsel specifically requests.

9.3 Further Assurances. The Borrower shall, forthwith and from time to time on request from the Lender, execute or cause to be executed, all such documents (including any change to any Loan Document) and do or cause to be done all such other matters and things which in the reasonable opinion of the Lender or the Lender's Counsel may be necessary or of advantage to give the Lender (so far as may be possible under any applicable law) the Liens and priority intended to be created by the Loan Documents or, upon the occurrence and during the continuation of an Event of Default, to facilitate realization under such Liens. It is the intention of the parties that the Lender will, among other things, have (a) a first priority Lien, subject to Permitted Liens (or only Statutory Prior Liens in the case of Capital Stock of any Subsidiary), over all assets of the Loan Parties comprised of personal property and real property, (b) such other Liens over the assets of the Loan Parties that are consistent with the Liens described in Clause (a) above as the Lender may from time to time reasonably require.

9.4 Concentration of Assets and EBITDA. The Borrower and the Guarantors collectively shall (a) at all times directly carry on an active business which is responsible for generating at least ninety percent (90%) of EBITDA of the Group and (b) directly own at least ninety percent (90%) of the assets of the Group.

Article 10 REPRESENTATIONS AND WARRANTIES

10.1 Borrower Representations and Warranties. To induce the Lender to make the Credit Facilities available to the Borrower, and the Lender to enter into Cash Management Agreements and Permitted Derivatives, the Borrower represents and warrants to and in favour of the Lender, both with respect to itself and with respect to each other Group Member, as follows:

10.1.1 Existence and Good Standing. It is a corporation, general or limited partnership, trust or other legal person duly and validly incorporated or formed, organized and existing under the laws of its jurisdiction of incorporation or formation and has the legal capacity and right to own its assets and to carry on its business in each jurisdiction in which its assets are located or it carries on business excluding jurisdictions in which the failure to have such legal capacity would not have or could reasonably be expected to have a Material Adverse Effect.

10.1.2 Authority. It has the legal capacity and right to enter into each Loan Document to which it is a party and do all acts and things and execute and deliver all documents as are required thereunder to be done, observed or performed by it in accordance with the terms and conditions thereof.

10.1.3 Due Authorization. It has taken all necessary action to authorize the execution and delivery of each Loan Document to which it is a party, the creation and performance of its obligations thereunder and the creation of the Liens over its assets and the consummation of the transactions contemplated thereby.

10.1.4 Due Execution. It has duly executed and delivered each Loan Document to which it is a party.

10.1.5 Validity of Loan Documents - Non-Conflict. None of the authorization, execution, delivery or performance of the Loan Documents, nor the creation of any Liens over its assets nor the consummation of any of the transactions contemplated thereby, (a) requires any authorization to be obtained or registration to be made (except such as have already been obtained or made and are now in full force and effect), (b) conflicts with, contravenes or gives rise to any default under (i) any of the Constitutional Documents or internal corporate, partnership, trust and/or other management resolutions of it, (ii) the provisions of any indenture, instrument, agreement or undertaking to which it is a party or by which it or any of its assets is or may become bound the consequences of which could be Material or affect the legality, validity, effect, perfection or priority of the Security or (iii) any Applicable Law or (c) has resulted or could reasonably be expected to result in the creation or imposition of any Lien (other than the Security) upon any of the Collateral except as contemplated herein.

10.1.6 Enforceability. Each Loan Document to which it is a party constitutes a valid and legally binding obligation enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, winding-up, dissolution, administration reorganization, arrangement or other statutes or judicial decisions affecting the enforcement of creditors' rights in general and to general principles of equity under which specific performance and injunctive relief may be refused by a court in its discretion.

10.1.7 Perfection and Priority of Security. The Security is legal, valid, binding, effective and (to the extent applicable) perfected ranking in the priority in the manner contemplated hereby and by the Security Documents. Registration has been made in all public places of registration necessary or of advantage to preserve, protect and (to the extent applicable) perfect the Security with the priority and in the manner contemplated hereby and by the Security Documents.

10.1.8 Absence of proceeding. There is no existing, pending or, to its knowledge, threatened proceeding against any Group Member which, if adversely determined to any Group Member or the Lender, could reasonably be expected to result in a Material Adverse Effect or, except for any proceeding notified to the Lender pursuant to Subsection 11.1.2, could reasonably be expected to result in any one or more judgments, orders or awards ordering any Group Member or Group Members to pay more than \$2,000,000 (or Equivalent in other currency) in the aggregate. No event has occurred, and no state or condition exists, which could reasonably be expected to give rise to any such proceeding, except for the subject matter of any proceeding notified to the Lender pursuant to Subsection 11.1.2, and there is no judgment, order or award outstanding against any Group Member which could reasonably be expected to have a Material Adverse Effect.

10.1.9 Financial Statements. Each financial report and financial statement of each Group Member delivered to the Lender pursuant to or in connection with this Agreement have been prepared in accordance with Applicable Accounting Principles (subject to year-end audit adjustments and the absence of notes, where applicable), does not contain (or, if audited, would not contain) any qualification and fairly and accurately presents in all material respects the

financial information and the financial condition and results of operations of such person contained therein as at their respective preparation dates.

10.1.10 Accuracy of Information. The Borrower has disclosed to the Lender all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No information furnished to the Lender by or on behalf of the Borrower in connection with any of the Loan Documents contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made and as of the date made. Each financial forecast and projection prepared and furnished by or on behalf of the Borrower to the Lender pursuant to or in connection with any Loan Document was based upon assumptions believed to be reasonable by the Borrower as of the date of preparation.

10.1.11 No Material Adverse Change. Since the later of December 31, 2016 and the date of the most recent audited financial statements of the Borrower furnished to the Lender, no Material Adverse Change has occurred.

10.1.12 Compliance with Laws. It is in compliance with all Applicable Laws, save (except in the case of Applicable Laws relating to bribery and corruption) for non-compliance which could not reasonably be expected to have a Material Adverse Effect.

10.1.13 Contracts. It is in compliance with all agreements material to its business, save for non-compliance which could not reasonably be expected to have a Material Adverse Effect.

10.1.14 Insurance. Each policy of insurance required to be maintained by it pursuant to Subsection 11.2.8 has been obtained and is in full force and effect and all premiums due and payable in relation thereto have been paid.

10.1.15 All Authorizations Obtained and Registrations Made. All authorizations and registrations necessary to permit it to execute, deliver and perform each Loan Document to which it is party, grant any Guarantee and Security and consummate the CUL Acquisition and all other transactions contemplated by the Loan Documents and own its assets and carry on its business have been obtained or effected and are in full force and effect, save and except for those authorizations that have not been obtained and could not reasonably be expected to have a Material Adverse Effect. It is in compliance with the requirements of all such authorizations and registrations and there is no judgment, order or award outstanding or proceeding existing, pending or, to its knowledge, threatened which could reasonably be expected to result in the revocation, cancellation, suspension or any adverse modification of any of such authorizations and registrations, except for any such authorization or registration the absence of which could not reasonably be expected to have a Material Adverse Effect.

10.1.16 Pensions.

- (a) Each Pension Plan complies in all material respects with all applicable requirements of law and regulations. No Pension Event has occurred or is reasonably expected to occur that could result in Material liability to any Loan Party.

- (b) Full payment when due has been made of all amounts which are required under the terms of each Pension Plan or Applicable Law to have been paid as contributions to such Pension Plan and no Unfunded Liability in excess of \$2,000,000 (or Equivalent in other currency) in the aggregate exists with respect to all Pension Plans of the entire Group. There is no order outstanding and no pending or, to its knowledge, threatened proceeding against any such Pension Plan, any fiduciary thereof, or it with respect thereto which could reasonably be expected to have a Material Adverse Effect or could reasonably be expected to result in an order ordering it to pay more than \$2,000,000 (or Equivalent in other currency).
- (c) Schedule 8 (as updated from time to time) lists all Multi-Employer Plans which it has sponsored, sponsors, has contributed to or contributes to.
- (d) Schedule 8 (as updated from time to time) lists all the Pension Plans applicable to the employees of each Group Member in respect of employment in Canada and which are currently maintained or sponsored by it or to which it contributes or has an obligation to contribute, except, for greater certainty, any statutory plans to which it is obligated to contribute to or comply with under applicable law. The Pension Plans listed in Schedule 8 are duly registered under all Applicable Laws which require registration.
- (e) Except as disclosed in Schedule 8 (as updated from time to time), each Pension Plan is fully funded or fully insured pursuant to the actuarial assumptions and methodology set out in the most recent actuarial valuation filed with the applicable governmental authority pursuant to generally accepted actuarial practices and principles
- (f) It does not administer, maintain or contribute to a Defined Benefit Plan or have any liability in respect of any Defined Benefit Plan.
- (g) To its knowledge, no fact or circumstance exists that could adversely affect the tax-exempt status of any Pension Plan.

10.1.17 No Default. No Default has occurred which has not been either remedied (or otherwise ceased to be continuing) or expressly waived by the Lender in writing.

10.1.18 Real Property. It has a subsisting leasehold interest in, or good and marketable title to, in each case free and clear of all Liens, other than Permitted Liens, all of the real property leased or owned by it which are reflected in the latest financial statements of the Borrower provided to the Lender, except for (a) real property interests disposed in the ordinary course of business to Unrelated Parties since the date of those financial statements in compliance with the provisions of this Agreement and (b) title defects that do not, in the aggregate, materially detract from the value of any material assets of the Group or impair in any material respect the use thereof in the conduct of business of the Group.

10.1.19 Personal Property. It is the sole legal and beneficial owner of, free and clear of all Liens, other than Permitted Liens, all personal property reflected as an asset in the latest consolidated financial statements of the Borrower provided to the Lender, except for (x) personal property disposed in the ordinary course of business since the date of those financial statements in compliance with the provisions of this Agreement, (y) personal property transferred by it to a Loan Party and (z) title defects that do not, in the aggregate, materially detract from the value of any material assets of the Group or impair in any material respect the use thereof in the conduct of business of the Group.

10.1.20 Group Organization. The Borrower does not have any Subsidiaries other than those depicted in the organization chart set out in Schedule 7 and those notified to the Lender pursuant to Subsection 11.1.10 within ten (10) days of their Acquisition by any Group Member. As of and following the date of the CUL Acquisition, the owners, beneficially and of record, of the issued Capital Stock of the Borrower and each Subsidiary of the Borrower, are depicted in the organization chart set out in Schedule 7. No person has any option or right to acquire any Capital Stock in the Borrower. No person, other than a Loan Party, has any option or right to acquire any Capital Stock in any Group Member.

10.1.21 Intellectual Property. It owns, or is licensed to use, all Intellectual Property reasonably necessary to conduct its business or that of the Group as currently conducted, except for such Intellectual Property the failure of which to own or license could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. To its knowledge, (a) the conduct and operations of its business does not infringe, misappropriate, dilute, violate or otherwise impair any Intellectual Property owned by any other person and (b) no other person has contested any right of it in, or relating to, any Intellectual Property, other than, in each case of Clause (a) and (b), as could not reasonably be expected to affect the Loan Documents or the transactions contemplated therein and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

10.1.22 Taxes. It has (a) delivered or caused to be delivered all Tax returns which are now due to the appropriate governmental authority, (b) paid and discharged all Taxes payable by it when due, (c) made provision for appropriate amounts in respect of any Taxes likely to be exigible in accordance with Applicable Accounting Principles, (d) withheld and collected all Taxes required to be withheld and collected by it and remitted such Taxes to the appropriate governmental authority when due and (e) paid and discharged all Statutory Prior Claims when due; and no assessment or appeal is, to its knowledge, being asserted or processed with respect to such returns, Taxes or Statutory Prior Claims, except for (i) those subject to Contested Tax Proceedings respecting an aggregate Tax liability for the entire Group not exceeding \$2,000,000 (or the Equivalent in other currency) and (ii) those which could not reasonably be expected to give rise to a Material Adverse Effect.

10.1.23 Solvency. Each Group Member is Solvent.

10.1.24 General Environmental Representations and Warranties. With respect to the Environment (a) the Group's Facilities and all real estate (including the buildings, erections and facilities constructed thereon) and appurtenances comprising or used in connection therewith, are and have at all times been owned, leased, managed, controlled or operated in compliance with all

Environmental Laws for the period they have been owned, leased, managed, controlled or operated by any Group Member (including its predecessors by amalgamation or merger) and (b) (to the knowledge of each Group Member) all real estate (including the buildings, erections and facilities constructed thereon) and appurtenances comprising or used in connection therewith were at all times owned, leased, managed, controlled or operated by the predecessors in title to such real estate in compliance with all Environmental Laws; with the exception of any non-compliance referred to in Clauses (a) and (b) above (y) which could not reasonably be expected to result in Environmental Liabilities of Group Members in an aggregate amount for the entire Group exceeding \$2,000,000 (or Equivalent in other currency) and (z) those which could not reasonably be expected to give rise to a Material Adverse Effect.

10.1.25 Specific Environmental Representations and Warranties. Without limiting the generality of Subsection 10.1.24, with respect to the Environment: (a) there are no existing, pending or (to the knowledge of each Group Member) threatened in writing: (i) claims, complaints, notices or requests for information received by it or of which it has knowledge with respect to any alleged violation by it of or alleged Environmental Liability relating to any of the Group Facilities, or (ii) governmental or court orders, including stop, Clean-Up or preventative orders, directions or action requests which have been received by it relating to the Environment requiring any works, repairs, remediation, Clean-Up, construction or capital expenditures by it with respect to any of the Group Facilities which remains outstanding; (b) except in compliance with Environmental Law, no Hazardous Materials have been generated, received, handled, used, stored, treated or shipped at or from, and there has been no discharge or release of Hazardous Materials at, on, from or under any of the Group Facilities; (c) no property now or previously owned, leased, managed, controlled or operated by any Group Member (including its predecessors by amalgamation, merger or other business combination) is listed or, to the knowledge of any Group Member, is proposed for listing on any similar list of sites under any other Applicable Law requiring investigation, remediation or Clean-Up or giving rise to claims or losses and expenses imposed under Environmental Laws; (d) except in compliance with Environmental Law, (to the knowledge of each Group Member) none of the lands and premises comprising any of the Group Facilities has been used for the disposal of Waste or as a landfill or Waste disposal site; and (e) no Group Member has directly transported or directly arranged for the transportation of any Hazardous Materials to any location, except in compliance with Environmental Law; with the exception of (i) any matter referred to in Clauses (a) to (e) above which collectively could not reasonably be expected to result in Environmental Liabilities of the of Group Members, individually or in the aggregate for the entire Group, in an amount not exceeding \$2,000,000 (or the Equivalent in other currency) and (ii) those which could not reasonably be expected to give rise to a Material Adverse Effect.

10.1.26 Employee Relations. There are no strikes, work stoppages or controversies pending or (to the knowledge of each Group Member) threatened between any Group Member and any of its employees (including unions representing employees), other than employee grievances arising in the ordinary course of business which could not reasonably be expected to result in work stoppages, and other than those disclosed in writing to the Lender which could not reasonably be expected to have a Material Adverse Effect. The hours worked by and payments made to employees of each Group Member have not been in violation of any Applicable Law dealing with such matters, other than those which could not reasonably be expected to have a Material Adverse Effect. All payments due from any Group Member or for which any claim may

be made against any Group Member on account of wages or employee related assessments, premiums, fees, taxes, penalties or fines and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of such Group Member, with the exception of (y) payments, individually or in the aggregate for the entire Group, in an amount not exceeding \$2,000,000 (or Equivalent in other currency) and (z) those which could not reasonably be expected to have a Material Adverse Effect.

10.1.27 Employee Benefit Matters.

- (a) Schedule 8 lists all Employee Benefit Plans maintained or contributed to by each Loan Party. Contributions to each Employee Benefit Plan maintained or contributed to by it are being made in accordance with Applicable Law and the terms of such Employee Benefit Plan. It has remitted all Employee Benefit Plan contributions, workers' compensation assessments, employment insurance premiums and employer health taxes payable under applicable law by them, and, furthermore, have withheld from each payment made to any of its present or former employees, officers and directors, and to all persons who are non-residents of Canada for the purposes of the *Income Tax Act (Canada)*, all amounts required by law to be withheld, including all payroll deductions required to be withheld and has remitted such amounts to the proper governmental authority within the time required under applicable law.
- (b) All obligations regarding its Employee Benefit Plans (including current service contributions) have been satisfied, there are no outstanding defaults or violations by any party to any Employee Benefit Plan and no taxes, penalties or fees are owing or exigible under any Employee Benefit Plan, except for those which could not reasonably be expected to result in a Material Adverse Effect.

10.1.28 Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada). It operates in countries that are members of the Financial Action Task Force. No Group Member is a charity registered with the Canada Revenue Agency nor does it solicit charitable financial donations from the public.

10.1.29 Anti-bribery Activities. No part of the proceeds of any Advance will be used by it, directly or, to its knowledge, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of anti-bribery and anti-corruption laws of Canada or any foreign jurisdiction.

10.1.30 Collective Bargaining. As of the Closing Date, it is not a party to any collective bargaining agreement, contract or legally binding commitment to any trade union or employee organization or group in respect of or affecting its employees. It is not a party to any application, complaint, grievance, arbitration, or other proceeding under any statute or under any collective agreement related to any of its employees or the termination of any of its employees, except as would not reasonably be expected to have a Material Adverse Effect, and, to its knowledge, there is no open complaint, inquiry or other investigation by any regulatory or other administrative

authority or agency with regard to or in relation to any of its employees or the termination of any of its employees except as could not reasonably be expected to have a Material Adverse Effect.

10.2 Repetition of Representations and Warranties. The representations and warranties made in Section 10.1 shall be deemed to be repeated by each Loan Party (a) on each date a Borrowing Request for a Drawdown is delivered to the Lender and on the corresponding Drawdown Date and (b) on each date a Borrowing Request for an issue of Acceptances or any Rollover is delivered to the Lender and on the corresponding Conversion Date or Rollover Date; in each case by reference to the facts and circumstances then existing, it being understood that to the extent such representations and warranties relate solely to a specifically identified earlier date they need only be true and correct in all material respects as of such earlier date.

10.3 Nature of Representations and Warranties. The representations and warranties made in Section 10.1 and each of the other Loan Documents or deemed repeated in Section 10.2 shall survive the execution and delivery of this Agreement and the making of each Borrowing notwithstanding any investigations or examinations which may be made by the Lender or Lender's Counsel, and the Lender shall be deemed to have relied on such representations and warranties in the making of each Borrowing.

Article 11 COVENANTS OF THE BORROWER

11.1 Reporting Covenants. Until all Secured Obligations are paid in full, the Borrower covenants and agrees with the Lender that it will duly perform and comply with each of the following reporting covenants:

11.1.1 Financial Statements and Other Information. The Borrower will deliver or cause to be delivered to the Lender: (a) as soon as practicable and in any event within 120 days after the end of each Fiscal Year, (i) the annual consolidated financial statements of the Borrower audited by its Auditors (with no qualification) and, if prepared, such Auditors' letter to management, (ii) a Compliance Certificate from the Borrower prepared as at such Fiscal Year end, and (iii) the Annual Operating Budget for the following Fiscal Year; (b) as soon as practicable and in any event within 60 days after the end of each Fiscal Quarter of each Fiscal Year, (i) the unaudited quarterly consolidated financial statements of the Borrower and (ii) a Compliance Certificate from the Borrower prepared as at such Fiscal Quarter end; (c) as soon as practicable and in any event within 30 days of the end of each calendar month, a Borrowing Base Report; and (d) from time to time, such other reports and additional information regarding any of the assets of the Borrower as the Lender may reasonably request.

11.1.2 Notice of Proceeding. It will promptly give notice to the Lender as soon as a Responsible Officer of it obtains knowledge of any order or the commencement of any proceeding or dispute affecting any Group Member or any of its assets which, either alone or when aggregated with all other such proceeding for the entire Group, will, or if adversely determined to such Group Member could reasonably be expected to, (a) prejudice, restrict or render unenforceable or ineffective, in a material adverse way, any legal rights intended or

purported to be granted under or pursuant to any Secured Document to or for the benefit of the Secured Parties or (b) result in any single order ordering any Group Member or orders ordering any Group Member or Group Members to pay more than \$2,000,000 (or Equivalent in other currency), individually or in the aggregate, or which could reasonably be expected to give rise to a Material Adverse Effect.

11.1.3 Notice of Environmental Claims. It will promptly give notice to the Lender as soon as a Responsible Officer of it obtains knowledge of any Environmental Liability, any claim in writing, or the commencement of any proceeding or dispute affecting any Group Member or any of its assets relating to Environmental Liabilities, which, either alone or when aggregated with all other such Environmental Liabilities for the entire Group, has resulted or could reasonably be expected to result in Environmental Liabilities of any Group Member or Group Members in an aggregate amount exceeding \$2,000,000 (or Equivalent in other currency), individually or in the aggregate, or which could reasonably be expected to give rise to a Material Adverse Effect.

11.1.4 Notice of Default or Material Adverse Change. It will promptly, and in any event within five (5) Business Days after a Responsible Officer of it becomes aware of the existence of any Default or Material Adverse Change, provide a written notice to the Lender specifying the nature and period of existence thereof and what action such Group Member is taking or proposing to take with respect thereto.

11.1.5 Environmental Compliance Orders. It shall promptly notify the Lender and, on request by the Lender, make available for inspection and review on a confidential basis by representatives of the Lender, copies of all written orders, control orders, directions, action requests, claims or notices issued by any governmental authority to it (a) relating to the Environmental condition of any of the Group Facilities or (b) relating to non-compliance with any Environmental Law; and proceed diligently to resolve any such orders, claims or notices relating to compliance with Environmental Law where the failure to resolve the same could reasonably be expected to (i) result in an Environmental Liability of any Group Member exceeding \$2,000,000 (or Equivalent in other currency), individually or in the aggregate, or (ii) have a Material Adverse Effect.

11.1.6 Environmental Information Requests. On the reasonable request by the Lender, it shall promptly make available for inspection and review on a confidential basis by representatives of the Lender such information in the possession or control of any Group Member as the Lender may reasonably request from time to time to evidence compliance with the representations and warranties contained in Subsections 10.1.24 and 10.1.25 and the covenants contained in Subsection 11.2.10.

11.1.7 Environmental Reports. It shall promptly notify the Lender of and (a) provide copies of each Environmental report prepared by or on behalf of it in respect of any of the Group Facilities which is filed with any governmental authority, other than those that are Immaterial, and (b) make available for inspection and review on a confidential basis by representatives of the Lender each Environmental report and Environmental audit concerning any of the Group Facilities prepared by or on behalf of it in accordance with any request of any governmental authority relating to Environmental matters, in each case, promptly upon filing thereof.

11.1.8 Employee Benefits and Analogous Notices. It shall deliver or cause to be delivered to the Lender the following information and notices as soon as reasonably possible, and in any event within ten (10) Business Days (a) after it knows or has reason to believe that a Pension Event has occurred which is reasonably likely to result in a Material liability to it, deliver to the Lender a certificate of a Responsible Officer setting forth the details of such Pension Event, the action that it proposes to take with respect thereto, and, when known, any action taken or threatened by any governmental authority, (b) upon request of the Lender made from time to time, deliver to the Lender a copy of the most recent actuarial report, funding waiver request, and annual report filed with respect to any Pension Plan or Employee Benefit Plan, (c) with respect to a Pension Plan, after it fails to make a required instalment or other payment in accordance with a schedule of contributions, according to the terms of such Pension Plan or as otherwise required by a governmental authority, a notification of such failure and (d) after it receives reasonable advance written notice from the Lender requesting the same, copies of any Pension Plan or Employee Benefit Plan and related documents, reports and correspondence specified in such notice.

11.1.9 Work Stoppages. It will, as soon as it obtains knowledge of any actual or threatened strikes or work stoppages, provide notice thereof to the Lender containing an outline in reasonable detail of the expected resolution thereof.

11.1.10 Subsidiaries. (a) It will, prior to or simultaneously with the Acquisition or formation of any new Subsidiary, provide notice thereof to the Lender, together with a copy of the Constitutional Documents of such new Subsidiary and an updated Schedule 7. (b) It will promptly give notice to the Lender of, and in any event within 15 days after, the occurrence of any of the following events: (i) any change to the corporate structure of the Borrower and its Subsidiaries, (ii) any disposition of a Subsidiary and (iii) any Business Combination, liquidation, winding-up, dissolution, administration or similar transaction involving any Subsidiary, together in each case with adequate information about each such event.

11.1.11 Forecasts. If it determines that any forecast for the Group provided by or on behalf of any Group Member to the Lender no longer reflects its current assumptions of future economic conditions and the Group's planned courses of action and that its current forecast projects results which are materially different than those reflected in those earlier forecasts, then it will promptly notify the Lender of such fact, accompanied by appropriate details thereof.

11.2 Affirmative Covenants. Until all Secured Obligations are paid in full, the Borrower covenants and agrees with the Lender that it will, and (where the context so admits) it will ensure that each Group Member that is or becomes a Subsidiary of it will, duly perform and comply with each of the following affirmative covenants:

11.2.1 Punctual Payment. It will duly and punctually pay each sum payable by it under each Secured Document to which it is a party at the time and place and in the manner provided for in such Secured Document.

11.2.2 Conduct of Business. Except as permitted pursuant to Section 11.4.7, it will maintain in good standing and full force and effect its legal existence in its present jurisdiction of

incorporation or formation and the authorizations, registrations, legal capacity, rights and qualifications necessary to carry on the Group's Business and own its assets in each jurisdiction in which it carries on business or owns any assets, except where the failure to maintain qualifications that could not be reasonably likely to cause a Material Adverse Effect.

11.2.3 Compliance with Applicable Laws. It will comply with all Applicable Laws, save (except in the case of Applicable Laws relating to bribery and corruption) for non-compliance that is Immaterial.

11.2.4 Compliance with Contracts. It will comply with each of the contractual obligations owing by it to its customers, suppliers and other persons, save for non-compliance that is Immaterial.

11.2.5 Financial Records. It will maintain complete records and books of account in accordance in all material respects with Applicable Accounting Principles.

11.2.6 Rights of Inspection; Appraisals.

- (a) At any time and from time to time, upon reasonable prior written notice, it will permit any representative of the Lender, at its expense and during normal business hours, to examine and make copies of any abstracts from its records and books of account and to discuss any of its assets with any of its Responsible Officers and with any of its Auditors or other representatives. It will promptly reimburse the Lender for all reasonable out-of-pocket costs and expenses incurred in connection with (i) only two (2) such inspections during each Fiscal Year if no Default has occurred or is continuing during that Fiscal Year and (ii) any number of such inspections carried out at a time a Default has occurred and is continuing.
- (b) Following the occurrence and during the continuance of a Default at any time and from time to time, upon reasonable prior written notice, it will permit any representative of the Lender, at the Borrower's expense and during normal business hours, to conduct appraisals and valuations at such reasonable times and intervals as the Lender may require. It will promptly reimburse the Lender for all reasonable out-of-pocket costs and expenses incurred in connection with any number of such appraisals and valuations carried out.

11.2.7 Maintenance of Properties. It will maintain in good repair, working order and condition (reasonable wear and tear excepted) its tangible assets (whether owned or held under lease).

11.2.8 Maintenance of Insurance. It will insure, or cause to be insured at all times, all of the assets of it and its Subsidiaries with financially sound and reputable insurance companies covering such assets in an amount of at least their replacement value and against public liability, in at least such amounts and against at least such risks as are usually insured against by persons of similar size and carrying on a similar business or holding similar assets and it shall furnish to the Lender upon written request, full information as to the insurance carried. Except as otherwise provided below, it shall cause the Lender to be named in each such policy as secured party or mortgagee and first loss payee (except in the case of assets leased by an Unrelated Party to it

under an operating lease) and additional insured, as appropriate, in a manner acceptable to the Lender. Each policy of insurance shall contain a clause or endorsement requiring the insurer to give not less than thirty (30) days (subject to any mandatory statutory reduction to fifteen (15) days) prior written notice to the Lender in the event of cancellation of the policy for any reason whatsoever and a clause or endorsement stating that the interest of the Lender shall not be impaired or invalidated by any act or neglect of it or the owner of any premises for purposes more hazardous than are permitted by such policy. It will not do or omit to be done anything which could breach or invalidate any such insurance and it will punctually pay, or cause to be paid, all premiums and other amounts necessary for maintaining such insurance as the same become due. It shall obtain and, upon request, provide the Lender with certificates of insurance for and certified copies of the policies effecting the insurance required by this Section 11.2.8.

11.2.9 Payment of Taxes and Claims. It will (a) pay and discharge all lawful claims for labour, material and supplies, (b) deliver or cause to be delivered all Income Tax, Sales Tax and other Tax returns when they are due to the appropriate governmental authority, (c) punctually pay and discharge all Taxes payable by it when due, (d) withhold and collect all Taxes required to be withheld and collected by it and remit such Taxes to the appropriate governmental authority before they are past due in the manner required by Applicable Law and (e) pay and discharge all Statutory Prior Claims before they are past due; except that no such claims, obligations or Taxes referred to in Clause (c) above need be paid if (i) they are being actively and diligently contested in good faith by Contested Tax Proceedings, and (ii) the Tax liability contested does not exceed \$2,000,000 (or Equivalent in other currency) in the aggregate for all Contested Tax Proceedings.

11.2.10 Comply with Environmental Laws. It will cause its representatives to (a) manage and operate the Group's Facilities in compliance with all Environmental Laws, (b) maintain all authorizations and make all registrations required under all Environmental Laws in relation to the Group's Facilities and remain in compliance therewith and (c) store, treat, transport, generate, otherwise handle and dispose of all Hazardous Materials and Waste owned, managed or controlled by it in compliance with all Environmental Laws; provided that, it shall not constitute a Default where any such failure or non-compliance has not resulted in, and could not reasonably be expected to result in, (i) Environmental Liabilities to Group Members, individually or in the aggregate for the entire Group, exceeding \$2,000,000 (or Equivalent in other currency) or (ii) a Material Adverse Effect.

11.2.11 Pension Plan and Employee Benefit Plan Compliance. It shall establish, maintain and operate (a) all Pension Plans in compliance with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such Pension Plans, and (b) all Employee Benefit Plans in compliance with the provisions of all Applicable Laws and the respective requirements of the governing documents for such Employee Benefit Plans; except, in the case of Clauses (a) and (b), to the extent any failure to do so is not reasonably expected to result in liability to Group Members in an aggregate amount in excess of \$2,000,000.

11.2.12 Anti-Terrorism Laws. It shall not knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or violates or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law to the extent relevant or applicable.

11.2.13 *Violations of Anti-Terrorism Laws.* If it obtains actual knowledge that any holder of a direct or indirect equity or financial interest in it is the subject of any enforcement action or restriction under the Anti-Terrorism Laws, it shall promptly notify the Lender in writing thereof. Upon the request of the Lender, it shall promptly provide any information the Lender believes is reasonably necessary to be delivered to comply with any Anti-Terrorism Laws.

11.2.14 *Anti-Money Laundering Laws.* It shall adopt and maintain adequate policies, procedures and controls that it reasonably believes are adequate to ensure that it is in compliance with all Anti-Money Laundering Laws applicable to it.

11.2.15 *Use of Proceeds.* The Borrower will use each Advance made available to it pursuant to this Agreement solely for the purposes set out in Subsections 2.1.2 and 2.2.2. No Advance may be used to finance any Hostile Take-Over Bid.

11.3 Financial Covenants. Until all Secured Obligations are paid in full, the Borrower covenants and agrees with the Lender that it will ensure that each of the following financial tests is complied with at all times:

11.3.1 *Leverage Ratio.* The Leverage Ratio shall not exceed (a) ~~4.50~~4.75:1 for ~~each~~the Test Period ending on ~~or before~~June 30, 2018, (b) ~~5.50:1 for the Test Period ending on~~ September 30, 2018, (~~b~~c) ~~4.50:1 for the Test Period ending on December 31, 2018~~, (d) ~~4.25:1 for the Test Period ending on March 31, 2019~~, (e) 4.00:1 for each Test Period ending after ~~September 30, 2018~~March 31, 2019 but on or before September 30, 2019, and (~~e~~f) 3.50:1 for each Test Period ending ~~on or after~~ December 31, September 30, 2019.

11.3.2 *Debt Service Coverage Ratio.* The Debt Service Coverage Ratio shall not be less than (a) 1.10:1 for ~~each~~the Test Period ending on ~~or before~~ September 30, 2018, ~~and (b)~~(b) 1.15:1 for each Test Period ending after September 30, 2018 but on or before March 31, 2019 and (c) 1.25:1 for each subsequent Test Period ending ~~on or after~~ DecemberMarch 31, 2018-2019.

11.4 Negative Covenants. Until all Secured Obligations are paid in full, the Borrower covenants and agrees with the Lender that it will, and (where the context so admits) it will ensure that each Group Member that is or becomes a Subsidiary of it will, duly perform and comply with each of the following negative covenants:

11.4.1 *Limitation on Debt.* It will not create, assume, incur, otherwise become liable upon or permit to exist any Debt, other than (a) Debt secured by Permitted Liens, (b) Debt under the Secured Documents, (c) Debt owing to a Loan Party, (d) ~~the Existing Subordinated Debt until the Drawdown Date under the Term Loan Facility~~, (e) ~~unsecured Debt in the aggregate total amount for the entire Group of up to \$2,000,000 (or Equivalent in other currency)~~, (f) Permitted Derivatives, ~~and (g)~~(e) such other Debt as the Lender may consent to from time to time; (f) Debt owing to the Holder pursuant to the 2018 Debenture in the maximum aggregate principal amount of \$10,000,000 and (g) Shareholder Debt in the maximum aggregate principal amount of \$1,000,000 provided the Shareholder Postponement Agreements are in full force and effect.

11.4.2 *Financial Assistance.* It will not provide any financial assistance by means of Investment, guarantee or otherwise to any person, other than Permitted Investments.

11.4.3 Sale of Assets. It will not dispose of any of its assets, except for (v) disposals of inventory made in the ordinary course of business, (w) disposals of assets to a Loan Party, (x) disposals of obsolete, redundant, damaged or otherwise unusable goods, machinery and equipment having nominal fair market value, (y) disposals of defaulted accounts in order to realize on them in a commercially reasonable manner, and (z) disposals of assets in any Test Period ending after the Closing Date having a fair market value in the aggregate for the entire Group of up to \$2,000,000; in each case, provided that no Default has occurred or could reasonably be expected to occur after such disposal takes place.

11.4.4 Disposals of Subsidiaries. It will not dispose of any Capital Stock in any Subsidiary of it, or permit any Subsidiary of it to issue Capital Stock, to any person other than to a Loan Party.

11.4.5 Negative Pledge. It will not create, incur, assume or otherwise become liable upon or permit to exist any Lien on, against or with respect to any of its assets, except for (a) Statutory Prior Liens, (b) Liens for assessments or governmental charges or levies which are paid when due or, if overdue, the validity or amount of which is being contested in good faith by appropriate proceedings and in respect of which adequate steps have been taken (which may include cash being paid to or pledged with the relevant governmental authority) to prevent penalties from being imposed, interest from accruing and the commencement or continuation of enforcement proceedings and adequate reserves in accordance with Applicable Accounting Principles have been recorded on its consolidated balance sheet, (c) construction, mechanics', carriers', warehousemen's, storage, repairers' and materialmen's Liens; provided that the obligations secured by such liens are paid when due and no Lien has been registered against any of its assets or if a Lien has been registered, same is being diligently defended in good faith by appropriate proceedings and appropriate steps have been taken to prevent any disposal of such assets, (d) Liens arising from court or arbitral proceedings; provided that the claims secured thereby are being contested in good faith by appropriate proceedings by it, execution thereon has been stayed and continues to be stayed and such Liens do not, in the aggregate, detract from the value of any asset of any Group Member or impair the use thereof in the conduct of business of any Group Member, other than in a manner that is Immaterial, (e) deposits of cash securities in connection with any appeal, review or contestation of any security or lien, or any matter giving rise to any security or lien, described in paragraph (d) above, (f) any pledge of cash by it to any insurer, guarantor, third party contractor, public utility or governmental authority made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of Debt), leases, customs duties and other similar obligations, (g) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of business in relation to deposit accounts or other funds maintained with a financial institution, (h) Liens over specific items of property (as opposed to Liens over all or any substantial part of the assets of it), excluding the Capital Stock of any Group Member, in favour of Unrelated Parties securing purchase-money Debt (including capital leases) newly incurred by the entire Group for any Test Period in an aggregate amount which does not exceed \$5,000,000 (or Equivalent in other currency) provided that the *pro forma* Leverage Ratio (including the amount of such purchase-money Debt) as at the end of such Test Period complies with Subsection 11.3.1 for such Test Period, (i) the Liens created by the Security and any other Liens created in favour of the Lender, (j) such other Liens

securing such obligations as may be approved by the Lender from time to time and (k) Liens on real property which consist of (i) reservations, limitations, provisos and conditions expressed in the original grant from the Crown, (ii) any general qualifications to title imposed under the land titles registry system in which any real property is situate, (iii) any encroachments, variations in description or by-law infractions which might be revealed by an up-to-date survey of the real property which do not detract in any material way from the use or intended use of the property, (iv) any agreement with a municipality with respect to the development of the buildings, fixtures and improvements on the real property which do not create Material obligations, (v) restrictions or restrictive covenants disclosed by registered title which do not detract in any material way from the use or intended use of the property, (vi) any easement or right-of-way disclosed by registered title which do not detract in any material way from the use or intended use of the property, (vii) any easement for the supply of utilities or telephone services to the real property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, (viii) registered easements or rights of way for passage, ingress and egress of persons and vehicles over parts of the real property, (ix) facility cost sharing, servicing, parking, reciprocal and other similar agreements with neighbouring land owners and/or governmental authorities, and (x) the provisions of Applicable Laws including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning.

11.4.6 No Merger, Amalgamation, etc. It will not enter into any merger, amalgamation, arrangement, consolidation, business combination, capital reorganization, liquidation, winding-up, dissolution, administration or similar transaction (each, a “**Business Combination**”), except that any Wholly-Owned Subsidiary of it may liquidate or dissolve voluntarily into or vertically amalgamate or merge with another Group Member and any other such Wholly-Owned Subsidiary and may merge, consolidate or amalgamate with and into any other Group Member that is a Wholly-Owned Subsidiary of the Borrower; provided that (u) no Default has occurred and is continuing at such time nor would any result from such amalgamation, consolidation, merger or reorganization (in this subsection, the “**Amalgamation**”), (v) the successor resulting from the Amalgamation (the “**Amalgamated Entity**”) possesses all the property, rights, privileges and franchises of each Group Member party to such Amalgamation (each, an “**Amalgamating Group Member**”) and assumes and is subject to all the obligations and liabilities of each such Amalgamating Group Member under each Secured Document to which such Amalgamating Group Member is party, (w) the benefits of each Secured Document to which each Amalgamating Group Member is a party extend to the performance by the Amalgamated Entity of its obligations under each Secured Document, (x) the validity, enforceability and effect of the Secured Documents, and the validity, effect, priority and perfection of the Security shall not be affected in any adverse way, (y) the Amalgamated Entity is a Borrower or a Wholly-Owned Subsidiary of the Borrower and (z) external legal counsel for each Amalgamating Group Member and the Amalgamated Entity shall have provided an opinion to the Lender and Lender’s Counsel, in form and substance satisfactory to the Lender, confirming the matters addressed in Clauses (v) to (y) inclusive above.

11.4.7 Nature of Business. It will not change the nature of its business or cease to carry on the Core Business or any substantial part thereof; and it will not engage in any new business other than a business engaged solely in a Core Business.

11.4.8 Limitation on Investments. It will not make any Investments, other than (w) the CUL Acquisition, (x) Investments in Cash Equivalents, (y) Investments in a Loan Party, and (z) other Investments in an aggregate outstanding amount not to exceed \$2,000,000 (or Equivalent in other currency); provided that no Default has occurred or could reasonably be expected to occur after such Investment is made. For clarity, Acquisitions made in compliance with Subsection 11.4.10 shall not constitute Investments for the purposes of this Subsection 11.4.9.

11.4.9 Limitations on Acquisitions. Unless otherwise approved by the Lender and except for the CUL Acquisition, it will not make any Acquisition, unless (y) if such Acquisition involves the acquisition of Capital Stock of another person, upon such Acquisition taking place, the person acquired will be a Wholly-Owned Subsidiary of the Borrower, and (z) whether such Acquisition is of assets or Capital Stock: (i) the business Acquired has generated positive EBITDA for its most recently concluded 12-month accounting period; (ii) the assets Acquired are located in Canada; (iii) upon completion of the Acquisition, the undrawn amount under the Revolver shall not be less than \$5,000,000; (iv) the aggregate total consideration paid for all Acquisitions during any Fiscal Year, *plus* (without duplication) the aggregate total amount of all Debt assumed on a consolidated basis on all such Acquisitions, does not exceed \$5,000,000 (or Equivalent in other currency); (v) upon or immediately following completion of such Acquisition, all Debt not permitted by Subsection 11.4.1 of each person acquired shall be repaid and all Liens over the assets acquired (including those of any person acquired and each Subsidiary) that do not constitute Permitted Liens shall be released; (vi) no Default has occurred or could reasonably be expected to occur; (viii) the assets being acquired comprise a Core Business; (vii) the Acquisition does not take place pursuant to a Hostile Take-Over Bid; and (viii) the Lender has received in form and substance acceptable to it and at least fifteen (15) Business Days prior to such Acquisition: (A) a quality of earnings report and the audited financial statements for any business Acquired for which the aggregate total consideration to be paid exceeds \$10,000,000 or (B) reviewed financial statements for any business Acquired for which the aggregate total consideration to be paid does not exceed \$10,000,000. In the event that the Borrower wishes to make any Acquisition that does not comply with the limitations set out herein, the Borrower shall provide the Lender with a summary of the proposed Acquisition and the Lender shall provide its decision in its sole and absolute discretion with respect to the proposed Acquisition within 30 days of receiving the summary.

11.4.10 Distributions. It will not declare, set apart for payment, make or pay any Distributions, except for (i) any Distribution to a Credit Party; and (ii) any Distribution with prior written consent of the Lender. It shall not be restricted by its Constitutional Documents or become bound by any agreement other than this Agreement, from making any Distributions.

11.4.11 Capital Expenditures. It will not incur any Capital Expenditure if the aggregate total amount of all Capital Expenditures incurred by the entire Group in any Fiscal Year would exceed one hundred and twenty percent (120%) of the Capital Expenditures projected in the Annual Operating Budget approved by the Lender for that Fiscal Year.

11.4.12 Derivatives. It will not enter into any Derivative, except for Permitted Derivatives.

11.4.13 Fiscal Year. It will not change its Fiscal Year.

11.4.14 Securitizations. It will not dispose of any account, note receivable or accounts receivable, with or without recourse, except for a disposal permitted under Subsection 11.4.3(y).

11.4.15 Pension Plans. It will not (a) permit any accumulated aggregate funding deficiency in respect of all Pension Plans to exceed \$2,000,000 at any time, (b) permit any further Unfunded Liabilities with respect to any Pension Plan which could reasonably be expected to trigger a requirement to make a material increase in contributions to fund any such liabilities or (c) fail to pay any required contributions or payments to a Pension Plan on or before the due date for such required instalment or payment.

11.4.16 Arm's Length Arrangements. It will not enter into an agreement, transaction or other arrangement with an Affiliate of it, or any other person with whom it is not dealing at arm's length, unless such agreement, transaction or arrangement is made (a) on commercially reasonable terms (including normal trade terms, but excluding for certainty deferred payment terms) at fair market value and consistent with commercial relations between Unrelated Parties or (b) between Loan Parties.

11.4.17 No Continuance. It will not continue under the laws of any other jurisdiction.

11.4.18 Constitutional Documents. It will not change its Constitutional Documents, except (y) to the extent permitted by Subsection 11.4.7 and (z) for any change that is Immaterial and is not adverse to the interests of the Lender.

11.4.19 Benefit Plans. Any other term or provision of this Agreement or any other Loan Document to the contrary notwithstanding, it shall not (a) adopt, establish, maintain, contribute or be obligated to contribute to, or otherwise have liability for, a Defined Benefit Plan, (b) permit any further Unfunded Liabilities with respect to any Pension Plan which would trigger a requirement to make a material increase in contributions to fund any such liabilities, (c) acquire an interest in any person if such person sponsors, administers, maintains or contributes to, or has any liability in respect of, any Defined Benefit Plan or a Multiemployer Plan, or (d) fail to pay any required contributions or payments to a Pension Plan or a Multiemployer Plan on or before the due date for such required instalment or payment; save where any such failure or non-compliance is Immaterial and does not and could not reasonably be expected to result in a loss and expense to the Group in an aggregate amount for all such failures exceeding \$2,000,000 (or Equivalent in other currency).

11.4.20 Unperfected Bank Accounts. It shall not maintain any cash balance or deposit account with any bank or other financial institution, that is not subject to an Account Control Agreement; provided however that, it shall have sixty (60) days following the Closing Date to obtain Account Control Agreements with respect to existing cash balance or deposit accounts or close such accounts.

11.4.21 Unperfected Securities Accounts. It shall not maintain any securities account that is not subject to an Account Control Agreement.

11.4.22 *Subordinated Debt.* It will not pay any amount on account of any Subordinated Debt ~~that it is not permitted to pay under the Subordination Agreement governing such Subordinated Debt unless:~~

- (a) the repayment of such Subordinated Debt is financed in full from the net proceeds of issuance of common shares in the capital of the Borrower;
- (b) (x) the pro forma Leverage Ratio of the Borrower immediately following the payment in full of such Subordinated Debt is less than 4.00:1 and (y) the Borrower has at least \$6,000,000 in Liquidity;
- (c) subject to the prior written consent of the Lender, the repayment of such Subordinated Debt is financed in full with other unsecured debt subject to a Subordination Agreement;
- (d) subject to the prior written consent of the Lender, the repayment of such Subordinated Debt is financed in full in connection with a syndicated refinancing of the Secured Obligations; or
- (e) such payment is permitted under the Subordination Agreement governing such Subordinated Debt.

11.4.24 *Change in Control.* It will not permit any Change in Control to occur.

11.4.25 *Shareholder Debt.* It will not permit any amendment, waiver or consent to the any promissory note or instrument evidencing the Shareholder Debt without the prior written consent of the Lender.

11.4.26 *2018 Debenture.* It will not permit any amendment, waiver or consent to the 2018 Debenture without the prior written consent of the Lender.

Article 12 EVENTS OF DEFAULT

12.1 Events of Default. The occurrence of any one or more of the following events, defaults, breaches, failures, states or conditions (each such event being herein referred to as an “**Event of Default**”) shall constitute a default by the Borrower under this Agreement:

12.1.1 Non-Payment of Principal. The Borrower fails to pay any principal amount payable hereunder or under any Cash Management Agreement, or any early termination amount payable under any Permitted Derivative with the Lender, when due.

12.1.2 Non-Payment of Interest and Other Amounts. The Borrower fails to pay any interest, Fee or other amount (excluding principal and any early termination amount under any Permitted Derivative) payable hereunder or under any other Secured Document when due and such failure continues unremedied for more than three (3) Business Days after such due date.

12.1.3 *Misrepresentation.* Any representation or warranty made or deemed made by any Loan Party in any Secured Document is found to have been false or misleading in any material respect, if such representation or warranty is not qualified by materiality, or in any respect, if such representation or warranty is already qualified by materiality.

12.1.4 *Financial Tests.* Any financial test contained in Section 11.3 is not complied with.

12.1.5 *Negative Covenants.* Any negative covenant contained in Section 11.4 is not complied with.

12.1.6 *Maintain Existence.* Any Group Member fails to comply with Section 11.2.2, except as permitted by Subsection 11.4.7.

12.1.7 *Breach of Other Covenants.* Any Loan Party fails to perform or comply with any provision or obligation contained in any Secured Document to which it is a party (other than those referred to in Subsections 12.1.1, 12.1.2, 12.1.3, 12.1.4, 12.1.5 and 12.1.6 above) and such failure continues unremedied for a period of thirty (30) days after any Loan Party knows of such failure.

12.1.8 *Cross-Default.* ~~Any~~(x) The Borrower defaults under the 2018 Debenture, (y) the Borrower defaults under any promissory note evidencing any Shareholder Debt or (z) any Group Member defaults under any one or more agreements, documents or instruments relating to Debt in an aggregate amount exceeding \$2,000,000 (or Equivalent in other currency) and such default has not been waived by the persons to whom the Debt is owed or, if there is any cure period applicable to such default, such cure period lapses without the default being cured.

12.1.9 *Cross Acceleration.* Any Group Member becomes obligated to repay, prepay, offer to prepay, pay, purchase or otherwise retire or acquire any Debt (other than Debt under this Agreement) in an aggregate amount exceeding \$2,000,000 (or Equivalent in other currency) before its scheduled maturity date by reason of an event or circumstance that could reasonably be expected to be treated as a default or event of default in the context of a commercial lending transaction (including an event equivalent or analogous to a Default), although it may not be described as such in the agreement governing such Debt.

12.1.10 *Unsatisfied Judgments.* Any one or more judgments for the payment of money in an aggregate amount exceeding \$2,000,000 (or Equivalent in other currency) are rendered against any one or more Group Members and such Group Members do not discharge same in accordance with their respective terms, or procure a stay of execution thereof, within sixty (60) days from the date of the entry of each such judgments and in any event at least five (5) Business Days before any such judgment may be executed upon.

12.1.11 *Enforcement of Liens.* Any one or more persons entitled to any Liens on any assets of any one or more Group Members take possession of any such assets valued in excess of \$2,000,000 (or Equivalent in other currency) or any one or more seizures, executions, garnishments, sequestrations, distresses, attachments or other equivalent processes in respect of claims against any one or more Group Members are issued or levied against any assets of any one

or more Group Members valued in excess of \$2,000,000 (or Equivalent in other currency) and such Group Members do not discharge the same or provide for the discharge in accordance with their respective terms, or procure a stay of execution thereof, within thirty (30) days from the date such possession or process first takes effect and in any event at least five (5) Business Days before such assets are capable of being disposed of thereunder.

12.1.12 *Insolvency Event.* Any Insolvency Event with respect to any Loan Party occurs.

12.1.13 *Cessation of Business.* Any Loan Party ceases or suspends or threatens to cease or suspend all or a substantial portion of its business, save for (x) any temporary cessation or suspension of business arising from employee lock-outs or strikes (y) any temporary plant closures arising in the ordinary course of business of the Group or (z) any other cessation or suspension of business that could not reasonably be expected to result in a Material Adverse Effect.

12.1.14 *Security Imperilled.* If (a) any proceeding is commenced which, if determined adversely to any Loan Party or to the rights of the Lender contemplated under the Loan Documents, could reasonably be expected to result in (i) any material impairment of any Loan Party's ability to perform any of its Loan Obligations or (ii) any prejudice to, restriction on or rendering unenforceable or ineffective, any Guarantee or Security or any rights intended to be granted under or pursuant to any Loan Document by any Loan Party to or for the benefit of the Lender which the Lender in good faith determines is materially adverse to their rights or interests, (b) any Loan Document or any material right thereunder becomes or is determined by a court of competent jurisdiction to be invalid, unenforceable or ineffective, (c) the Lien of any Security over any Material asset is determined by a court of competent jurisdiction to be or ceases to be valid and perfected ranking in priority in the manner contemplated herein or in the Security Documents, other than by reason of the direct act or omission of the Lender, or (d) any Loan Party denies that it has any or further obligations under any Loan Document or challenges the validity of any provision thereof or of the Security.

12.1.15 *Material Adverse Change.* Any Material Adverse Change occurs.

12.1.16 *Change in Control.* Any Change in Control occurs or, at any time, is expected to occur within ten (10) Business Days, in either case, without the consent of the Lender.

12.1.17 *Condemnation.* Any governmental authority shall condemn, seize, expropriate or otherwise appropriate, or take custody or control of, all or any portion of the assets of any Group Member which, when taken together with all other assets of any Group Member so condemned, seized, expropriated, appropriated, or taken custody or control of, during the twelve (12) month period ending with the month in which any such action occurs, could reasonably be expected to have a Material Adverse Effect.

12.1.18 *Shareholder Postponement Agreements.* Any of Alex Agius or Joe Lanni fail to perform or observe any condition or covenant in any respect of the Shareholder Postponement Agreement to which they are a party and/or any of the Postponement Agreements are determined by a court of competent jurisdiction not to be valid and enforceable by the Lender against any other party thereto.

12.1.19 ~~12.1.18 Pension Event~~12.1.19. The aggregate Unfunded Liability under all Pension Plans exceeds in the aggregate \$2,000,000 (or Equivalent in other currency) or any Pension Event occurs which results or could reasonably be expected to result in liability to any Loan Party in excess of \$2,000,000 (or Equivalent in other currency).

12.2 Termination and Acceleration. Upon the occurrence of an Event of Default, the Lender may do any one or more of the following:

- (a) declare the whole or any item or part of the Commitment under any Credit Facility or the unutilized portion (if any) of any Credit Facility to be cancelled, terminated or reduced, whereupon the Lender shall not be required to make any further Advance hereunder in respect of such portion of the Commitment or each Credit Facility cancelled, terminated or reduced;
- (b) accelerate the maturity of all or any item or part of the Loan Obligations of the Borrower hereunder and declare them to be payable on demand or immediately due and payable, whereupon they shall be so accelerated and become so due and payable;
- (c) suspend any rights of the Borrower under any Loan Document, whereupon such rights shall be so suspended;
- (d) demand payment under any Guarantee and/or enforce any Security;
- (e) demand that the Borrower pay (i) the Outstanding Amount of all outstanding Acceptances, (ii) its Out-of-the-Money Derivative Exposure, if any, to the Lender, (iii) its Cash Management Obligations, if any, owing to the Lender and (iv) the Standby Instrument Exposure under all outstanding Standby Instruments, whereupon the Borrower shall be obliged to (A) repay immediately to the Lender for the account of the Lender entitled thereto the Outstanding Amount of all outstanding Acceptances issued for its account, (B) pay immediately to the Lender (1) such Out-of-the-Money Derivative Exposure under all Permitted Derivatives entered into by it with the Lender and (2) the amount of the Cash Management Obligations owing to the Lender and (C) pay immediately to the Lender such Standby Instrument Exposure; and
- (f) take any other action, commence any other proceeding or exercise such other rights as may be permitted by applicable law (whether or not provided for in any Secured Document) at such times and in such manner as the Lender may consider expedient,

all without any additional notice, demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour or any other action being required. If an Event of Default referred to in Subsection 12.1.12 occurs, unless the Lender otherwise agrees, the Commitment under each Credit Facility shall be cancelled and the Loan Obligations shall be accelerated and become immediately due and payable automatically without any action on the part of the Lender being required.

12.3 Waiver. The Lender may waive any Default. No waiver, however, shall be deemed to extend to a subsequent Default, whether or not the same as or similar to the Default waived, and no act or omission by the Lender shall extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights of the Lender arising therefrom. Any such waiver must be in writing and signed by the Lender to be effective. No failure on the part of the Lender to exercise, and no delay by the Lender in exercising, any rights under any Loan Document shall operate as a waiver of such rights. No single or partial exercise of any such rights shall preclude any other or further exercise of such rights or the exercise of any other rights.

Article 13 GENERAL

13.1 Costs and Expenses. The Borrower agrees to pay within thirty (30) days of demand thereof (together with backup documentation supporting such request) (a) all reasonable out-of-pocket expenses incurred by the Lender in connection with due diligence investigations, the preparation, negotiation, execution, delivery, entry into effect and administration of the Loan Documents and/or the satisfaction of any conditions or obligations specified in Article 8, any post-closing costs and any change to the Loan Documents (including the reasonable out-of-pocket fees, disbursements and charges of the Lender's Counsel and, if necessary one (1) local counsel in each relevant jurisdiction where Collateral is located for such persons, taken as a whole) and (b) all reasonable out-of-pocket expenses incurred by the Lender in connection with the interpretation, defence, establishment, preservation, protection or enforcement of rights of the Lender under each Secured Document and in connection with the Advances made or issued hereunder (including the reasonable out-of-pocket fees, charges and disbursements of Lender's Counsel and, if necessary the reasonable out-of-pocket fees, charges and disbursements of one (1) local counsel of the Lender per relevant jurisdiction). The Borrower irrevocably authorizes and directs the Lender from time to time to debit the Borrower's Account with the amounts of, and apply the amounts so debited to pay, (i) all unpaid Fees then due and payable to the Lender and (ii) all unpaid fees, costs and expenses then due and payable by the Lender to the Lender's Counsel and any other counsel to the Lender which the Borrower is obliged to pay to the Lender in accordance with the foregoing.

13.2 Indemnification by the Borrower.

13.2.1 Borrowings. The Borrower shall within five (5) days of demand pay to the Lender on a full indemnity (after-Taxes) basis, the amount of all claims and losses and expenses, including losses and expenses sustained by the Lender in connection with the liquidation or reemployment, in whole or in part, of deposits or funds borrowed or acquired by the Lender to fund any Borrowing, which the Lender sustains or incurs (a) if for any reason a Borrowing does not occur on a date requested by the Borrower, (b) if the Borrower fails to give any notice required to be given by it hereunder in the manner and at the time specified herein, or (c) as a

consequence of any failure by the Borrower to repay any amount when required by the terms of this Agreement.

13.2.2 Other. The Borrower shall defend, indemnify and save harmless the Lender and each of its representatives (each, an “**Indemnified Party**”) on a full indemnity basis from and against any and all claims and losses and expenses (including interest and, to the extent permitted by applicable law, penalties, fines and monetary sanctions) (limited in the case of legal fees and expenses, to the actual reasonable and documented out-of-pocket fees, disbursements and other charges of one (1) counsel to all Indemnified Parties, taken as a whole, and, if reasonably necessary, one (1) local counsel in each relevant jurisdiction to the Indemnified Parties, taken as a whole, and, in the case of an actual or perceived conflict of interest, one (1) additional counsel to all affected Indemnified Parties, taken as a whole) which an Indemnified Party suffers or incurs as a result of or otherwise in respect of (a) any claim of any kind relating to the Environmental Liabilities which arises out of the performance of, or the enforcement or exercise of any right under, any Loan Document, including any claim in nuisance, negligence, strict liability or other cause of action arising out of a discharge of Contaminants into the Environment, any fines or orders of any kind that may be levied or made pursuant to an Environmental Law in each case relating to or otherwise arising out of any of the assets of any Group Member, (b) the direct or indirect use or proposed use of the proceeds of any Advance, (c) any Default, or (d) any proceeding to which any Indemnified Party is party arising out of the execution, delivery or performance of, or the enforcement of any right under any Loan Document. The Lender shall be constituted as the agent and bare trustee of each Indemnified Party who is its own representative and shall hold and enforce each such Indemnified Party’s rights under this paragraph for such party’s benefit. The foregoing indemnity shall not apply in respect of claims or losses and expenses of an Indemnified Party to the extent that they are determined by a final judgment to have directly resulted from the gross negligence, wilful misconduct or material breach of a Loan Document of that Indemnified Party.

13.2.3 Limitation. None of the Indemnified Parties or any of its Affiliates or the respective directors, officers, employees, agents, advisors or other representatives of any of the foregoing shall be liable for any special, indirect, consequential or punitive damages in connection with the Secured Documents or the transactions contemplated thereby; provided, that nothing contained in this sentence shall limit the Borrower’s indemnification obligations set forth in this Section 13.2 to the extent such special, indirect, consequential or punitive damages are included in any third party claim in connection with which such indemnified person is entitled to indemnification hereunder.

13.3 Application of Payments. Any payments received in respect of the obligations of the Borrower under any Loan Document from time to time may, notwithstanding any appropriation by the Borrower be appropriated to such parts of the obligations of the Borrower under any Loan Document and in such order as the Lender sees fit, and the Lender shall have the rights to change any appropriation at any time.

13.4 Set-Off, Combination of Accounts and Crossclaims. The obligations of the Borrower under each Loan Document will be paid by the Borrower free and clear of and without regard to any equities between the Borrower and the Lender or any right of set-off or cross-claim. Any Debt owing by the Lender to the Borrower,

direct or indirect, extended or renewed, actual or contingent, matured or not, may be set off or applied against the obligations of the Borrower under any Secured Document by the Lender at any time after maturity or upon the occurrence and during the continuance of an Event of Default, without demand upon or notice to anyone, and the terms of such Debt shall be changed hereby to the extent required to permit such set-off, application and combination.

- 13.5 Rights in Addition.** The rights conferred by each Secured Document are in addition to, and not in substitution for, any other rights the Lender may have under that Secured Document or any other Secured Document, at law, in equity or by or under Applicable Law or any agreement. The Lender may proceed by way of any proceeding at law or in equity and no right of the Lender shall be exclusive of or dependent on any other. The Lender may exercise any of its rights separately or in combination and at any time.
- 13.6 Certificate Evidence.** A certificate prepared by the Lender and provided to the Borrower setting forth any interest rate or any amount payable under this Agreement, including the amount of compensation or loss and expense payable under Section 6.6 or 13.2, shall be conclusive and bind the Borrower, absent manifest error.
- 13.7 Evidence of Debt.** The Lender shall open and maintain on its books accounts evidencing all Borrowings and all amounts owing by the Borrower to the Lender under the Relevant Credit Facility. The Lender shall enter in the accounts details of all amounts from time to time owing, paid or repaid by the Borrower under the Relevant Credit Facility. The information entered in the accounts shall constitute, in the absence of manifest error, conclusive evidence of the existence and quantum of the obligations of the Borrower to the Lender under the Relevant Credit Facility. The Borrower shall, on reasonable notice to the Lender, be entitled to obtain from the Lender copies of extracts of all entries made in such accounts.
- 13.8 Notices.** Any notice, demand, consent, approval or other communication to be made or given under or in connection with this Agreement (a “**Notice**”) shall be in writing and may be made or given by personal delivery, by facsimile or by e-mail addressed to the Lender and the Borrower at their respective addresses set out in Schedule 1, or to such other address as such party may from time to time notify the others in accordance with this Section 13.8. Any Notice made or given by personal delivery shall be conclusively deemed to have been given at the time of actual delivery or, if made or given by facsimile or by e-mail, at the opening of business on the first (1st) Business Day following the transmittal thereof provided that the party sending such Notice receives confirmation of receipt. Notwithstanding the foregoing, (a) the Lender shall not be deemed to have received any Notice until it is actually received by and brought to the attention of an officer of the Lender charged with the administration of this Agreement and (b) the Lender may in its discretion act upon verbal Notice from any person reasonably believed by the Lender to be a person authorized by the Borrower to give instructions under or in connection with this Agreement including any request for a Borrowing. The

Lender shall not be responsible for any error or omission in such instructions or in the performance thereof.

13.9 Judgment Currency. If, for the purposes of obtaining or enforcing judgment in any court in any jurisdiction, it becomes necessary to convert into the currency of the jurisdiction giving such judgment (the “**Judgment Currency**”) an amount due under any Secured Document in any other currency (the “**Original Currency**”), then the date on which the rate of exchange for conversion is selected by that court is referred to herein as the “**Conversion Date**”. If there is a change in the rate of exchange between the Judgment Currency and the Original Currency between the Conversion Date and the actual receipt by the Lender of the amount due to it under such Secured Document or under such judgment, the Borrower shall, notwithstanding such judgment, pay all such additional amounts as may be necessary to ensure that the amount received by the Lender in the Judgment Currency, when converted at the rate of exchange prevailing on the date of receipt, will produce the amount due in the Original Currency. The Borrower’s liability hereunder constitutes a separate and independent liability which shall not merge with any judgment or any partial payment or enforcement of payment of sums due under any Secured Document.

13.10 Successors and Assigns.

13.10.1 Benefit & Burden. The Loan Documents shall enure to the benefit of and be binding on the parties thereto, their respective successors and each assignee of some or all of the rights or obligations of the parties under the Loan Documents permitted by this Section 13.10. Any entity resulting from a Business Combination to which the Lender shall be a party, shall be the Lender under this Agreement without further action. Any reference in any such Loan Document to any party thereto shall (to the extent the context so admits) be construed accordingly.

13.10.2 Borrower. The Borrower may not assign all or any part of any of its rights or obligations in respect of any Credit Facility or under any Loan Document. Where the context so admits, each reference in this Agreement to the Borrower shall be construed so as to include the successors of the Borrower.

13.10.3 Participation. The Lender may grant to any other person (a “**Participant**”), a participation in the whole or any part of any of the Term Commitment and/or the Revolver Commitment under which the Participant shall be entitled to the benefit of the same rights under this Agreement with respect to such Participation as if it were a party hereto in the place and stead of the Lender provided that, in respect of such participated share of the Term Commitment or Revolver Commitment, as applicable, and as amongst all parties to this Agreement, the Lender (and not the Participant) shall remain entitled to enforce such rights, and shall remain responsible for the performance of all obligations, of the Lender under this Agreement with respect to the share of the Term Commitment and/or Revolver Commitment, as applicable, subject to such participation. The Lender that grants a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “**Participant Register**”); provided

that the Lender shall not have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under applicable law. The entries in the Participant Register shall be conclusive absent manifest error, and the Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

13.10.4 Assignments. The Lender may assign the Term Commitment and/or Revolver Commitment under any Relevant Credit Facility (including its rights and obligations and any related Advances made under such Relevant Credit Facility), or any part thereof to (a) any Affiliate of the Lender, (b) prior to the occurrence of an Event of Default and so long as no Default exists, with the prior consent of the Borrower, such consent not to be unreasonably withheld or delayed (provided that the Borrower shall be deemed to have consented to any assignment unless it shall have objected thereto by notice to the Lender within fifteen (15) Business Days after receiving notice thereof), or (c) after the occurrence of a Default and while the same is continuing, to any other person.

13.10.5 Disclosure. The Lender may disclose to any prospective or actual Participant in or Transferee of any rights or obligations in respect of any Credit Facility any information regarding any Group Member or any of its assets so long as the prospective or actual Participant or Transferee agrees to be bound by the confidentiality provisions of this Subsection 13.10.5. The Lender shall keep confidential and not disclose to any third party (excluding for certainty its own representatives) any confidential information received by the Lender from the Borrower pursuant to this Agreement which is designated as confidential by the Borrower save that the Lender may disclose any such confidential information (a) as provided in the preceding sentence, (b) to the extent the Lender reasonably believes it is obliged to disclose to any governmental authority pursuant to Applicable Law, (c) to the extent required to protect the interests of the Lender in any actual, pending or threatened proceeding, or (d) as may be necessary or desirable in order to enforce the rights of the Lender under any Secured Document.

13.11 Survival. The Loan Obligations payable under Sections 6.6, 6.9, 13.1 and 13.2 (“**Indemnity Obligations**”) shall survive the payment in full of all other Loan Obligations and shall continue in full force and effect until such Indemnity Obligations are paid in full.

13.12 Time of the Essence. Time is of the essence of each provision of each Loan Document.

13.13 Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lender under the laws of any jurisdiction where any Group Member or its property may be located.

13.14 JURISDICTION.

13.14.1 SUBMISSION TO JURISDICTION AND WAIVER OF OBJECTIONS. WITH RESPECT TO ANY CLAIM ARISING OUT OF THIS AGREEMENT, ANY OTHER SECURED DOCUMENT OR ANY OTHER AGREEMENT RELATING TO ANY SECURED DOCUMENT (COLLECTIVELY, THE “**FINANCE RELATED AGREEMENTS**”):

- (a) FOR THE EXCLUSIVE BENEFIT OF THE LENDER, THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF:
 - (i) THE PROVINCE OF ONTARIO, CANADA LOCATED AT TORONTO, INCLUDING ANY APPELLATE COURT FROM ANY THEREOF; AND
 - (ii) THE JURISDICTION IN WHICH THE CHIEF EXECUTIVE OFFICE OF THE BORROWER IS LOCATED OR IN WHICH IT IS INCORPORATED OR FORMED LOCATED AT THE PRINCIPAL FINANCIAL CENTER OF SUCH JURISDICTION, INCLUDING ANY APPELLATE COURT FROM ANY THEREOF; AND
- (b) THE BORROWER IRREVOCABLY WAIVES:
 - (i) ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDING ARISING OUT OF OR RELATING TO ANY OF THE FINANCE RELATED AGREEMENTS BROUGHT IN ANY COURT OF PRIMARY JURISDICTION;
 - (ii) ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN ANY COURT OF PRIMARY JURISDICTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM;
 - (iii) THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDING BROUGHT IN ANY COURT OF PRIMARY JURISDICTION, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER THE BORROWER; AND
 - (iv) THE RIGHT TO REQUIRE THE LENDER TO POST SECURITY FOR COSTS IN ANY PROCEEDING BROUGHT IN ANY COURT OF PRIMARY JURISDICTION.

13.14.2 LENDER MAY SUE IN ANOTHER JURISDICTION. NOTHING IN THIS AGREEMENT WILL BE DEEMED TO PRECLUDE THE LENDER FROM BRINGING ANY PROCEEDING IN RESPECT OF ANY FINANCE RELATED AGREEMENT IN ANY OTHER JURISDICTION.

13.14.3 FINAL JUDGMENT. THE BORROWER AGREES THAT A FINAL JUDGMENT IN ANY PROCEEDING COMMENCED IN ANY COURT OF PRIMARY JURISDICTION SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

13.15 Service of Process.

13.15.1 Manner of Service. The Borrower irrevocably consents to the service of process out of the Courts of Primary Jurisdiction in accordance with the local rules of civil procedure or by mailing a copy thereof, by registered mail, postage prepaid to the Borrower at the address of the Borrower, or by sending a copy thereof by facsimile or by e-mail in pdf format to the Borrower at the facsimile number or e-mail address of the Borrower determined under Section 13.8.

13.15.2 Appointment of Agent for Service. The Borrower irrevocably designates and appoints the Borrower's Counsel as its agent to accept and acknowledge on its behalf any and all process which may be served in connection with any proceeding arising out of or relating to any Finance Related Agreement brought in any of the Courts of Primary Jurisdiction, such service, to the extent permitted by applicable law, being hereby conclusively acknowledged by the Borrower to be effective and binding service on it in every respect whether or not it is carrying on, or has at any time carried on, business in the jurisdiction in which the Courts of Primary Jurisdiction are located. The Borrower irrevocably consents to the service of process out of the Court of Primary Jurisdiction by personal service on the Borrower or on any such process agent.

13.16 Limitation Period. The Borrower agrees with the Lender to vary the limitation period under the Limitations Act, 2002 (Ontario), other than one established by Section 15 of that Act, applicable to each Loan Document to which that Borrower or Guarantor is party and any claim thereunder to six (6) years, save and except to the extent the Real Property Limitations Act (Ontario) applies to any particular provision hereof or claim arising thereunder requiring a shorter limitation period which cannot be waived by an agreement made on this date.

13.17 Invalidity. If any provision of any Loan Document is determined to be invalid or unenforceable by a final judgment, that provision shall be deemed to be severed therefrom, and the remaining provisions of such Loan Document shall not be affected thereby and shall remain valid and enforceable. The Borrower shall, at the request of the Lender, enter into good faith negotiations with the Lender to replace any invalid or unenforceable provision contained in any Loan Document with a valid and enforceable provision which has the economic effect as close as possible to that of the invalid and unenforceable provision, to the extent permitted by law.

13.18 Changes. No agreement purporting to change (other than waive) any provision of any Loan Document shall be binding upon the parties hereto or thereto unless that agreement is in writing and signed by the Lender and the Borrower. No waiver of strict performance or compliance with any provision of any Loan Document shall

be binding on the Lender unless such waiver is in writing signed by or on behalf of each party sought to be bound thereby.

- 13.19 Entire Agreement.** There are no representations, warranties, conditions, other agreements or acknowledgments, whether direct or collateral, express or implied, that form part of or affect this Agreement or any other Loan Document other than as expressed herein or in such other Loan Document. The execution of each Loan Document has not been induced by, nor does the Borrower rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in any Loan Document.
- 13.20 This Agreement to Govern.** If there is any inconsistency between the provisions of this Agreement and the provisions of any other Loan Document the provisions hereof shall govern and apply to the extent of the inconsistency. Notwithstanding the foregoing, this Section shall not apply to limit, restrict, prejudice or otherwise affect or impair in any way the rights of the Lender under any Security Document after those rights have become enforceable.
- 13.21 Execution.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Agreement (including any change to this Agreement) by any party hereto to the other party to this Agreement by facsimile transmission or e-mail in pdf format, shall be as effective as delivery to the other parties hereto of an original manually executed counterpart hereof.

[Signature pages to follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

BORROWER:

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name:
Title:

THE LENDER:

ROYAL BANK OF CANADA

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule 1
ADDRESSES FOR NOTICES

To the Borrower:

Distinct Infrastructure Group Inc.
77 Belfield Road
Toronto, Ontario, M9W 1G6

Attention: Manny Bettencourt, Chief Financial Officer
Telephone: 416 675 6485 ext 306
Email: manny.bettencourt@diginc.ca

To the Lender:

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

Schedule 2

Schedule 3

FORM OF BORROWING REQUEST

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: Distinct Infrastructure Group Inc. Credit Facilities

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Borrowing Request which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

1. **Request.** The Borrower hereby requests a Borrowing as follows:

(a) **Credit Facility**

(b) **Date**

(c) **Aggregate amount of Borrowing**

CAD <*>

(d) **Type and Amount of Borrowing**

(i)

() Prime Rate Loan

CAD

Amount

Converted From
(if Applicable)

(ii) () Acceptances

Face
Amount

Term in
Months

Rollover
Amount

Converted From
(if Applicable)

CAD

CAD

(iii) **Standby Instrument**

in the form attached

() Lender _____

2. **Other.** The Borrower represents, warrants and agrees:

- (a) The representations and warranties deemed to be repeated under Section 10.2 of the Credit Agreement are true and correct on and as of the date hereof.
- (b) No Default has occurred and is continuing on the date hereof or will result from the Borrowing requested herein.
- (c) The undersigned will immediately notify you if it becomes aware of the occurrence of any event between the date hereof and the Borrowing Date which would mean that the statements in the immediately preceding paragraphs (a) and (b) would not be true if made on the Borrowing Date.
- (d) All other applicable conditions precedent set out in Sections 8.2 or 8.3, as applicable, of the Credit Agreement have been fulfilled or waived in writing by the Lender.

3. **Transit and Bank Account Details.** The Borrower hereby irrevocably authorizes and directs the Lender to advance the requested Borrowing to the Borrower by bank transfer to the credit of the following Borrower's Account:

Account Number: <@>

Transit Number: <@>

DATED this _____ day of _____, _____.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 4
FORM OF CANCELLATION NOTICE**

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: Distinct Infrastructure Group Inc. Credit Facilities

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Cancellation Notice which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

Notice is hereby given in accordance with Section 7.4 of the Credit Agreement that the undersigned wishes to cancel the Term Commitment by the amount of \$_____.

DATED this ____ day of _____, _____.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 5
FORM OF REPAYMENT NOTICE**

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: Distinct Infrastructure Group Inc. Credit Facilities

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Repayment Notice which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

Notice is hereby given in accordance with Section _____ of the Credit Agreement that the undersigned commits to repay the _____¹ under the _____² in the amount of _____³ (the “**Repayment Amount**”) on _____, _____.

The Borrower hereby irrevocably authorizes and directs the Lender to debit the following Borrower’s Account in an amount equal to the Repayment Amount:

Account Number: <@>

Transit Number: <@>

DATED this ____ day of _____, _____.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name:
Title:

By: _____

¹ Specify type of Borrowing
² Specify Credit Facility
³ Specify amount and currency

Name:

Title:

Schedule 6
FORM OF COMPLIANCE CERTIFICATE

TO: Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: **Distinct Infrastructure Group Inc. Credit Facilities**

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Compliance Certificate which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

This certificate is given pursuant to Subsection 11.1.1 of the Credit Agreement with respect to the Test Period ending _____, 201____ (the “**Relevant Test Period**”).

The Borrower hereby certifies as follows:

- (a) **Leverage Ratio.** The attachment hereto shows the calculation of the Leverage Ratio for the Relevant Test Period to be ____:1 which is not greater than the maximum limit prescribed for this ratio under Subsection 11.3.1.
- (b) **Debt Service Coverage Ratio.** The attachment hereto shows the calculation of the Debt Service Coverage Ratio for the Relevant Test Period to be _____:1 which is not less than the minimum limit prescribed for this ratio under Subsection 11.3.2.
- (c) **Applicable Margin.** The attachment hereto shows the calculation of the Leverage Ratio for the Relevant Test Period to be ____:1 and accordingly the Applicable Margin has [changed effective on _____, _____ to / remains the same as set out below]:

Level	Leverage Ratio	Floating Rate Loans	Standby Instruments, Libor Loans and Acceptances
-------	----------------	---------------------	--

Level	Leverage Ratio	Floating Rate Loans	Standby Instruments, Libor Loans and Acceptances
_____	: 1	%	%

- (d) **Standby Instruments.** A detailed listing of the Standby Instruments outstanding at the end of the Relevant Test Period is set out in the attachments hereto.
- (i) aggregate Outstanding Amounts of all Standby Instruments is less than or equal to \$<@>. Actual amount is \$_____.
- (e) **Permitted Derivatives.** A detailed listing of all Permitted Derivatives outstanding at the end of the Relevant Test Period is set out in the attachment hereto, together with confirmation from each counterparty of such Permitted Derivatives confirming the current “marked-to-market” value thereof.
- (f) **Capital Expenditures.** The aggregate total amount of Capital Expenditures incurred by the Group (i) during the Relevant Test Period is \$_____ and (ii) during the current Fiscal Year as of the date hereof is \$_____.

Each of the calculations in the attachment hereto demonstrates compliance with the relevant financial tests listed above as at, or for the Relevant Test Period.

The undersigned represents, warrants and agrees:

- (i) The representations and warranties deemed to be repeated under Section 10.2 of the Credit Agreement are true on and as of the date hereof.
- (ii) No Default has occurred and is continuing on the date hereof.

DATED this _____ day of _____, _____.

Yours very truly,

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name:
Title:

**Annex 1 to Compliance Certificate for the Borrower
for the period ending _____, 20____**

<@>

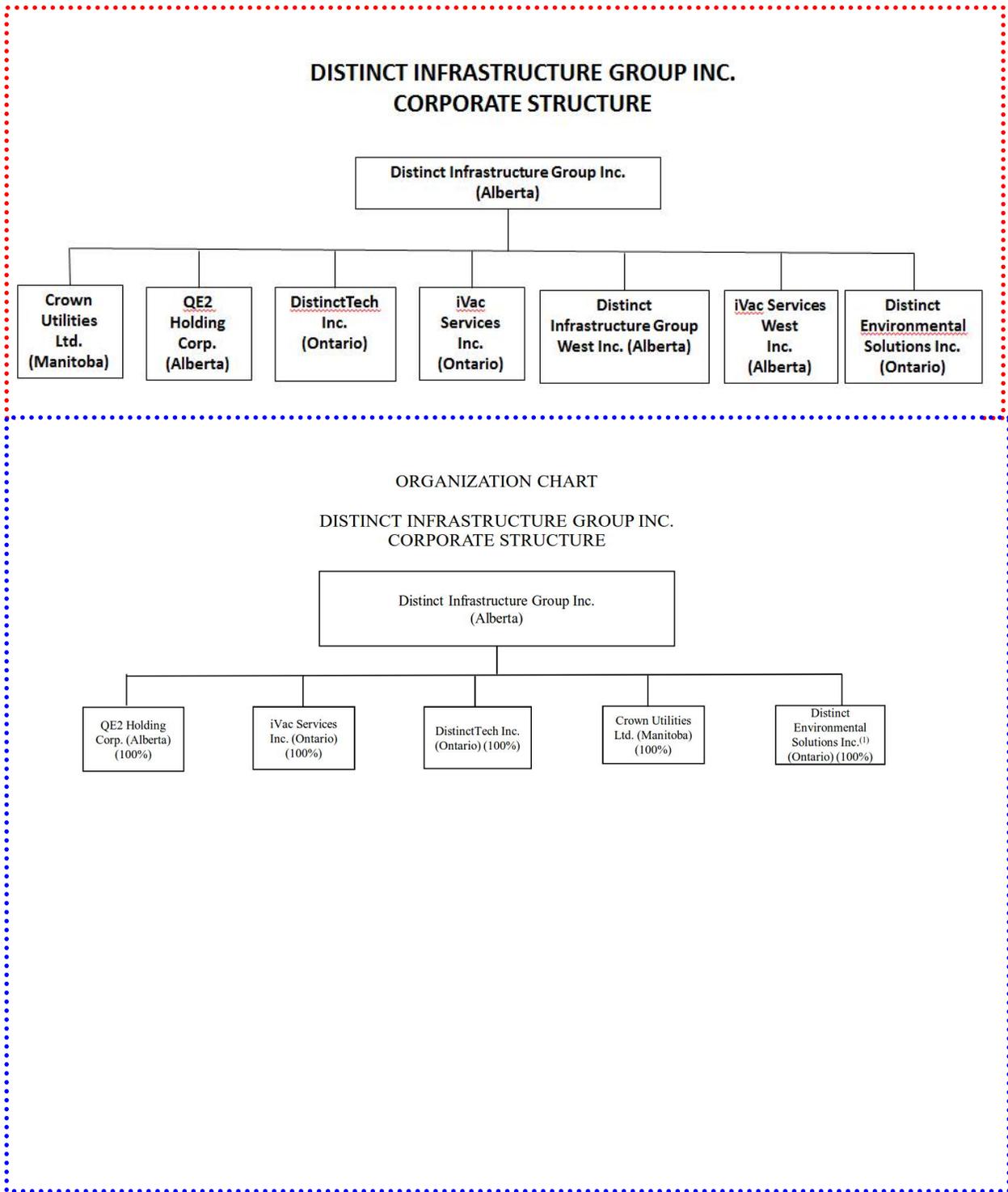
This Appendix forms part Schedule 6 - Form of Compliance Certificate as
submitted by the Borrower for the period ending _____, 20____

Signature

Name and Title

Date

**Schedule 7
ORGANIZATION CHART**



Schedule 8
PENSION PLANS & EMPLOYEE BENEFIT PLANS

Pension Plan: mandatory for all employees, 2% employee contribution and employer matching.
Administered by Manulife Canada.

Employee Benefit Plan: standard fully insured program administered through Industrial Alliance.

**Schedule 9
BORROWING BASE REPORT**

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

Attention: Andrew McLauchlin, Vice President
Facsimile: 416 842 4090
Email: Andrew.McLauchlin@rbccm.com

RE: Distinct Infrastructure Group Inc. Credit Facilities

Reference is made to the credit agreement dated as of March 23, 2017 (as changed and in effect from time to time, the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as Borrower and Royal Bank of Canada, as Lender. All terms used in this Report which are defined in the Credit Agreement have the respective meanings attributed to them in the Credit Agreement.

I, _____, a Responsible Officer of the Borrower hereby certify as of month ending _____:

- (a) I am familiar with and have examined the provisions of the Credit Agreement and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Group.
- (b) The Borrowing Base is \$ _____, calculated as follows:

Total accounts receivable owing by persons located in Canada	\$ _____
Less:	
(i) Accounts, any portion of which exceeds 90 days	\$ _____
(ii) Accounts due from affiliates	\$ _____
(iii) “Under 90 days” accounts where collection is suspect	\$ _____
(iv) Accounts subject to prior encumbrances	\$ _____
(v) Holdbacks, contra-accounts or rights of set-off	\$ _____

	(vi) Accounts included elsewhere in the Borrowing Base calculation	\$ _____	
	(vii) Other ineligible accounts		
Plus:	(viii) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Lender has designated as nevertheless good	\$ _____	
	Good Accounts Receivable		A \$ _____
	Marginable Good Accounts Receivable at 75% of A		B \$ _____
	Total Designated Accounts Receivables		\$ _____
Less:	(i) Accounts, any portion of which exceeds 90 days	\$ _____	
	(ii) Accounts due from affiliates	\$ _____	
	(iii) "Under 90 days" accounts where collection is suspect	\$ _____	
	(iv) Accounts subject to prior encumbrances	\$ _____	
	(v) Holdbacks, contra-accounts or rights of set-off	\$ _____	
	(vi) Accounts included elsewhere in the Borrowing Base calculation	\$ _____	
	(vii) Other ineligible accounts	\$ _____	
	(viii) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 20% of the amount of accounts, which the Lender has designated as nevertheless good	\$ _____	
	Good Designated Accounts Receivables		C \$ _____
	Marginable Good Designated Accounts Receivables at 85% of C		D \$ _____
Less:	Statutory Prior Claims while not limited to these include:		
	Sales tax, Excise & GST	\$ _____	
	Employee source deductions such as E.I.,	\$ _____	

CPP, Income Tax		
Workers Compensation Board	\$	_____
Wages, Commissions, Vacation Pay	\$	_____
Unpaid Pension Plan Contributions	\$	_____
Overdue Rent, Property & Business Tax and Potential claims from third parties such as subcontractors	\$	_____
Other		
Total Statutory Prior Claims	E \$	_____
The lesser of (x) 35% of Work In Progress and (y) \$ 6,000,000 <u>14,000,000</u>	F \$	_____
Borrowing Base (B+D-E+F)	\$	_____
Less: Facility #1 Borrowings	\$	_____
Margin Surplus (Deficit)	\$	_____

- (c) Annexed hereto are the following reports in respect of the Borrower:
- (i) aged list of accounts receivable,
 - (ii) aged list of accounts payable, and
 - (iii) listing of Statutory Prior Claims.
- (d) The reports and information provided herewith are accurate and complete in all respects and all amounts certified as Statutory Prior Claims are current amounts owing and not in arrears.

Dated this ____ day of _____, 20__.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

Per: _____
 Name: <@>
 Title: <@>

Document comparison by Workshare Compare on September-12-18 11:52:12 AM

Input:	
Document 1 ID	interwovenSite://WS_EAST/CANADA_EAST/101280071/1
Description	#101280071v1<CANADA_EAST> - DIG/RBC: Consolidated Bilateral Credit Agreement
Document 2 ID	interwovenSite://WS_EAST/CANADA_EAST/101280071/3
Description	#101280071v3<CANADA_EAST> - DIG/RBC: Consolidated Bilateral Credit Agreement
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	91
Deletions	49
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	142



RBC Royal Bank®

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street, Toronto, ON, M5J 2W7

May 30, 2018

Private and Confidential

DISTINCT INFRASTRUCTURE GROUP INC.
77 Belfield Road
Etobicoke, Ontario
M9W 1G6

Attention: Mr. William Nurnberger

We refer to the credit agreement dated March 23, 2017, as amended by letters dated June 20, 2017, August 11, 2017, October 31, 2017, November 21, 2017, and any other amendments thereto prior to the date hereof, between Distinct Infrastructure Group Inc., as Borrower, and Royal Bank of Canada, as the Lender (as amended, the "**Agreement**").

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

Waiver

Further to our recent correspondence, this letter is to confirm that the Lender has not yet received from the Borrower the Annual Financial Statements and Other Information for the fiscal year ending December 31, 2017 as required by Section 11.1.1 of the Agreement. As a result, we advise that Borrower is in breach of its obligations thereunder.

In addition, the Lender has received from the Borrower, a calculation of the Leverage Ratio (section 11.3.1) financial covenant for the Test Period ending December 31, 2017 based on the draft Annual Financial Statements prepared by the Auditor. We acknowledge that the Borrower is anticipated to be in breach of its financial covenant thereunder.

Notwithstanding the foregoing, the Lender is prepared to waive such breaches and its rights arising as a consequence of such breaches, provided that the amendment to the Agreement which we have been discussing is concluded to our satisfaction and the Borrower executes and delivers the same and satisfies all conditions precedent to such amendment by no later than June 22, 2018.

Please understand that this waiver is conditional and given only in respect of the aforementioned breaches for such fiscal quarter ended December 31, 2017.

We look forward to working with you to complete the amendment, until such time the Lender reserves its rights to take such action as it deems appropriate if the matter is not concluded as contemplated herein.

Conditions Precedent to Waiver

The waiver to the Agreement set out in this letter shall not become effective until the Lender has received the following in form and substance satisfactory to it:

- (a) a duly executed copy of this letter signed by each party hereto;
- (b) payment of all fees (including legal fees), costs and expenses incurred by the Lender in connection with the preparation, negotiation and documentation of this letter;
- (c) payment of a one-time work fee of \$20,000.00.

General

This letter shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

ROYAL BANK OF CANADA

Per: 

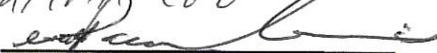
Andrew McLaughlin
Vice President

I have the authority to bind the Bank.

DISTINCT INFRASTRUCTURE GROUP INC.

Per: 

William Nurnberger
Interim CEO

Per: 

George Parselias
VP, FINANCE

I/We have the authority to bind the Borrower.



RBC Royal Bank®

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street, Toronto, ON, M5J 2W7

June 22, 2018

Private and Confidential

DISTINCT INFRASTRUCTURE GROUP INC.
77 Belfield Road
Etobicoke, Ontario
M9W 1G6

Attention: Mr. William Nurnberger

We refer to the credit agreement dated March 23, 2017, as amended by letters dated June 20, 2017, August 11, 2017, October 31, 2017, November 21, 2017, and any other amendments thereto prior to the date hereof, between Distinct Infrastructure Group Inc., as Borrower, and Royal Bank of Canada, as the Lender (as amended, the "**Agreement**").

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

Waiver

This letter is to confirm that further to the letter issued on May 30, 2018; the Lender has since received from the Borrower the Annual Financial Statements and Other Information for the fiscal year ending December 31, 2017 ("**Q4/17**") as well for the fiscal quarter ending March 31, 2018 ("**Q1/18**") as required by Section 11.1.1 of the Agreement. As indicated on the Compliance Certificate, it would appear that, absent waiver by the Lender, the Borrower would be in breach of its financial covenants thereunder; specifically the Leverage Ratio (section 11.3.1) for Q4/17 and Q1/18 and the Debt Service Coverage Ratio (section 11.3.2) for Q1/18.

Notwithstanding the foregoing, the Lender has agreed to waive such breaches with effect as of and from the end of each of Q4/17 and Q1/18, as the case may be, subject to the conditions precedent set forth below and the condition subsequent that a minimum net equity injection of \$5,000,000 is made to the Borrower to our satisfaction by no later than July 31, 2018. If this waiver takes effect, this waiver shall cease to have effect as of and from August 01, 2018 if such equity injection is not made by July 31, 2018, in which circumstance an Event of Default shall be deemed to have occurred and be continuing.

Please understand that this waiver is given only in respect of the aforementioned financial covenant breaches for such fiscal quarters Q4/17 and Q1/18. This waiver shall not constitute an agreement or consent to or waiver of any event, circumstance, matter or thing, except for the waiver of the specific breaches expressly outlined above, subject to the condition subsequent set forth above.

Amendments

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is hereby amended with immediate effect as follows until July 31, 2018, at which time the defined terms amended below shall revert back to their respective definitions prior to their amendment under this letter:

1. The definition of "**Revolving Commitment**" under section 1.1 is deleted in its entirety and replaced as follows:

"**Revolver Commitment**" at any time means \$35,000,000 until July 31, 2018, at which time the amount reduces to \$30,000,000; in both instances minus all reductions to such amount pursuant to any applicable provision of this Agreement occurring at or before such time."

2. The definition of "**Borrowing Base**" under section 1.1 is deleted in its entirety and replaced as follows:

"**Borrowing Base**" at any time means the amount reported in the most recent Borrowing Base Report provided to the Lender pursuant to Section 8.1(a)(xiii) or 11.1.1 equal to the sum (without duplication) of (i) 75% of the Good Accounts Receivables plus (ii) 85% of the Good Designated Accounts Receivables plus (iii) the lesser of (x) 35% of Work In Progress and (y) \$14,000,000. Where any receivable falls within more than one of the categories described above, the Borrower shall elect in the Borrowing Base Report which category that Eligible Receivable is to be included for the purpose of computing the Borrowing Base.

All other terms of the Agreement shall remain in full force in effect, unamended.

We look forward to working with you to complete the proposed equity injection.

Conditions Precedent to Waiver

The waiver set out in this letter shall only become effective if the Lender receives the following before June 25, 2018, each in form and substance satisfactory to it:

- (a) a duly executed copy of this letter signed by the Borrower;
- (b) payment of all fees (including legal fees), costs and expenses incurred by the Lender in connection with the preparation, negotiation and documentation of this letter;
- (c) receipt of a revised Borrowing Base certificate computed based on May 31, 2018 results based on the revised definitions contained in this letter which demonstrates the Borrower to be operating within the Borrowing Limit;
- (d) payment to the Lender of a \$25,000.00 waiver fee; and
- (e) payment to the Lender of a one-time work fee of \$75,000.00.

Letter of Good Standing

The Borrower must deliver a letter from its customer, Bell Canada, which provides an attestation that the Borrower remains in good standing with them with all aspects of their relationship with Distinct Infrastructure Group as per the normal course of business.

General

We look forward to working with you to complete the proposed equity injection, until such time the Lender reserves its rights to take such action as it deems appropriate if the matter is not concluded as contemplated herein. The Lender also recommends that the Borrower appoints a

financial advisor (preferably one of the "Big 4" accounting firms) to assist with the Borrower's interim objectives also by July 06, 2018.

ROYAL BANK OF CANADA



Hogan-Mak
Director

Per:

I have the authority to bind the Bank.

Agreed and acknowledged,

DISTINCT INFRASTRUCTURE GROUP INC.

Per:



Per: _____

I/We have the authority to bind the Borrower.

This is **Exhibit "E"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R Bengio

A Commissioner for taking Affidavits, etc.

Rachel Bengio

SECURITY AGREEMENT

THIS AGREEMENT is made as of the 23rd day of March, 2017 by each of **DISTINCT INFRASTRUCTURE GROUP INC.**, each Subsidiary of the Borrower listed in the signature pages hereof and each other Subsidiary of the Borrower that hereafter becomes party hereto from time to time as an Obligor pursuant to Article 7 in favour of **ROYAL BANK OF CANADA**, as Lender.

BACKGROUND:

Pursuant to a credit agreement dated the 23rd day of March, 2017 (the “**Credit Agreement**”) between Distinct Infrastructure Group Inc., as borrower, and Royal Bank of Canada, as lender, the Lender has agreed to make (i) a committed non-revolving secured term loan facility in the aggregate principal amount of \$12,000,000 available to the Borrower and (ii) a committed senior secured revolving credit facility in the aggregate principal amount of \$23,000,000 available to the Borrower and the Lender has agreed to do so subject to and upon the terms and conditions set out therein.

It is a condition to the extension of credit by the Lender pursuant to the Credit Agreement that each Obligor enter into this Security Agreement and grant first ranking Liens on all of its assets in favour of the Lender to secure its Secured Obligations.

FOR VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), each Obligor covenants, acknowledges, represents and warrants in favour of the Lender, as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Each word and expression defined in Schedule 1.1 is used in this Security Agreement with the respective defined meaning assigned to it in Schedule 1.1. Each word and expression (capitalized or not) defined or given an extended meaning in the Credit Agreement, and not otherwise defined herein, is used in this Security Agreement with the respective defined or extended meaning assigned in the Credit Agreement. Words and expressions defined in the PPSA and/or the STA and used without initial capitals in this Security Agreement (including in Schedule 1.1) have the respective defined meanings assigned to them in the PPSA and/or the STA, unless the context otherwise requires.

1.2 Statutes

Each reference in this Security Agreement to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision thereof) at any time shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each change thereto made at or before the time in question.

1.3 Reference to Agreements and Documents

Each reference in this Security Agreement to any agreement or document (including this Security Agreement and any other term defined in Schedule 1.1 that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits), and each change made to it at or before the time in question.

1.4 Headings

The Article and Section headings in this Security Agreement are included solely for convenience, are not intended to be full or accurate descriptions and shall not be considered part of this Security Agreement.

1.5 Grammatical Variations

In this Security Agreement, (a) words and expressions (including defined terms and words and expressions (capitalized or not) given extended meanings) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (b) words in one gender include all genders and (c) grammatical variations of words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein shall be construed in like manner.

ARTICLE 2 GRANT OF SECURITY

2.1 Security

Each Obligor, as general and continuing collateral security, without impairment or novation, for the due payment and performance of the Secured Obligations of such Obligor, and subject to Sections 2.10, 2.11, 2.13 and 2.14, hereby grants a security interest in all of such Obligor's present and after-acquired real and personal property to and in favour of the Lender and without limitation:

- (a) grants, assigns, conveys, hypothecates, mortgages and charges the following assets as and by way of a fixed and specific mortgage and charge to and in favour of the Lender:
 - (i) all freehold, real or immovable property in which the Obligor now or hereafter has rights, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon;
 - (ii) all leasehold real or immovable property in which the Obligor now or hereafter has rights, together with all buildings, erections and fixtures now or hereafter constructed, erected or installed thereon;
 - (iii) all rights to the assets referred to in clauses (i) and (ii) above and related benefits, easements, franchises, immunities, licenses, privileges, rights of

way, undersurface rights, servitudes, and other interests appertaining thereto or connected therewith; and

- (iv) all Proceeds and Replacements of or to assets referred to in clauses (i), (ii) and (iii) above, including all rights thereto;
- (b) charges, mortgages, hypothecs, pledges and assigns and grants a security interest in the following assets as and by way of a fixed and specific security to and in favour of the Lender:
- (i) Accounts;
 - (ii) Chattel Paper;
 - (iii) Documents of Title;
 - (iv) Equipment;
 - (v) Instruments;
 - (vi) Intangibles, other than Intellectual Property;
 - (vii) Inventory;
 - (viii) Investment Property (other than Unlimited Liability Shares and Security Entitlements to Unlimited Liability Shares);
 - (ix) Money;
 - (x) Records;
 - (xi) all insurance policies in which such Obligor now or hereafter has rights;
 - (xii) the business, undertakings and goodwill of such Obligor;
 - (xiii) all rights of such Obligor to the property referred to in clauses (i) to (xii) inclusive above; and
 - (xiv) all Proceeds and Replacements (other than Proceeds or Replacements comprised of Intellectual Property, Unlimited Liability Shares or Security Entitlements to Unlimited Liability Shares which shall be subject to the security interest granted under paragraph (c) below) of or to property referred to in clauses (i) to (xiii) inclusive above, including all rights thereto;
- (c) grants a security interest in the following property as and by way of a fixed and specific security in favour of the Lender:
- (i) Intellectual Property;

- (ii) Unlimited Liability Shares and Security Entitlements to Unlimited Liability Shares;
 - (iii) all rights of such Obligor to the property referred to in clauses (i) and (ii) above; and
 - (iv) all Proceeds and Replacements of or to property referred to in clauses (i), (ii) and (iii) above, including all rights thereto; and
- (d) grants a security interest in the following property, and grants, assigns, conveys, mortgages and charges the following property as and by way of a floating charge to and in favour of the Lender:
- (i) the business, undertakings and goodwill of such Obligor and all personal property, tangible and intangible, of whatever nature and kind in which such Obligor now or hereafter has rights, its uncalled capital (if any) and all its present and future revenues, save and except such assets as are validly and effectively subject to the fixed and specific security created by paragraphs (a), (b) and (c) above;
 - (ii) all rights of such Obligor to the property referred to in clause (i) above; and
 - (iii) all Proceeds and Replacements (other than Proceeds or Replacements comprised of Intellectual Property, Unlimited Liability Shares or Security Entitlements to Unlimited Liability Shares which shall be subject to the security interest only granted under this paragraph (d)) of or to property referred to in clauses (i) and (ii) above, including all rights thereto.

2.2 Attachment

Each Obligor agrees that value has been given, that such Obligor and the Lender have not agreed to postpone the time for attachment of the Security and that the Security is intended to attach, as to all of the Collateral in which such Obligor now has rights, when such Obligor executes this Security Agreement, and, as to all Collateral in which such Obligor only has rights after the execution of this Security Agreement, when such Obligor first has such rights. For certainty, each Obligor confirms and agrees that the Security is intended to attach to all present and future Collateral of each Obligor and each successor of such Obligor.

2.3 Duty of Care

The Lender shall not have any duty of care to each Obligor with respect to Collateral in physical form which is delivered to the Lender to be held by it pursuant to this Security Agreement, other than to use the same care in the physical custody and physical preservation of such Collateral as it would with its own physical property of like nature. The Lender shall have no obligation to (a) take any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to the Collateral or (b) take any necessary actions required to preserve rights against any persons with respect to Collateral.

2.4 Disposal of Collateral

So long as no Event of Default has occurred that is continuing, each Obligor may, provided to do so is not contrary to any provision hereof or any Secured Document, dispose of and otherwise deal with the Collateral in the ordinary course of its business and for the purpose of carrying on such business. All Proceeds, including all rights of such Obligor as vendor, consignor or lessor and all resulting Accounts, shall be subject to the Security.

2.5 Permitted Liens

Each Obligor shall not grant or permit to subsist any Lien in the Collateral, except for Permitted Liens.

2.6 Proceeds Held in Trust

If an Event of Default has occurred and is continuing, each Obligor shall receive and hold all Proceeds in trust for the benefit of the Lender, separate and apart from other monies, instruments or property, and shall forthwith endorse as necessary and pay over or deliver them to the Lender to be dealt with in the manner provided for in this Security Agreement and/or the Secured Documents.

2.7 Account Debtors

If a Default has occurred and is continuing, the Lender may require any account debtor of each Obligor to make payment directly to the Lender and the Lender may hold all amounts acquired from any such account debtors and any Proceeds as part of the Collateral to be dealt with in the manner provided for in this Security Agreement and/or the Secured Documents.

2.8 Collection of Accounts

Each Obligor shall take all commercially reasonable steps to collect all Accounts owing to it.

2.9 Securities

- (a) Contemporaneously with the execution and delivery of this Security Agreement (with respect to Securities and Securities Entitlements in which each Obligor now has rights) and within five (5) Business Days of such Obligor first having rights in Securities and Securities Entitlements (with respect to Securities and Securities Entitlements in which such Obligor only has rights after the execution and delivery of this Security Agreement), such Obligor shall:
 - (i) physically deliver to the Lender each certificated Security that is in bearer form;
 - (ii) physically deliver to the Lender each certificated Security that is in registered form and not registered in the name of a clearing agency and, except for Unlimited Liability Shares, either (as the Lender shall direct)

endorse the Security certificate to the Lender or in blank by an effective endorsement or register the Security certificate in the name of the Lender or its representative;

- (iii) deliver to the Lender each uncertificated Security, except for Unlimited Liability Shares, or cause the issuer of that uncertificated Security to agree with the Lender (pursuant to an agreement in form and substance satisfactory to the Lender) that such issuer will comply with the instructions originated by the Lender without the further consent of such Obligor or any other entitlement holder or person;
- (iv) do one of the following (as the Lender shall direct):
 - (A) cause the Lender or its representative to become the entitlement holder of each Security Entitlement, except for a Security Entitlement in Unlimited Liability Shares,
 - (B) cause the securities intermediary to agree with the Lender (pursuant to an agreement in form and substance satisfactory to the Lender) that such securities intermediary will comply with entitlement orders in relation to each Security Entitlement that are originated by the Lender without the further consent of such Obligor or any other entitlement holder or person, or
 - (C) cause another person that has control on behalf of the Lender, or having previously obtained control acknowledges that such person has control on behalf of the Lender to have control of any Security Entitlement in the manner contemplated by subclause (A) or (B).

Any Security, including any Security Entitlement, held or controlled by the Lender pursuant to the foregoing provisions of this Subsection 2.9(a) shall be held as Collateral under this Security Agreement to be dealt with in the manner provided for in this Security Agreement and/or the Secured Documents.

- (b) Subject to Subsection 2.9(c), all rights conferred by statute or otherwise upon a registered holder of Securities shall:
 - (i) with respect to any Securities or Security Entitlement held directly by the Lender or its representative, be exercised as the applicable Obligor may direct and for this purpose, the Lender shall, promptly upon the request of the Obligor, execute and deliver to the Obligor all such proxies and powers of attorney as the Obligor may reasonably request for the purpose of enabling the Obligor to exercise the rights and powers that it is entitled to exercise pursuant to this Section 2.9(b)(i); and
 - (ii) with respect to any Securities or Security Entitlement held directly by any Obligor or its representatives, be exercised by such Obligor.

- (c) With respect to any Obligor's rights relating to any Securities:
- (i) such rights shall not be exercised in any manner which is prohibited by this Security Agreement or the Secured Documents or is reasonably likely to be inconsistent with the rights intended to be conferred on the Lender by or pursuant to this Security Agreement;
 - (ii) such Obligor shall not, without the prior written consent of the Lender or unless expressly permitted under the Secured Documents, by the exercise of any of such rights or otherwise, permit or agree to any variation of the rights attached to or conferred by any of the Securities, participate in any rights issue, elect to receive or vote in favour of receiving any dividends other than in the form of cash or participate in any vote concerning a dissolution, liquidation or winding-up of an issuer of Securities pursuant to its incorporating statute (or any similar proceeding), other than as expressly permitted by written agreement with the Lender;
 - (iii) unless and until a Default shall have occurred and be continuing, the Obligor shall be entitled to receive and retain any cash dividends paid on the Securities and any Proceeds derived from any sale of Securities permitted by the Secured Documents; and
 - (iv) after the occurrence of an Event of Default and while it is continuing (and without any consent or authority on the part of such Obligor), the Lender and its representatives may at the Lender's discretion (in the name of such Obligor or otherwise) exercise or cause to be exercised in respect of any of the Securities (other than Securities comprised of Unlimited Liability Shares) any voting rights or rights to receive dividends, interest, principal or other payments of money, as the case may be, forming part of the Securities and all other rights conferred on or exercisable by the bearer or holder thereof.

2.10 Unlimited Liability Shares

Notwithstanding any provisions to the contrary contained in this Security Agreement or any other document or agreement among all or some of the parties hereto, each applicable Obligor is the sole registered and beneficial owner of each Unlimited Liability Share subject to the Security and will remain so until such time as such Unlimited Liability Shares are effectively transferred into the name of the Lender or another person on the books and records of the Unlimited Company issuer thereof. Accordingly, such Obligor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, in respect of such Unlimited Liability Shares (except insofar as such Obligor has granted a security interest in such dividend or other distribution in favour of the Lender hereunder, and any Securities which constitute Collateral shall be delivered forthwith upon receipt by such Obligor to the Lender to hold as Collateral hereunder) and shall have the right to vote such Unlimited Liability Shares and to control the direction, management and policies of the issuer Unlimited Company to the same extent as such Obligor would if such Unlimited Liability Shares were not subject to the Security.

Nothing in this Security Agreement or any other document or agreement among all or some of the parties hereto is intended to, and nothing in this Security Agreement or any other document or agreement among all or some of the parties hereto shall, constitute the Lender or any person other than such Obligor, a member of any Unlimited Company for the purposes of any applicable governing statute of such Unlimited Company until such time as notice is given to such Obligor (and not revoked) as provided herein and further steps are taken thereunder so as to register the Lender or such other person as holder of such Unlimited Liability Shares. To the extent any provision hereof would have the effect of constituting the Lender as a member of the Unlimited Company issuer, such provision shall be severed therefrom and ineffective without otherwise invalidating or rendering unenforceable this Security Agreement or such provision insofar as it relates to property which is not Unlimited Liability Shares. Except upon the exercise of rights to sell or otherwise dispose of Unlimited Liability Shares following the occurrence of an Event of Default and while it is continuing, such Obligor shall not cause, permit or enable any Unlimited Company issuer to cause, permit, or enable the Lender to (a) be registered as a shareholder or member of the Unlimited Company, (b) have any notation entered in its favour in the share register in respect of Unlimited Liability Shares, (c) hold the Lender out as a shareholder or member of an Unlimited Company, (d) act or purport to act as a member of an Unlimited Company, or obtain, exercise or attempt to exercise any rights of a shareholder or member, of the Unlimited Company, (e) be held out as shareholder or member of the Unlimited Company, (f) receive, directly or indirectly, any dividends, property or other distributions from the Unlimited Company by reason of the Lender holding a security interest in the Unlimited Liability Shares or (g) act as a shareholder or member of the Unlimited Company, or exercise any rights of a shareholder or member including the right to attend a meeting of, or to vote the shares of, an Unlimited Company or to be entitled to receive or receive any distribution in respect of Unlimited Liability Shares. The foregoing limitation shall not restrict the Lender from exercising the rights which it is entitled to exercise hereunder in respect of any Collateral constituting Unlimited Liability Shares or Security Entitlements in Unlimited Liability Shares at any time that the Lender shall be entitled to enforce the Security and realize on all or any portion of the Collateral pursuant to the Security.

2.11 General Partnership Interests

Notwithstanding any provision to the contrary contained in this Security Agreement or any other agreement or document among all or some of the parties hereto, each applicable Obligor is the sole registered and beneficial owner of each interest held by it in any general partnership and general partnership interest in any limited partnership subject to the Security and will remain so until such time as such interest is effectively transferred into the name of another person on the books and records of the issuer thereof. To the extent any provision hereof would have the effect of constituting the Lender as a general partner of any limited or general partnership, such provision shall be severed therefrom and ineffective without otherwise invalidating or rendering unenforceable this Security Agreement or such provision insofar as it relates to property which is not such a general partner interest in a partnership.

2.12 Commingled Goods

If Collateral subsequently becomes part of a product or mass to which the security interest of another secured party attaches, then the Security shall continue in such product or

mass and extend to all Accounts, Replacements or Proceeds arising from any dealing with such product or mass, ranking in priority to those Liens of any other person holding a Lien upon such product or mass. No Obligor shall grant or permit to subsist any Lien in favour of any other creditor in goods that become part of any such product or mass, unless that creditor first agrees to the subordination of its interest to that of the Lender in all Accounts, Replacements and Proceeds arising from dealings with such product or mass, and each Obligor shall use commercially reasonable best efforts to obtain the consent of each existing such creditor to the rights granted to the Lender in this Section 2.12.

2.13 Leases

- (a) The last day of the term of any lease, oral or written, or any agreement therefor, now held or hereafter acquired by any Obligor shall be excepted from the Security and shall not form part of the Collateral but such Obligor shall stand possessed of such one day remaining upon trust to assign and dispose of the same as the Lender directs. If any such lease or agreement therefor contains a provision which provides in effect that such lease or agreement may not be assigned, sub-leased, charged or made the subject of any Lien without the consent of the lessor, the application of the Security to any such lease or agreement shall be conditional upon such consent being obtained.
- (b) For each premises identified by the Lender as Material (a “**Material Premises**”), each applicable Obligor shall obtain, within 30 days of the date hereof (in the case of each such lease or agreement existing on the execution hereof by such Obligor) or contemporaneously with the entry into of such lease or agreement (in the case of each such future lease or agreement), an agreement from the landlord of such Material Premises (in form and substance satisfactory to the Lender) intended to: (i) consent to the Security in such lease or agreement, and (ii) preserve and facilitate the realization of the Security with respect to Collateral located at such premises.

2.14 Operating Rights

- (a) Notwithstanding anything to the contrary contained in any other provision of this Security Agreement, if any Obligor cannot lawfully grant the Security in any agreement, right, franchise, equipment lease or sublease, Intellectual Property right or Licence in which it now or hereafter has rights (each, an “**Operating Right**”) because the terms of such Operating Right prohibit or restrict such Security, the Operating Right requires the consent of any person which has not been obtained or the grant of such Security in the Operating Right would contravene or is void under any applicable statute or regulation, result in a material loss and expense to such Obligor or (in the judgment of the Lender) materially adversely affect the Security in any material way in any other Collateral, that Operating Right shall not, to the extent it would be illegal, void, result in a material loss and expense to such Obligor or materially adversely affect the Security in any material way in other Collateral (each, a “**Prescribed Operating Right**”), be subject to the Security (save to the extent provided below)

unless and until such agreements, consents, waivers and approvals as may be required to avoid such illegality, voidness, material loss and expense or material adverse effect have been obtained (“**Required Approvals**”). The Security shall nonetheless immediately attach to any rights of such Obligor arising under, by reason of, or otherwise in respect of such Prescribed Operating Right, such as the right to receive payments thereunder and all Proceeds and Replacements of the Prescribed Operating Right (“**Related Rights**”), (i) if and to the extent and as at the time such attachment to the Related Rights is not illegal, void, would not result in a material loss and expense to such Obligor or materially adversely affect the Security in any material way in any other Collateral, (ii) if such prohibition or restriction is not enforceable against third parties such as the Lender or (iii) if an Event of Default occurs.

- (b) To the extent permitted by applicable statute or regulation, each Obligor will hold in trust for the Lender, and provide the Lender with the benefits of, each Prescribed Operating Right and following the occurrence of an Event of Default and while it is continuing, will enforce all Prescribed Operating Rights at the direction of the Lender or at the direction of such other person (including any purchaser of Collateral from the Lender or any Receiver) as the Lender may designate, provided that until the security interest created hereby becomes enforceable, such Obligor shall, to the extent permitted by the Lender, be entitled to receive all proceeds relating to the Prescribed Operating Rights, subject to the Security.
- (c) Each Obligor shall, at the time it enters into any Material IP Licence, obtain from the licensor or licensee (as applicable) under such Material IP Licence (i) a consent to the Security in such Material IP Licence and related Intellectual Property, including all of such Obligor’s rights thereto, and to any disposition thereof pursuant to Article 6 and (ii) an agreement that the Lender shall not have any obligations to such licensor or licensee (as applicable) by reason only of such Security or disposition.

2.15 Warehouse Premises

Upon request by the Lender from time to time, each Obligor shall obtain, as soon as reasonably practicable, an agreement from the owner and/or operator of each warehouse or storage facility where Collateral valued in excess of \$100,000 is located intended to preserve and facilitate the realization of the Security with respect to Collateral located at such warehouse or storage facility in form and substance satisfactory to the Lender acting reasonably.

2.16 Blocked Accounts

Upon request from time to time by the Lender, each Obligor shall enter into an Account Control Agreement and/or, a lock-box agreement (as the Lender may require) with the Lender and any bank, trust company or other financial institution with whom such Obligor maintains any deposit, current or other accounts in form and substance satisfactory to the Lender.

2.17 Instruments and Chattel Paper

Unless the Lender shall otherwise consent in writing (which consent may be revoked in writing), each Obligor shall deliver to the Lender all Collateral consisting of Instruments and Chattel Paper (in each case accompanied by such instruments of transfer as the Lender shall require) under which amounts in excess of \$100,000 (or Equivalent in foreign currency) are payable promptly after such Obligor receives the same, save for Instruments deposited to accounts subject to an Account Control Agreement.

2.18 Consumer Goods

Each Obligor shall ensure that Collateral does not and shall at no time include consumer goods.

2.19 Revisions to Schedules

Each Obligor shall forthwith revise and provide the Lender with updated Schedules hereto to ensure that the representations and warranties relative thereto made by such Obligor is true, accurate and complete at all times.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES**

Each Obligor represents and warrants to and in favour of the Lender as follows:

3.1 Locations of Collateral

The registered office, places of business, chief executive office, principal place of residence and location of each Obligor (within the meaning assigned in Section 7(3) of the PPSA) and the locations of the Collateral (except (i) Collateral which is in transit to and from such premises in the ordinary course of business, (ii) Collateral having an aggregate value that does not exceed \$100,000 and (iii) Collateral which has been disposed of in accordance with the provisions of the Secured Documents), including its Records relating thereto, are listed in Schedule 3.1. The jurisdictions in which the chief executive officer and a majority of the board of directors of each Obligor reside are listed in Schedule 3.1.

3.2 Intellectual Property

Schedule 3.2 includes a complete list of all registered Software, patents, trademarks, copyrights and industrial designs owned or used by each Obligor in carrying on the Obligor's business subdivided into the categories (i) owned by such Obligor, (ii) licensed for use to such Obligor and (iii) licensed for use by such Obligor.

3.3 Securities

Schedule 3.3 includes a complete list of all Securities and Securities Accounts in which each Obligor has rights.

3.4 Bank Accounts

Schedule 3.4 includes a complete list of all deposit, current and other accounts maintained with any bank, trust company or other financial institution in which each Obligor has rights.

3.5 Instruments and Chattel Paper

Schedule 3.5 lists all Instruments and Chattel Paper having a value in excess of \$100,000 (or Equivalent in foreign currency) in which each Obligor has rights. All action necessary or desirable to protect and perfect the Security on each such item of Instruments and Chattel Paper has been duly taken.

3.6 Repetition of Representations and Warranties

The representations and warranties made pursuant to this Article 3 shall be deemed to be repeated each time the representations and warranties of the Borrower are made or deemed to be repeated under or pursuant to the Credit Agreement.

3.7 Reliance and Survival

All representations and warranties of each Obligor made herein or in any certificate or other document delivered by or on behalf of each Obligor to the Lender are material, shall survive the execution and delivery of this Security Agreement and shall continue in full force and effect until all the Secured Obligations are paid in full. The Lender shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Lender at any time.

**ARTICLE 4
COVENANTS OF THE OBLIGORS**

4.1 Payment of Secured Obligations

Each Obligor shall punctually pay and perform its Secured Obligations.

4.2 Liens

Each Obligor shall keep the Collateral free and clear at all times from Liens, except Permitted Liens, and shall defend the title to the Collateral against all persons as any prudent owner of Collateral would do. The foregoing shall not in any way prevent the Lender from, at any time, contesting the validity, enforceability or priority of any Lien. No Lien shall be entitled to priority over the Security, except to the extent that it is entitled to such priority as a purchase-money security interest under the PPSA. Nothing in this Security Agreement is intended to create any rights (including subordination rights or any release of Security) in favour of any person other than the Lender, any Receiver and the other Indemnified Parties.

4.3 Insurance

- (a) Each Obligor shall insure the Collateral as required by the provisions of the Secured Documents. If any Obligor fails to obtain and maintain any such insurance, the Lender or any Receiver may do so and such Obligor shall forthwith upon demand reimburse the Lender or the Receiver for all its disbursements, costs and expenses so incurred.
- (b) Upon request by the Lender, each Obligor shall execute and deliver to the Lender an assignment of all insurance proceeds arising under, by reason of or otherwise in respect of each policy of insurance maintained by such Obligor in such form as the Lender shall reasonably require, duly acknowledged and consented to by the insurers and brokers.

4.4 Further Assurances

Each Obligor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, mortgages, pledges and charges, assignments, documents and assurances as the Lender may reasonably require in order to give effect to the provisions of this Security Agreement and for the better securing or perfecting the Security and the priority accorded to the Security intended under the Secured Documents and/or this Security Agreement. Subject to Sections 2.10, 2.11, 2.13 and 2.14, upon the request of the Lender, each Obligor shall specifically mortgage, pledge, charge, grant a security interest in, or assign in favour of the Lender any Collateral in which such Obligor now or hereafter has rights and shall execute all documents reasonably required by the Lender in connection therewith. Each Obligor constitutes and appoints the Lender to be its attorney with full power of substitution to do on such Obligor's behalf anything that such Obligor can lawfully do by an attorney, including to do, make and execute all such assignments, documents, acts, matters or things, with the right to use the name of such Obligor, whenever and wherever it deems necessary or expedient and to carry out such Obligor's obligations under this Security Agreement. Such power of attorney, being granted by way of security and coupled with an interest, is irrevocable until the Secured Obligations of each Obligor are paid in full. Such power of attorney shall not be exercisable by the Lender (a) unless an Event of Default has occurred and while it is continuing or (b) unless the Lender has requested such Obligor to take any action required pursuant to this Section 4.4 and such Obligor has failed to do so.

4.5 Notice of Change

Each Obligor shall notify the Lender in writing:

- (a) forthwith of any uninsured loss of or damage to any Collateral in a value exceeding \$100,000 (or Equivalent in foreign currency); and
- (b) at least ten (10) Business Days prior to (i) any change of name, or the adoption of a French or combined English/French or French/English form of the name, of such Obligor, (ii) any transfer of such Obligor's interest in any Collateral not expressly permitted hereunder, (iii) any change in or addition to the location of any Collateral from those locations referred to in Section 3.1, (iv) any change in

the jurisdiction where (A) such Obligor is incorporated, formed or continuing or is located (within the meaning of Section 7(3) of the PPSA) or (B) where the registered office, chief executive office or principal place of residence of such Obligor is located, (v) any change in the jurisdiction where the chief executive officer or a majority of the directors of such Obligor reside or (vi) any change in the chief executive officer or directors of such Obligor identifying the name and jurisdiction of residence of each new chief executive officer or director.

4.6 Costs

Each Obligor shall forthwith reimburse the Lender, on demand and on a full indemnity basis, for all interest, commissions, costs of realization and other costs and expenses (including legal fees and expenses on a full indemnity basis) incurred by the Lender or any Receiver in connection with the preparation, issuance, protection, enforcement of and advice with respect to this Security Agreement and the perfection, protection, enforcement of and advice with respect to the Security, including those arising in connection with the realization, disposition of, retention, protection or collection of any Collateral and the protection or enforcement of the rights of the Lender or any Receiver and those incurred for registration costs and finite or perpetual registration of any financing statement registered in connection with the Security.

4.7 Reimbursements as Secured Obligations

All amounts for which any Obligor is required hereunder to reimburse the Lender or any Receiver shall, from the date of disbursement until the date the Lender or such Receiver receives reimbursement, be deemed advanced to such Obligor by the Lender or such Receiver, as the case may be, on the faith and security of this Security Agreement shall be deemed to be Secured Obligations secured by the Security and shall bear interest from the date of disbursement, compounded and payable monthly, both before and after demand, default and judgment, until payment of such amount is paid in full at the Default Rate.

4.8 General Indemnity

Each Obligor will indemnify the Lender, any Receiver and their respective representatives, (each, an “**Indemnified Party**”) in respect of, and save each Indemnified Party fully harmless from and against, all claims and losses and expenses which such Indemnified Party may suffer or incur in connection with (a) the exercise by the Lender or any Receiver of any of its rights hereunder, (b) any breach by such Obligor of the representations or warranties of such Obligor contained herein, or (c) any breach by such Obligor of, or any failure by such Obligor to observe or perform, any of the Secured Obligations, save that such Obligor shall not be obliged to so indemnify any Indemnified Party to the extent such claims and losses and expenses are determined by a final judgment to have directly resulted from the wilful misconduct or gross negligence of the Indemnified Party. The Lender shall be constituted as the trustee of each Indemnified Party, other than itself, and shall hold and enforce each such other Indemnified Party’s rights under this Section 4.8 for their respective benefits.

4.9 Registration

Each Obligor shall, to the extent the Lender has not caused the Lender's Counsel to do so, cause its representatives to forthwith register, file and record this Security Agreement or notice thereof, on behalf of the Lender, at all proper offices where, in the opinion of the Lender's Counsel, such registration, filing or recording may be necessary or advantageous to create, perfect, preserve or protect the Security in the Collateral and its priority and shall cause its representatives to maintain all such registrations, filings and recordings on behalf of the Lender in full force and effect.

ARTICLE 5 DEFAULT

5.1 Default

Whenever any Event of Default has occurred and is continuing, unless the Lender notifies any Obligor to the contrary and subject to such terms and conditions as may be contained in such notice, the Security shall become immediately crystallized and enforceable without the necessity for any further action or notice by the Lender, except that no Security over Unlimited Liability Shares or Security Entitlements to Unlimited Liability Shares shall be enforceable without notice in writing from the Lender to such Obligor that specifically identifies the Unlimited Liability Shares or Security Entitlements to Unlimited Liability Shares and the intention of the Lender to enforce its Security therein, which notice has not been revoked.

5.2 Waiver

The Lender may waive any Default or any breach by any Obligor of any of the provisions of this Security Agreement. No waiver, however, shall be deemed to extend to a subsequent breach or Default, whether or not the same as or similar to the breach or Default waived, and no act or omission by the Lender shall extend to, or be taken in any manner whatsoever to affect, any subsequent breach or Default or the rights of the Lender arising therefrom. Any such waiver must be in writing and signed by the Lender to be effective. No failure on the part of the Lender to exercise, and no delay by the Lender in exercising, any right under this Security Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

ARTICLE 6 REMEDIES ON DEFAULT

6.1 Remedies of Lender

If the Security becomes enforceable in accordance with Article 5, the Lender shall have the rights set out in this Article 6.

6.2 Right to Appoint a Receiver

The Lender may appoint by instrument in writing one or more Receivers of any Collateral. Any such Receiver shall have the rights set out in this Article 6. In exercising such rights, any Receiver shall act as and for all purposes shall be deemed to be the agent of any Obligor and the Lender shall not be responsible for any act or default of any Receiver. The Lender may remove any Receiver and appoint another from time to time. An officer or employee of the Lender may be appointed as a Receiver. No Receiver appointed by the Lender need be appointed by, nor need its appointment be ratified by, or its actions in any way supervised by, a court. If two or more Receivers are appointed to act concurrently, they shall, unless otherwise expressly provided in the instrument appointing them, so act severally and not jointly and severally. The appointment of any Receiver or anything done by a Receiver or the removal or termination of any Receiver shall not have the effect of constituting the Lender a mortgagee in possession in respect of the Collateral.

6.3 Rights of a Receiver

Any Receiver appointed by the Lender shall have the following rights:

- (a) *Power of Entry.* Any Receiver may at any time enter upon any premises owned, leased or otherwise occupied by any Obligor or where any Collateral is located to take possession of, disable or remove any Collateral, and may use whatever means available under applicable law the Receiver considers advisable to do so.
- (b) *Right to Possession.* Any Receiver shall be entitled to immediate possession of Collateral by any method permitted by applicable law and any Obligor shall forthwith upon demand by any Receiver deliver up possession to a Receiver of any Collateral.
- (c) *Power of Sale.*
 - (i) Any Receiver may sell, lease, consign, license, assign or otherwise dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by each Obligor to the extent permitted by applicable law. Any Receiver may, at its discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Secured Obligations only as they are actually received. Any Receiver may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Receiver has taken possession of the Collateral. The exercise by the Receiver of any power of sale does not preclude the Receiver from further exercise of its power of sale in accordance with this clause.

- (ii) Each Obligor agrees that any Receiver may, in its discretion, approach a restricted number of potential purchasers to effect any sale of any Securities comprised in the Collateral pursuant to Subsection 6.3(c)(i) and that a sale under such circumstances may yield a lower price for Collateral than would otherwise be obtainable if the same were registered and sold in the open market. Each Obligor agrees that:
 - (A) in the event any Receiver shall so sell Collateral at such private sale or sales, the Receiver shall have the right to rely upon the advice and opinion of any person who regularly deals in or evaluates Securities of the type constituting the Collateral as to the best price obtainable in a commercially reasonable manner; and
 - (B) such reliance shall be conclusive evidence that the Receiver handled such matter in a commercially reasonable manner.
- (d) *Carrying on Business.* Any Receiver may carry on, or concur in the carrying on of, any of the business or undertaking of each Obligor and may, to the exclusion of all others, including each Obligor, enter upon, occupy and use any of the premises, buildings, plant and undertaking of or occupied or used by such Obligor and may use any of the Equipment and Intangibles of such Obligor for such time and such purposes as the Receiver sees fit. No Receiver shall be liable to such Obligor for any negligence in so doing or in respect of any rent, charges, costs, depreciation or damages in connection with any such action.
- (e) *Pay Liens.* Any Receiver may pay any liability secured by any actual or threatened Lien against any Collateral. A Receiver may borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of each Obligor and may grant Liens in any Collateral in priority to the Security as security for the money so borrowed. Such Obligor will forthwith on demand reimburse the Receiver for all such payments and borrowings.
- (f) *Dealing with Collateral.* Any Receiver may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with any Collateral in such manner, upon such terms and conditions and at such time as it deems advisable without notice to any Obligor (except as otherwise required by applicable law), and may charge on its own behalf and pay to others its costs and expenses (including legal, Receiver's and accounting fees and expenses on a full indemnity basis) incurred in connection with such actions. Such Obligor will forthwith upon demand reimburse the Receiver for all such costs or expenses.
- (g) *Dealing with Leases.* Any Receiver, for the purpose of vesting the one day residue of the term of any leasehold interest or renewal thereof in any purchaser, shall be entitled by deed or writing to appoint such purchaser or any other person as a new trustee of the aforesaid residue of any such term or renewal thereof in the

place and stead of any Obligor and to vest the same accordingly in such new trustee so appointed free from any obligation respecting the same.

- (h) *Powers re Collateral.* Any Receiver may have, enjoy and exercise all of the rights of and enjoyed by any Obligor with respect to the Collateral or incidental, ancillary, attaching or deriving from the ownership by such Obligor of the Collateral, including the right to enter into agreements pertaining to Collateral, the right to commence or continue proceedings to preserve or protect Collateral and the right to grant or agree to Liens and grant or reserve *profits à prendre*, easements, rights of ways, rights in the nature of easements and licenses over or pertaining to the whole or any part of the Collateral.
- (i) *Retain Services.* Any Receiver may retain the services of such real estate brokers and agents, lawyers, accountants, appraisers and other consultants as the Receiver may deem necessary or desirable in connection with anything done or to be done by the Receiver or with any of the rights of the Receiver set out herein and pay their commissions, fees and disbursements (which payment shall constitute part of the Receiver's disbursements reimbursable by the applicable Obligor hereunder). Each Obligor shall forthwith on demand reimburse the Receiver for all such payments.

6.4 Right to have Court Appoint a Receiver

The Lender may, at any time, apply to a court of competent jurisdiction for the appointment of a Receiver, or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Lender pursuant to this Security Agreement.

6.5 Lender may exercise rights of a Receiver

In lieu of, or in addition to, exercising its rights under Sections 6.3 and 6.4, but subject to Section 2.10 and 2.11, the Lender has, and may exercise, any of the rights which are capable of being granted to a Receiver appointed by the Lender pursuant to this Security Agreement. Notwithstanding any provisions to the contrary contained in this Security Agreement, only the Lender, and not the Receiver, shall have the right to exercise the rights of a Receiver with respect to Unlimited Liability Shares and Security Entitlements to Unlimited Liability Shares.

6.6 Retention of Collateral

The Lender may elect to retain any Collateral in satisfaction of the Secured Obligations of an Obligor. The Lender may designate any part of the Secured Obligations to be satisfied by the retention of particular Collateral which the Lender considers to have a net realizable value approximating the amount of the designated part of the Secured Obligations, in which case only the designated part of the Secured Obligations shall be deemed to be satisfied by the retention of the particular Collateral.

6.7 Limitation of Liability

Neither the Lender nor any Receiver shall be liable or accountable for any failure of the Lender or any Receiver to seize, collect, realize, dispose of, enforce or otherwise deal with any Collateral nor shall any of them be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Lender, any Obligor or any other person in respect of any Collateral. Neither the Lender nor any Receiver shall be liable or responsible for any loss and expense whatever which may accrue in consequence of any such failure, except to the extent of any losses and expenses that are determined by a final judgment to have directly resulted from the gross negligence or wilful misconduct of the Lender, any Receiver or any of their respective representatives. If any Receiver or the Lender takes possession of any Collateral, neither the Lender nor any Receiver shall have any liability as a mortgagee in possession or be accountable for anything except actual receipts.

6.8 Extensions of Time

The Lender and any Receiver may grant renewals, extensions of time and other indulgences, take and give up Liens, accept compositions, grant releases and discharges, perfect or fail to perfect any Liens, release any Collateral to third parties and otherwise deal or fail to deal with any Obligor, debtors of any Obligor, guarantors, sureties and others and with any Collateral and other Liens as the Lender may see fit, all without prejudice to the liability of any Obligor to the Lender or the rights of the Lender and any Receiver under this Security Agreement.

6.9 Set-Off, Combination of Accounts and Crossclaims

The Secured Obligations will be paid by any Obligor without regard to any equities between such Obligor and the Lender or any right of set-off or cross-claim. Any indebtedness owing by the Lender to such Obligor, direct or indirect, extended or renewed, actual or contingent, mutual or not, may be set off or applied against, or combined with, the Secured Obligations by the Lender at any time either before or after maturity, without demand upon or notice to anyone and the terms of such indebtedness shall be changed hereby to the extent necessary to permit such set-off, application and combination.

6.10 Deficiency

If the proceeds of the realization of any Collateral are insufficient to repay all liquidated Secured Obligations, each Obligor shall forthwith pay or cause to be paid to the Lender such deficiency.

6.11 Validity of Sale

No person dealing with the Lender or any Receiver or with any representative of the Lender or any Receiver shall be concerned to inquire whether the Security has become enforceable, whether any right of the Lender or any Receiver has become exercisable, whether any Secured Obligations remain outstanding or otherwise as to the propriety or regularity of any dealing by the Lender or any Receiver with any Collateral or to see to the application of any money paid to the Lender or any Receiver, and in the absence of fraud on the part of such person

such dealings shall be deemed, as regards such person, to be within the rights hereby conferred and to be valid and effective accordingly.

6.12 Lender and Receiver Not Obligated to Preserve Third Party Interests

To the extent that any Collateral constitutes an Instrument or Chattel Paper, neither the Lender nor any Receiver shall be obliged to take any steps to preserve rights against prior parties in respect of any such Instrument or Chattel Paper.

6.13 No Marshalling

Each Obligor hereby waives any rights it may have under applicable law to assert the doctrine of marshalling or to otherwise require the Lender to marshal any Collateral or any other collateral of such Obligor or any other person for the benefit of such Obligor.

6.14 Lender or Receiver may Perform

If any Obligor fails to perform any Secured Obligations, without limiting any other provision hereof, the Lender or any Receiver may perform those Secured Obligations as attorney for such Obligor in accordance with Section 4.4. Each Obligor shall remain liable under each Operating Right and each agreement and Licence to which it is party or by which it or any of its property is bound and shall perform all of its obligations thereunder, and shall not be released from any of its obligations under any such Operating Right, agreement or Licence by the exercise of any rights by the Lender or any Receiver. Neither the Lender nor any Receiver shall have any obligation under any such Operating Right, agreement or Licence, by reason of this Security Agreement, nor shall the Lender or any Receiver be obliged to perform any of the obligations of such Obligor thereunder or to take any action to collect or enforce any claim made subject to the security of this Security Agreement. The rights conferred on the Lender and any Receiver under this Security Agreement are for the purpose of protecting the Security in the Collateral and shall not impose any obligation upon the Lender or any Receiver to exercise any such rights.

6.15 Effect of Appointment of Receiver

As soon as the Lender takes possession of any Collateral or appoints a Receiver over any Collateral, all rights of each of the representatives of each Obligor with respect to that Collateral shall cease, unless specifically continued by the written consent of the Lender or the Receiver.

6.16 Rights in Addition

The rights conferred by this Article 6 are in addition to, and not in substitution for, any other rights the Lender may have under this Security Agreement, at law, in equity or by or under applicable law or any other Secured Document or agreement. The Lender may proceed by way of any proceeding at law or in equity, including (a) the right to take proceedings in any court of competent jurisdiction for the sale or foreclosure of the Collateral and (b) filing proofs of claim and other documentation to establish the claims of the Lender in any proceeding relating to any Obligor. No right of the Lender or any Receiver shall be exclusive of or dependent on any

other. Any such right may be exercised separately or in combination, and at any time. The exercise by the Lender or any Receiver of any right hereunder does not preclude the Lender or any Receiver from further exercise of such right in accordance with this Security Agreement.

6.17 Application of Payments Against Secured Obligations

Each Recovery received by the Lender shall, notwithstanding any appropriation by any Obligor, be appropriated by the Lender against such Secured Obligations as the Lender shall direct or as the Credit Agreement shall otherwise require, and the Lender shall have the right to change any appropriation at any time. If any Recovery is received or appropriated by the Lender in respect of Secured Obligations not yet due, they shall be credited to a cash collateral account opened by the Lender for such purpose in its own records of account, as the Lender may in its discretion decide, and appropriated to the Secured Obligations when due or be otherwise dealt with in accordance with the Credit Agreement.

**ARTICLE 7
ADDITIONAL OBLIGORS**

7.1 Additional Obligors

Any Subsidiary of the Borrower that is required pursuant to the terms of the Credit Agreement to enter into a security agreement in favour of the Lender may do so by executing and delivering to the Lender a supplement to this Security Agreement in the form of Schedule 7.1. After execution and delivery of such supplement to the Lender, such Subsidiary shall become an Obligor hereunder with the same force and effect as if originally named as an Obligor herein upon acceptance by the Lender of such supplement. The execution and delivery of any document adding an additional Obligor as a party to this Security Agreement shall not require the consent of any other Obligor hereunder. The rights and obligations of each Obligor hereunder shall remain in full force and effect notwithstanding the addition of any new Obligor as a party to this Agreement.

**ARTICLE 8
GENERAL**

8.1 Security in Addition

The Security does not replace or otherwise affect any existing or future Lien held by the Lender. Neither the taking of any proceeding, judicial or extra-judicial, nor the refraining from so doing, nor any dealing with any other security for any Secured Obligations shall release or affect the Security. Neither the taking of any proceeding, judicial or extra-judicial, pursuant to this Security Agreement, nor the refraining from so doing, nor any dealing with any Collateral shall release or affect any of the other Liens held by the Lender for the payment or performance of the Secured Obligations.

8.2 No Merger

This Security Agreement shall not operate by way of a merger of the Secured Obligations or of any guarantee, agreement or document by which the Secured Obligations now

or at any time hereafter may be represented or evidenced. Neither the taking of any judgment nor the exercise of any power of seizure or disposition shall extinguish the liability of any Obligor to pay and perform the Secured Obligations nor shall the acceptance of any payment or alternate security constitute or create any novation. No covenant, representation or warranty of such Obligor herein shall merge in any judgment.

8.3 Notices

Any notice, demand, consent, approval or other communication to be made or given under or in connection with this Security Agreement shall be given or made and take effect in the manner provided for notices in Section 13.8 of the Credit Agreement. Notices to each Subsidiary of the Borrower shall be given to such Subsidiary's address, facsimile number or email address, as applicable, specified in the Guarantee.

8.4 Time of the Essence

Time is and shall remain of the essence of this Security Agreement and each of its provisions.

8.5 Governing Law

This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules. Each Obligor irrevocably attorns to and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario located at Toronto with respect to any matter arising hereunder or related hereto. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lender under the laws of any other jurisdiction where Collateral may be located.

8.6 Security Effective Immediately

Neither the issuance nor registration of, or any filings with respect to, this Security Agreement, nor any partial advance or extension of credit by the Lender, shall bind the Lender to advance any amounts, grant any credit or supply any financial services to any Obligor, but the Security shall take effect forthwith upon the issuance of this Security Agreement by such Obligor.

8.7 Entire Agreement

There are no representations, warranties, covenants, agreements or acknowledgments whether direct or collateral, express or implied, that form part of or affect this Security Agreement or any Collateral, other than as expressed herein or in any other Secured Document. The execution of this Security Agreement has not been induced by, nor does any Obligor rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in this Security Agreement and the other written agreements and other documents to be delivered pursuant hereto or contemporaneously herewith.

8.8 Provisions Reasonable

Each Obligor acknowledges that the provisions of this Security Agreement and, in particular, those respecting rights of the Lender or any Receiver against such Obligor, its property and any Collateral upon a Default, are commercially reasonable and not manifestly unreasonable.

8.9 Invalidity

If any provision of this Security Agreement is found to be invalid or unenforceable, by a final judgment of a court of competent jurisdiction, to the fullest extent permitted by applicable law, (a) in such jurisdiction that provision shall be deemed to be severed herefrom and the remaining provisions of this Security Agreement shall not be affected thereby but shall remain valid and enforceable and (b) such invalidity or unenforceability shall not affect the validity or enforceability of such provision in any other jurisdiction. Each Obligor shall, at the request of the Lender, negotiate in good faith with the Lender to replace any invalid or unenforceable provision contained in this Security Agreement with a valid and enforceable provision that has the commercial effect as close as possible to that of the invalid or unenforceable provisions, to the extent permitted by applicable law.

8.10 Successors and Assigns

This Security Agreement and the rights and obligations of the Lender hereunder may be assigned and transferred by the Lender to any successor, transferee or assignee and any such successor, assignee and transferee shall be entitled to all of the rights and bound by all of the obligations of the Lender hereunder. No Obligor may assign this Security Agreement or any right or obligation hereunder. This Security Agreement shall enure to the benefit of each of the Indemnified Parties and their respective successors and assigns and shall be binding upon each Obligor, its legal representatives (including receivers) and its successors and permitted assigns. Each reference in this Security Agreement to any person (including any Obligor and any Indemnified Party) shall (to the extent the context so admits) be construed so as to include the successors of that person and (in the case of each Indemnified Party) the assigns of that person as permitted by the Secured Documents.

8.11 Statutory Waivers

To the fullest extent permitted by applicable law, each Obligor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the rights of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

8.12 Land Registration

- (a) Covenants 1.v and 1.vi deemed to be included in a charge by subsection 7(1) of the *Land Registration Reform Act* (Ontario) are expressly excluded.

- (b) Covenant 1.vii deemed to be included in a charge by subsection 7(1) of the *Land Registration Reform Act* (Ontario) is expressly varied by providing that the Obligor or its successors and assigns will, before and after event of default, execute such assurances of the property herein described and do such other acts, at the Obligor's expense, as may be reasonably required by the Lender.
- (c) Where a conflict exists between the terms of this Security Agreement and the Standard Charge Terms number referred to in any Charge/Mortgage of Land to which this Security Agreement may be annexed as a schedule for the purpose of registration in any Land Registry Office, which terms are filed as such number in such Land Registry Office, the terms of this Security Agreement shall prevail.

8.13 **Currency**

All references in this Security Agreement to monetary amounts, unless specifically provided, are to lawful currency of Canada. All sums of money payable under the Secured Documents shall be paid in the currency in which such sums are incurred or expressed as due thereunder.

8.14 **Currency Conversions**

If the Lender receives any Recovery in a currency (the "**Recovered Amount**") which is different than the currency in which the Secured Obligations are expressed (the "**Contract Currency**"), the Lender may convert the Recovered Amount to the Contract Currency at the rate of exchange which the Lender is able, acting in a reasonable manner and in good faith, to purchase the relevant amount of the Contract Currency. The amount of the Contract Currency resulting from any such conversion shall then be applied in accordance with the provisions of Section 6.17.

8.15 **Judgment Currency**

If, for the purposes of obtaining or enforcing judgment in any court in any jurisdiction, it becomes necessary to convert into the currency of the country giving such judgment (the "**Judgment Currency**") any Secured Obligation denominated in a different currency (the "**Agreed Currency**"), then the date on which the rate of exchange for conversion is selected by the court is referred to herein as the "**Conversion Date**". If there is a change in the rate of exchange between the Judgment Currency and the Agreed Currency between the Conversion Date and the actual receipt by the Lender or any Receiver of the amount of such Secured Obligation or under any such judgment, such Obligor will, notwithstanding any such judgment, pay all such additional amounts as may be necessary to ensure that the amount received by the Lender or Receiver in the Judgment Currency, when converted at the rate of exchange prevailing on the date of receipt, will produce the amount due in the Agreed Currency. Each Obligor's liability hereunder constitutes a separate and independent liability which shall not merge with any judgment or any partial payment or enforcement of payment of sums due under this Security Agreement.

8.16 Change

No agreement purporting to change (other than an agreement purporting to waive performance or compliance with) any provision of this Security Agreement shall be binding upon any Obligor or the Lender unless that agreement is in writing and signed by such Obligor and the Lender. No waiver of performance or compliance with any provision hereof shall be binding upon any party hereto unless such waiver is in writing signed by the parties sought to be bound thereby.

8.17 Receipt of Copy

Each Obligor acknowledges receipt of a copy of this Security Agreement and copies of the verification statements pertaining to the financing statements filed under the PPSA and under the personal property security statutes of other provinces by the Lender in respect of this Security Agreement. To the extent permitted by applicable law, each Obligor irrevocably waives the right to receive a copy of each financing statement or financing change statement (or any verification statement pertaining thereto) filed under the PPSA or under such other personal property security statutes by the Lender in respect of this Security Agreement or any other security agreement, and releases any and all claims or causes of action it may have against the Lender for failure to provide any such copy.

8.18 Limitation Period

The parties hereto agree to extend the limitation period under the *Limitations Act, 2002* (Ontario), other than one established by Section 15 of that Act, applicable to this Security Agreement, and each provision hereof and any claim thereunder, to six (6) years, save and except to the extent the *Real Property Limitations Act* (Ontario) applies to any particular provision hereof or claim arising thereunder requiring a shorter limitation period which cannot be waived by an agreement made on this date.

8.19 Information

At any time the Lender may provide to any person that claims an interest in Collateral copies of this Security Agreement or information about it or about the Collateral or the Secured Obligations.

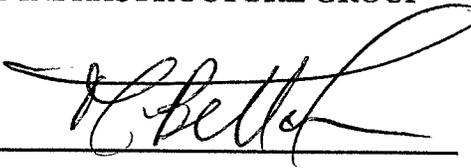
8.20 Credit Agreement to Govern

If there is any conflict between the provisions of this Security Agreement and the provisions of the Credit Agreement, the provisions of the Credit Agreement shall govern and apply to the extent of the inconsistency. Notwithstanding the foregoing, this Section 8.20 shall not apply to limit, restrict, prejudice or otherwise affect or impair in any way the rights of the Lender under this Security Agreement after the Security has become enforceable.

[Remainder of page intentionally left blank.]

TO WITNESS THIS AGREEMENT, each Obligor has caused this Security Agreement to be duly executed as of the date set out at the commencement hereof.

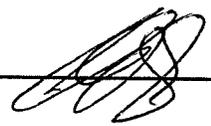
**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: 
Name: _____
Title: _____

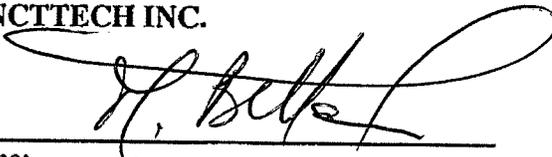
By: 
Name: _____
Title: _____

**DISTINCT INFRASTRUCTURE GROUP
WEST INC.**

By: 
Name: _____
Title: _____

By: 
Name: _____
Title: _____

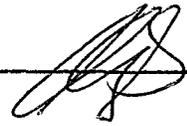
DISTINCTTECH INC.

By: 
Name: _____
Title: _____

By: 
Name: _____
Title: _____

IVAC SERVICES INC.

By: 
Name:
Title:

By: 
Name:
Title:

IVAC SERVICES WEST INC.

By: 
Name:
Title:

By: 
Name:
Title:

SCHEDULE 1.1

DEFINITIONS

1. **General Definitions.** Unless the context otherwise requires, in this Security Agreement the following terms are used with their corresponding defined meanings:

“**Accounts**” in relation to any Obligor means all accounts including rights to receive royalties or license fees, which are now owned by or are due, owing or accruing due to such Obligor or which may hereafter be owned by or become due, owing or accruing due to such Obligor or in which such Obligor now or hereafter has any other rights, including all debts, claims and demands of any kind whatever, claims against the Crown and claims under insurance policies, and (as the context so admits) any item or part thereof.

“**Chattel Paper**” in relation to any Obligor means all chattel paper in which such Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

“**Collateral**” means all of the property and other items made subject to the Liens created under Section 2.1, wherever located, now or hereafter owned by any Obligor or in or to which any Obligor now or hereafter has rights, including all such rights, and (as the context so admits) any item or part thereof.

“**Credit Agreement**” is used with the defined meaning assigned in the background to this Security Agreement.

“**Documents of Title**” in relation to any Obligor means all documents of title, whether negotiable or non-negotiable, including all warehouse receipts and bills of lading, in which such Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

“**Equipment**” in relation to any Obligor means all goods in which such Obligor now or hereafter has rights, other than Inventory or consumer goods, and (as the context so admits) any item or part thereof.

“**Indemnified Party**” is used with the defined meaning assigned in Section 4.8.

“**Instruments**” in relation to any Obligor means all letters of credit, advices of credit and all other instruments in which such Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

“**Intangibles**” in relation to any Obligor means all intangibles, all IP Licences and all authorizations of whatever kind in which such Obligor now or hereafter has rights, including all of any Obligor’s choses in action, contractual rights, goodwill and Intellectual Property, and (as the context so admits) any item or part thereof.

“**Intellectual Property**” means trade secrets, confidential information and know-how, Software, patents, trade marks, patent or trade mark rights, registrations and applications, designs, logos, indicia, trade names, corporate names, company names, domain names,

business names, trade styles, business identifiers, fictitious business names or characters, copyrights and copyright registrations and applications, integrated circuit topography rights, registrations and applications, semi-conductor chip rights, designs, design patents and other industrial design rights, registrations and applications, goodwill, letters patent and other industrial or intellectual property of whatever kind in which any Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

“Inventory” in relation to any Obligor means all inventory of whatever kind in which such Obligor now or hereafter has rights, including all goods, wares, merchandise, materials, supplies, raw materials, goods in process, finished goods and other tangible personal property, including all goods, wares, materials and merchandise used or procured for packing or storing thereof, now or hereafter held for sale, lease, resale or exchange or that are to be furnished or have been furnished under a contract of service or that are used or consumed in the business of such Obligor, and (as the context so admits) any item or part thereof.

“Investment Property” in relation to any Obligor means all investment property in which such Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

“IP Licence” in relation to any Obligor means any license agreement pursuant to which such Obligor is granted a right to use Intellectual Property or such Obligor grants a right to use Intellectual Property.

“Licence” in relation to any Obligor means (i) any authorization from any governmental authority having jurisdiction with respect to such Obligor or its property, (ii) any authorization from any person granting any easement or license with respect to any real or immovable property and (iii) any IP Licence.

“Money” means all money in which any Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

“Obligor” means the Borrower, a Subsidiary of the Borrower listed in the signature pages hereof or another Subsidiary of the Borrower that becomes party hereto as an Obligor pursuant to Article 7, as the context requires.

“Operating Right” is used with the defined meaning assigned in Subsection 2.14(a).

“PPSA” means the *Personal Property Security Act* (Ontario) and the regulations issued thereunder.

“Prescribed Operating Right” is used with the defined meaning given to it in Subsection 2.14(a).

“Proceeds” means all proceeds and personal property in any form derived directly or indirectly from any disposal of or other dealing with any Collateral, or that indemnifies or compensates for such Collateral stolen, lost, destroyed or damaged, and proceeds of

Proceeds whether or not of the same type, class or kind as the original Proceeds, and (as the context so admits) any item or part thereof.

“Receiver” means any receiver for the Collateral or any of the business, undertakings, property and assets of any Obligor appointed by the Lender pursuant to this Security Agreement or by a court on application by the Lender.

“Records” means all books, accounts, invoices, letters, papers, security certificates, documents and other records in any form evidencing or relating in any way to any item or part of the Collateral and all agreements, Licences and other rights and benefits in respect thereof, and (as the context so admits) any item or part thereof.

“Recovery” means any monies received or recovered by the Lender pursuant to this Security Agreement on account of the Secured Obligations, whether pursuant to any enforcement of the Security, any proceeding, any settlement thereof or otherwise.

“Related Rights” is used with the defined meaning given to it in Subsection 2.14(a).

“Replacements” means all increases, additions and accessions to, and all substitutions for and replacements of, any item or part of the Collateral, and (as the context so admits) any item or part thereof.

“Required Approvals” is used with the defined meaning given to it in Subsection 2.14(a).

“Securities” in relation to any Obligor means all shares, stock, warrants, bonds, debentures, debenture stock, bills, notes and other securities in which such Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

“Security” means the Liens created by this Security Agreement.

“Security Agreement” means this security agreement and all schedules attached hereto. All uses of the words **“hereto”**, **“herein”**, **“hereof”**, **“hereby”** and **“hereunder”** and similar expressions refer to this Security Agreement and not to any particular section or portion of it. References to an **“Article”**, **“Section”**, **“Subsection”** or **“Schedule”** refer to the applicable article, section, subsection or schedule of this Security Agreement.

“Security Entitlement” in relation to any Obligor means all security entitlements in which such Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

“Software” means computer programs and databases owned by or licenced to any Obligor in whatever form and on whatever medium those programs or databases might be expressed, fixed, embodied or stored from time to time, including the object code and source code versions thereof and all corrections, updates, enhancements, translations, modifications, derivations and new versions thereof, together with both the media upon or in which such software and databases are expressed, fixed, embodied or stored (such

as disks, diskettes, tapes and semiconductor chips), and all flow charts, manuals, instructions, documentation and other material relating thereto.

“STA” means the *Securities Transfer Act* (Ontario).

“**Unlimited Company**” means any unlimited company incorporated or otherwise constituted under the laws of the Province of Alberta, British Columbia or Nova Scotia or any similar body corporate formed under the laws of any other jurisdiction whose members may at any time become responsible for any of the obligations of that body corporate.

“**Unlimited Liability Shares**” in relation to any Obligor means member or shareholder interests in an Unlimited Company in which such Obligor now or hereafter has rights, and (as the context so admits) any item or part thereof.

SCHEDULE 3.1

LOCATIONS OF REGISTERED OFFICE, CHIEF EXECUTIVE OFFICE,
PRINCIPAL PLACE OF RESIDENCE,
PLACES OF BUSINESS, RECORDS AND COLLATERAL

Distinct Infrastructure Group Inc.

<i>Jurisdiction of Incorporation/Formation:</i>	Alberta
<i>Registered Office:</i>	2300, 10180 101 Street Edmonton, AB, T5J 1V3
<i>Chief Executive Office:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Places of Business:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6 180 Strathmoor Drive, Sherwood Park Alberta T8H 2B7 87 Disco Road, Toronto, Ontario M9W 1M3
<i>Locations of Records:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Locations of Tangible Collateral:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6 180 Strathmoor Drive, Sherwood Park Alberta T8H 2B7 87 Disco Road, Toronto, Ontario M9W 1M3
<i>Jurisdictions of Residence of Chief Executive Officer:</i>	Ontario
<i>Jurisdiction of Residence of Majority of Directors:</i>	Ontario

Distinct Infrastructure Group West Inc.

<i>Jurisdiction of Incorporation/Formation:</i>	Alberta
<i>Registered Office:</i>	2300, 10180 101 Street Edmonton, AB, T5J 1V3
<i>Chief Executive Office:</i>	180 Strathmoor Drive, Sherwood Park, Alberta T8H 2B7
<i>Places of Business:</i>	180 Strathmoor Drive, Sherwood Park, Alberta T8H 2B7
<i>Locations of Records:</i>	180 Strathmoor Drive, Sherwood Park, Alberta T8H 2B7
<i>Locations of Tangible Collateral:</i>	180 Strathmoor Drive, Sherwood Park, Alberta T8H 2B7
<i>Jurisdictions of Residence of Chief Executive Officer:</i>	Ontario
<i>Jurisdiction of Residence of Majority of Directors:</i>	Ontario

DistinctTech Inc.

<i>Jurisdiction of Incorporation/Formation:</i>	Alberta
<i>Registered Office:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Chief Executive Office:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Places of Business:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Locations of Records:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6

<i>Locations of Tangible Collateral:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Jurisdictions of Residence of Chief Executive Officer:</i>	Ontario
<i>Jurisdiction of Residence of Majority of Directors:</i>	Ontario

iVac Services Inc.

<i>Jurisdiction of Incorporation/Formation:</i>	Ontario
<i>Registered Office:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Chief Executive Office:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Places of Business:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Locations of Records:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Locations of Tangible Collateral:</i>	77 Belfield Road, Suite 102, Toronto, Ontario M9W 1G6
<i>Jurisdictions of Residence of Chief Executive Officer:</i>	Ontario
<i>Jurisdiction of Residence of Majority of Directors:</i>	Ontario

iVac Services West Inc.

<i>Jurisdiction of Incorporation/Formation:</i>	2300, 10180 101 Street Edmonton, AB, T5J 1V3
<i>Registered Office:</i>	180 Strathmoor Drive, Sherwood Park, Alberta T8H 2B7

<i>Chief Executive Office:</i>	180 Strathmoor Drive, Sherwood Park, Alberta T8H 2B7
<i>Places of Business:</i>	180 Strathmoor Drive, Sherwood Park, Alberta T8H 2B7
<i>Locations of Records:</i>	180 Strathmoor Drive, Sherwood Park, Alberta T8H 2B7
<i>Locations of Tangible Collateral:</i>	Ontario
<i>Jurisdictions of Residence of Chief Executive Officer:</i>	Ontario
<i>Jurisdiction of Residence of Majority of Directors:</i>	2300, 10180 101 Street Edmonton, AB, T5J 1V3

SCHEDULE 3.2
LIST OF INTELLECTUAL PROPERTY

OWNED BY DISTINCT INFRASTRUCTURE GROUP INC.

ITEM #	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil		

LICENSED TO DISTINCT INFRASTRUCTURE GROUP INC.

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

LICENSED BY DISTINCT INFRASTRUCTURE GROUP INC. TO OTHERS

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

* Descriptions should break out those rights which are registered or subject to application with relevant registration and application file particulars.

OWNED BY DISTINCT INFRASTRUCTURE GROUP WEST INC.

ITEM #	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil		

LICENSED TO DISTINCT INFRASTRUCTURE GROUP WEST INC.

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

LICENSED BY DISTINCT INFRASTRUCTURE GROUP WEST INC. TO OTHERS

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

* Descriptions should break out those rights which are registered or subject to application with relevant registration and application file particulars.

OWNED BY DISTINCTTECH INC.

ITEM #	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil		

LICENSED TO DISTINCTTECH INC.

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

LICENSED BY DISTINCTTECH INC. TO OTHERS

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

* Descriptions should break out those rights which are registered or subject to application with relevant registration and application file particulars.

OWNED BY IVAC SERVICES INC.

ITEM #	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil		

LICENSED TO IVAC SERVICES INC.

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

LICENSED BY IVAC SERVICES INC. TO OTHERS

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

* Descriptions should break out those rights which are registered or subject to application with relevant registration and application file particulars.

OWNED BY IVAC SERVICES WEST INC.

ITEM #	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil		

LICENSED TO IVAC SERVICES WEST INC.

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

LICENSED BY IVAC SERVICES WEST INC. TO OTHERS

ITEM #	LICENSOR	DESCRIPTION*	REGISTRATION #	APPLICATION #
1.	Nil			

* Descriptions should break out those rights which are registered or subject to application with relevant registration and application file particulars.

SCHEDULE 3.3

LIST OF SECURITIES AND SECURITIES ACCOUNTS

DISTINCT INFRASTRUCTURE GROUP INC.

Securities:

Registered Owner	Issuer	Certificate Number(s)	Description of Interest	% of Outstanding Class
Distinct Infrastructure Group Inc.	Distinct Infrastructure Group West Inc.	A-3	400 Class "A" Shares	100%
Distinct Infrastructure Group Inc.	iVac Services West Inc.	C-1	100 Common Shares	100%
Distinct Infrastructure Group Inc.	QE2 Holding Corp.	B-77	21,912,766 Class "B" Shares	100%
Distinct Infrastructure Group Inc.	DistinctTech Inc.	C-1	217,218,927 Common Shares	100%
Distinct Infrastructure Group Inc.	iVac Services Inc.	COM-3	200 Common Shares	100%
Distinct Infrastructure Group Inc.	Distinct Environmental Solutions Inc.	COM-3	200 Common Shares	100%

Security Entitlements:

Brokerage Firm	Securities Account No(s)
N/A	N/A

DISTINCT INFRASTRUCTURE GROUP WEST INC.

Securities:

Registered Owner	Issuer	Certificate Number	Description of Interest	% of Outstanding Interests
Nil	Nil	Nil	Nil	Nil

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Security Entitlements:

Brokerage Firm	Securities Account No(s)
N/A	N/A

DISTINCTTECH INC.

Securities:

Registered Owner	Issuer	Certificate Number	Description of Interest	% of Outstanding Interests
Nil	Nil	Nil	Nil	Nil

Security Entitlements:

Brokerage Firm	Securities Account No(s)
N/A	N/A

IVAC SERVICES INC.

Securities:

Registered Owner	Issuer	Certificate Number	Description of Interest	% of Outstanding Interests
Nil	Nil	Nil	Nil	Nil

Security Entitlements:

Brokerage Firm	Securities Account No(s)
N/A	N/A

IVAC SERVICES WEST INC.

Securities:

Registered Owner	Issuer	Certificate Number	Description of Interest	% of Outstanding Interests
Nil	Nil	Nil	Nil	Nil

Security Entitlements:

Brokerage Firm	Securities Account No(s)
N/A	N/A

SCHEDULE 3.4
LIST OF BANK ACCOUNTS

DISTINCT INFRASTRUCTURE GROUP INC.

Bank/Trust Company	Branch Address	Account No.
	NIL	

DISTINCT INFRASTRUCTURE GROUP WEST INC.

Bank/Trust Company	Branch Address	Account No.
TD Canada Trust	Chequing Saving	07015200533 070105236074

DISTINCTTECH INC.

Bank/Trust Company	Branch Address	Account No.
	NIL	

IVAC SERVICES INC.

Bank/Trust Company	Branch Address	Account No.
Bank of Montreal	Commercial Moneris Credit Card	1029928 1997478

IVAC SERVICES WEST INC.

Bank/Trust Company	Branch Address	Account No.
	NIL	

SCHEDULE 3.5

INSTRUMENTS AND CHATTEL PAPER

DISTINCT INFRASTRUCTURE GROUP INC.

Nil.

DISTINCT INFRASTRUCTURE GROUP WEST INC.

Nil.

DISTINCTTECH INC.

Nil.

IVAC SERVICES INC.

Nil.

IVAC SERVICES WEST INC.

Nil.

**SCHEDULE 7.1
FORM OF SUPPLEMENT FOR ADDITIONAL OBLIGORS**

SUPPLEMENT NO. _____, dated as of _____, to the Security Agreement dated as of the 23rd day of March, 2017 among **DISTINCT INFRASTRUCTURE GROUP INC.**, certain Subsidiaries of the Borrower specified therein, and **ROYAL BANK OF CANADA**, as Lender (the "Security Agreement").

Each word and expression (capitalized or not) defined or given an extended meaning in the Security Agreement, and not otherwise defined herein, is used in this Supplement with the respective defined or extended meaning assigned in the Security Agreement.

BACKGROUND:

Pursuant to a credit agreement dated the 23rd day of March, 2017 (the "Credit Agreement") between Distinct Infrastructure Group Inc., as borrower, and Royal Bank of Canada, as lender, the Lender has agreed to make (i) a committed non-revolving secured term loan facility in the aggregate principal amount of \$12,000,000 available to the Borrower and (ii) a committed senior secured revolving credit facility in the aggregate principal amount of \$23,000,000,000 available to the Borrower and the Lender has agreed to do so subject to and upon the terms and conditions set out therein.

It is a condition of the Credit Agreement that the undersigned must, *inter alia*, become a party to the Security Agreement and grant first ranking Liens on all of its assets in favour of the Lender to secure its Secured Obligations.

Section 7.1 of the Security Agreement provides that a Subsidiary becomes an Obligor under the Security Agreement by executing and delivering a Supplement to the Lender.

The undersigned is executing this Supplement, in accordance with the requirements of the Credit Agreement and the Guarantee, to become an Obligor under the Security Agreement in order to satisfy the conditions of the Credit Agreement and to induce the Lender, as applicable, to continue to extend credit to the Borrower under the Credit Agreement.

FOR VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), the undersigned covenants, acknowledges, represents and warrants in favour of the Lender, as follows:

1. **Agreement to be Bound by the Security Agreement.**

In accordance with Section 7.1 of the Security Agreement, the undersigned by its signature below becomes an Obligor under the Security Agreement with the same force and effect as if originally named therein as an Obligor, and agrees to all the terms and conditions of the Security Agreement applicable to it as an Obligor thereunder.

Each reference to an "Obligor" in the Security Agreement shall be deemed to include the undersigned. The Security Agreement is hereby incorporated herein by reference.

Without limiting the generality of the foregoing, the undersigned hereby grants, charges, mortgages, hypothecs, pledges and assigns and grants a security interest in all of its present and after-acquired real and personal property to and in favour of the Lender to the extent and in the manner contemplated by Section 2.1 of the Security Agreement. Attached hereto are supplements to Schedules 3.2, 3.3 and 3.4 of the Security Agreement pertaining to the undersigned.

2. **Representations and Warranties.**

The undersigned hereby makes the representations and warranties contained in Article 3 of the Security Agreement with references therein to each Obligor and the Security Agreement being construed respectively as to references to the undersigned and this Supplement and the Security Agreement as supplemented by this Supplement.

3. **Miscellaneous.**

3.1 **Security Effective Immediately**

Neither the issuance nor registration of, nor any filings with respect to, this Supplement, nor any partial advance or extension of credit by the Lender, shall bind the Lender to advance any amounts, grant any credit or supply any financial services to the Borrower, any Obligor or the undersigned, but the Security shall take effect forthwith upon the issuance of this Security Agreement by the undersigned.

3.2 **Supplemental Instrument**

Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect. The Security Agreement, as supplemented by this Supplement, shall constitute a single agreement.

3.3 **Governing Law**

This Supplement shall be governed by, and construed and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules. The undersigned irrevocably attorns to and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario located at Toronto with respect to any matter arising hereunder or related hereto. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lender under the laws of any other jurisdiction where Collateral may be located.

3.4 **Invalidity**

If any provision of this Supplement is found to be invalid or unenforceable, by a final judgment of a court of competent jurisdiction, to the fullest extent permitted by applicable law, (a) in such jurisdiction that provision shall be deemed to be severed herefrom and the remaining provisions of this Supplement shall not be affected thereby but shall remain valid and enforceable and (b) such invalidity or unenforceability shall

not affect the validity or enforceability of such provision in any other jurisdiction. The undersigned shall, at the request of the Lender, negotiate in good faith with the Lender to replace any invalid or unenforceable provision contained in this Supplement with a valid and enforceable provision that has the commercial effect as close as possible to that of the invalid or unenforceable provisions, to the extent permitted by applicable law.

3.5 Notices

Any notice, demand, consent, approval or other communication to be made or given under or in connection with this Supplement shall be given or made and take effect in the manner provided for notices in the Guarantee.

3.6 Costs

The undersigned shall forthwith reimburse the Lender, on demand and on a full indemnity basis, for all interest, commissions, costs of realization and other costs and expenses (including legal fees and expenses on a full indemnity basis) incurred by the Lender or any Receiver in connection with the preparation, issuance, protection, enforcement of and advice with respect to this Supplement and the perfection, protection, enforcement of and advice with respect to the Security, including those arising in connection with the realization, disposition of, retention, protection or collection of any Collateral and the protection or enforcement of the rights of the Lender or any Receiver and those incurred for registration costs and finite or perpetual registration of any financing statement registered in connection with the Security.

IN WITNESS WHEREOF, the undersigned has duly executed this Supplement to the Security Agreement as of the day and year first above written.

Address: _____

[Name of Relevant Subsidiary]

Attention: _____

By : _____

Telecopier: _____

Name:

Title:

SUPPLEMENT FOR ADDITIONAL OBLIGORS

SUPPLEMENT NO. 1, dated as of November 21, 2017, to the Security Agreement dated as of March 23, 2017 among **DISTINCT INFRASTRUCTURE GROUP INC.**, certain Subsidiaries of the Borrower specified therein (collectively the “**Obligors**”), and **ROYAL BANK OF CANADA**, as Lender (the “**Security Agreement**”).

Each word and expression (capitalized or not) defined or given an extended meaning in the Security Agreement, and not otherwise defined herein, is used in this Supplement with the respective defined or extended meaning assigned in the Security Agreement.

BACKGROUND:

Pursuant to a credit agreement dated the 23rd day of March, 2017, as amended by a letter agreement dated June 20, 2017, a letter agreement dated August 11, 2017, a letter agreement dated October 31, 2017, and a first amending agreement (the “**First Amending Agreement**”) dated as of the date hereof between the Obligors and Royal Bank of Canada, as lender (collectively, the “**Amended Credit Agreement**”), the Lender has agreed to make (i) a committed non-revolving secured term loan facility in the aggregate principal amount of \$20,000,000 available to the Borrower and (ii) a committed senior secured revolving credit facility in the aggregate principal amount of \$30,000,000 available to the Borrower and the Lender has agreed to do so subject to and upon the terms and conditions set out therein.

It is a condition of the Amended Credit Agreement that the undersigned must, *inter alia*, become a party to the Security Agreement and grant first ranking Liens on all of its assets in favour of the Lender to secure its Secured Obligations.

Section 7.1 of the Security Agreement provides that a Subsidiary becomes an Obligor under the Security Agreement by executing and delivering a Supplement to the Lender.

The undersigned is executing this Supplement, in accordance with the requirements of the Amended Credit Agreement and the Guarantee, to become an Obligor under the Security Agreement in order to satisfy the conditions of the Amended Credit Agreement and to induce the Lender, as applicable, to continue to extend credit to the Borrower under the Amended Credit Agreement.

FOR VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), the undersigned covenants, acknowledges, represents and warrants in favour of the Lender, as follows:

1. **Agreement to be Bound by the Security Agreement.**

In accordance with Section 7.1 of the Security Agreement, the undersigned by its signature below becomes an Obligor under the Security Agreement with the same force and effect as if originally named therein as an Obligor, and agrees to all the terms and conditions of the Security Agreement applicable to it as an Obligor thereunder.

Each reference to an “Obligor” in the Security Agreement shall be deemed to include the undersigned. The Security Agreement is hereby incorporated herein by reference.

Without limiting the generality of the foregoing, the undersigned hereby grants, charges, mortgages, hypothecs, pledges and assigns and grants a security interest in all of its present and after-acquired real and personal property to and in favour of the Lender to the extent and in the manner contemplated by Section 2.1 of the Security Agreement. Attached hereto are supplements to Schedules 3.2, 3.3, and 3.4 of the Security Agreement pertaining to the undersigned.

2. **Representations and Warranties.**

The undersigned hereby makes the representations and warranties contained in Article 3 of the Security Agreement with references therein to each Obligor and the Security Agreement being construed respectively as to references to the undersigned and this Supplement and the Security Agreement as supplemented by this Supplement.

3. **Miscellaneous.**

3.1 **Security Effective Immediately**

Neither the issuance nor registration of, nor any filings with respect to, this Supplement, nor any partial advance or extension of credit by the Lender, shall bind the Lender to advance any amounts, grant any credit or supply any financial services to the Borrower, any Obligor or the undersigned, but the Security shall take effect forthwith upon the issuance of this Security Agreement by the undersigned.

3.2 **Supplemental Instrument**

Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect. The Security Agreement, as supplemented by this Supplement, shall constitute a single agreement.

3.3 **Governing Law**

This Supplement shall be governed by, and construed and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules. The undersigned irrevocably attorns to and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario located at Toronto with respect to any matter arising hereunder or related hereto. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lender under the laws of any other jurisdiction where Collateral may be located.

3.4 **Invalidity**

If any provision of this Supplement is found to be invalid or unenforceable, by a final judgment of a court of competent jurisdiction, to the fullest extent permitted by applicable law, (a) in such jurisdiction that provision shall be deemed to be severed herefrom and the

3.4 Invalidity

If any provision of this Supplement is found to be invalid or unenforceable, by a final judgment of a court of competent jurisdiction, to the fullest extent permitted by applicable law, (a) in such jurisdiction that provision shall be deemed to be severed herefrom and the remaining provisions of this Supplement shall not be affected thereby but shall remain valid and enforceable and (b) such invalidity or unenforceability shall not affect the validity or enforceability of such provision in any other jurisdiction. The undersigned shall, at the request of the Lender, negotiate in good faith with the Lender to replace any invalid or unenforceable provision contained in this Supplement with a valid and enforceable provision that has the commercial effect as close as possible to that of the invalid or unenforceable provisions, to the extent permitted by applicable law.

3.5 Notices

Any notice, demand, consent, approval or other communication to be made or given under or in connection with this Supplement shall be given or made and take effect in the manner provided for notices in the Guarantee.

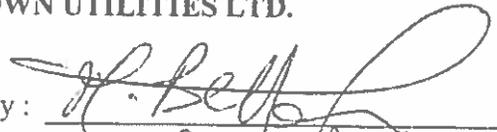
3.6 Costs

The undersigned shall forthwith reimburse the Lender, on demand and on a full indemnity basis, for all interest, commissions, costs of realization and other costs and expenses (including legal fees and expenses on a full indemnity basis) incurred by the Lender or any Receiver in connection with the preparation, issuance, protection, enforcement of and advice with respect to this Supplement and the perfection, protection, enforcement of and advice with respect to the Security, including those arising in connection with the realization, disposition of, retention, protection or collection of any Collateral and the protection or enforcement of the rights of the Lender or any Receiver and those incurred for registration costs and finite or perpetual registration of any financing statement registered in connection with the Security.

IN WITNESS WHEREOF, the undersigned has duly executed this Supplement to the Security Agreement as of the day and year first above written.

CROWN UTILITIES LTD.

By :



Name: Larry Bettencourt

Title: CFO

This is **Exhibit "F"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

K Bengho

A Commissioner for taking Affidavits, etc.

Kallei Bengho

GUARANTEE

THIS GUARANTEE is made as of the 23rd day of March, 2017.

AMONG:

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC. and each other direct and indirect subsidiary of the Borrower that becomes party hereto from time to time as an additional Guarantor pursuant to Section 7.1 as Guarantors, in favour of **ROYAL BANK OF CANADA**.

BACKGROUND:

Pursuant to a credit agreement dated as of the 23rd day of March, 2017 (the "Credit Agreement") between the Distinct Infrastructure Group Inc., as borrower, and Royal Bank of Canada, as lender, the Lender has agreed to make available a committed senior secured revolving credit facility and a committed non-revolving secured term loan facility for the purposes more particularly specified therein.

It is a condition to the extension of credit by the Lender pursuant to the Credit Agreement that each Guarantor (i) enter into this Guarantee in favour of the Lender in respect of the obligations owing by the Loan Parties to the Lender under the Secured Documents, and (ii) enter into a security agreement (the "Security Agreement") dated even date herewith in favour of the Lender to secure, among other things, its obligations under this Guarantee.

Each Guarantor acknowledges that in view of its business relations with each other Loan Party (i) such Guarantor and such other Loan Party are mutually dependent on each other in the conduct of their respective businesses and do business together as an integrated business enterprise, (ii) the extension of loans and credit by the Lender to the Loan Parties, and the guarantee granted herein are in the interests and to the advantage of such Guarantor, and (iii) such Guarantor will derive significant commercial benefit from these arrangements.

FOR VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), each Guarantor covenants, acknowledges, represents and warrants in favour of the Lender as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Each word and expression (capitalized or not) defined or given an extended meaning in the Credit Agreement, and not otherwise defined herein, is used in this Guarantee with the respective defined or extended meaning assigned in the Credit Agreement.

“**Credit Agreement**” is used with the defined meaning assigned in the Background to this Guarantee.

“**Guarantee**” means this guarantee. The terms “**this Guarantee**”, “**hereof**”, “**hereunder**” and similar expressions refer to this Guarantee and not to any particular Article, Section, Subsection, paragraph, subparagraph, clause or other portion of this Guarantee.

“**Guaranteed Obligations**” means with respect to a particular Guarantor, all and any item or part of the Secured Obligations owing by each of the Loan Parties to the Lender other than by such Guarantor to the Lender;

“**Guarantor**” means Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., Distincttech Inc., Ivac Services Inc., Ivac Services West Inc. and any other direct or indirect subsidiary of the Borrower that becomes party hereto as an additional Guarantor pursuant to Article 7, as the context requires.

“**Guarantor’s Obligations**” relative to a Guarantor means the obligations of that Guarantor to the Lender arising under, by reason of, or otherwise in respect of this Guarantee, and (as the context so admits) each and any item or part thereof.

“**Security Agreement**” is used with the defined meaning given to it in the Background to this Guarantee.

1.2 References to Agreements

Each reference in this Guarantee to any agreement or document (including this Guarantee and any other word or phrase defined herein that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change thereto made at or before the time in question to the extent permitted by the express provisions of this Guarantee and the other Secured Documents.

1.3 Statutes

Each reference in this Guarantee to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or other foreign jurisdiction (including any political subdivision of any thereof) at any time shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each change thereto made at or before that time.

1.4 Headings

The Article and Section headings in this Guarantee are included solely for convenience, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Guarantee.

1.5 Grammatical Variations

In this Guarantee, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words and expressions in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Guarantee shall be construed in like manner.

ARTICLE 2 GUARANTEE

2.1 Guarantee

Each Guarantor unconditionally and irrevocably guarantees to the Lender payment in full and performance in full of the Guaranteed Obligations as they become due from time to time in accordance with the express provisions of the Secured Documents.

2.2 Alternative Obligation

Each Guarantor shall unconditionally and irrevocably pay to the Lender, all such amounts as shall be required from time to time to ensure that the Lender is fully indemnified against and saved fully harmless from and against all losses and expenses which the Lender may at any time suffer or incur by reason of or otherwise in connection with the unenforceability or invalidity of the Guaranteed Obligations for any reason whatsoever, including by operation of any Fraudulent Conveyances Law, any Insolvency Law, any laws affecting creditors' rights generally or general principles of equity. Each Guarantor's indemnity under this Section 2.2 constitutes a separate and independent obligation of such Guarantor from the guarantee set out in Section 2.1 and may be enforced, without duplication of recovery, by the Lender, in lieu of or in addition to such guarantee.

2.3 Reinstatement

If any payment made by the Borrower or any other person which is applied to the Guaranteed Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid, then, to the extent of such payment, each of the Guarantors' liability hereunder shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, this Guarantee shall have been cancelled or surrendered, this Guarantee shall automatically be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, impair, change or otherwise affect the Guarantor's Obligations in respect of the Guaranteed Obligations relating to amount of such payment.

2.4 Nature of Guarantee

This Guarantee is an unconditional, irrevocable and continuing guarantee in respect of all of the Guaranteed Obligations, and the liability of each Guarantor hereunder in respect of the Guaranteed Obligations is not limited.

2.5 Performance of Obligations

If a Guarantor fails to pay or perform any Guaranteed Obligations when due in accordance with the applicable terms and conditions expressed in any applicable Secured Document (whether or not such Guarantor is legally obliged to do so), each Guarantor shall pay or perform the Guaranteed Obligations immediately on notice from the Lender, without any requirement that the Lender has demanded that such Guarantor pay or perform any of the Guaranteed Obligations. Without duplication of interest payable under the Credit Agreement, each Guarantor shall pay interest to the Lender, on each amount due and payable under this Guarantee at the Default Rate, compounded and payable monthly in arrears on the last Business Day of each calendar month, both before and after judgment and default, commencing from the date due until the date the Guarantor's Obligations are paid in full.

2.6 Guarantor's Obligations Unconditional

This Guarantee is effective irrespective of whether or not the Guaranteed Obligations are genuine, valid or enforceable. No circumstance, act or omission, even if known by any Guarantor or the Lender, which might otherwise limit, lessen or release such Guarantor's Obligations or discharge this Guarantee (except for payment in full of the Guaranteed Obligations) shall release or discharge, or wholly or partly exonerate such Guarantor from, any of the Guarantor's Obligations or prejudice the rights of the Lender under this Guarantee. The Lender may at any time vary, compromise, exchange, renew, discharge, release or abandon any of the Guarantor's Obligations or any other right it may have without thereby lessening, limiting or releasing any of the other Guarantor's Obligations.

2.7 Guarantee Unaffected by Judgment or Bankruptcy

Without limiting Section 2.6, none of the Guarantor's Obligations shall be limited, lessened or released, nor shall this Guarantee be discharged, by the recovery of any judgment against any Guarantor or any other person, by any voluntary or involuntary liquidation, dissolution, winding-up, merger, amalgamation, arrangement or other similar or comparable proceeding in respect of any Guarantor or any other person, by any sale or other disposition of all or substantially all of the assets of any Guarantor or any other person, or by any judicial or extra-judicial receivership, Insolvency Proceeding or other similar or comparable proceedings affecting any Guarantor or any other person. If a Guarantor becomes subject to any proceedings described in the preceding sentence, the Guaranteed Obligations shall, unless the Lender notifies each Guarantor to the contrary, be treated as having been accelerated and become immediately due and payable, and in such instance each Guarantor shall be obligated to pay the amount of the Guaranteed Obligations to the Lender forthwith on demand of the Lender even if such Guarantor is not obliged to so pay the Guaranteed Obligations.

2.8 Independence of Guarantee

The Guarantor's Obligations are in addition to and independent of any other guarantee or security. The Guarantor's Obligations shall not be lessened or limited, nor shall this Guarantee be discharged, by any direction of application of payment by any Guarantor or any

other person or any payment received on account of the Guaranteed Obligations that the Lender repays or is obliged to repay pursuant to any applicable law or for any other reason.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Basic Representations

Each Guarantor represents and warrants to the Lender as follows:

- (a) such Guarantor is a legal entity duly formed and organized and validly existing under the laws of its jurisdiction of formation and is in good standing;
- (b) such Guarantor has the power to execute this Guarantee and each other Secured Document to which it is a party, to deliver this Guarantee and each other Secured Document that it is required by this Guarantee to deliver and to perform the Guarantor's Obligations under this Guarantee and each such other Secured Document and has taken all necessary action to authorize such execution, delivery and performance;
- (c) such execution, delivery and performance do not violate or conflict with any law applicable to such Guarantor, any provision of the documents governing its formation, any order or judgment of any court or other agency of government applicable to such Guarantor or any of such Guarantor's assets or any contractual restriction binding on or affecting such Guarantor or any of such Guarantor's assets;
- (d) all governmental and other consents that are required to have been obtained by such Guarantor with respect to this Guarantee have been obtained and are in full force and effect and all conditions of any such consents have been complied with;
- (e) its obligations under this Guarantee constitutes its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and, subject as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding, in equity or at law));
- (f) each representation and warranty relative to such Guarantor made under Section 10.1 and 10.2 of the Credit Agreement is true, accurate and complete; and
- (g) the validity and truth of the facts set forth in the Background to this Guarantee, which have the same force and effect as if repeated herein at length.

3.2 Repetition of Representations and Warranties

The representations and warranties made pursuant to this Article 3 shall be deemed to be repeated each time the representations and warranties of the Borrower are made or deemed to be repeated under or pursuant to the Credit Agreement, it being understood that to the extent such representations and warranties relate solely to a specifically identified earlier date they need only be true and correct (in all material respects if such representation or warranty is not subject to a materiality qualification or in all respects if such representation and warranty is subject to a materiality qualification) as of such earlier date.

3.3 Survival of Representations and Warranties

All agreements, representations, warranties and covenants made by each Guarantor in this Guarantee are material, will be considered to have been relied on by the Lender and will survive the execution and delivery of this Guarantee or any investigation made at any time by or on behalf of the Lender and any satisfaction of the Guaranteed Obligations until the Guaranteed Obligations are paid in full.

ARTICLE 4 AGREEMENTS AND WAIVERS OF THE GUARANTOR

4.1 Waiver

Each Guarantor hereby waives both notice of the existence or creation of the Guaranteed Obligations and presentment, demand, dishonour, notice of dishonour, protest, noting of protest and all other notices whatsoever. Each Guarantor hereby waives all defences to any proceeding brought to enforce this Guarantee (other than payment in full of the Guaranteed Obligations), including any defences of a surety or guarantor or any other obligor on any obligations arising in connection with or in respect of any of the following and hereby agrees that its obligations under this Guarantee are absolute and unconditional and shall not be discharged, impaired, changed or otherwise affected as a result of any of the following:

- (a) any of the matters, actions or inactions referred to in any of Sections 2.6, 2.7, 4.3, 4.7, 4.10, 5.1 and 5.2;
- (b) any agreement or stipulation as to the provision of adequate protection in any Insolvency Proceeding;
- (c) the avoidance of any Lien in favour of the Lender for any reason;
- (d) any defence, set-off or counterclaim (other than a defence of payment or performance) which may at any time be available to or be asserted by any Guarantor or any other person against the Lender;
- (e) any rights under applicable law affecting any term or condition of the Guarantor's Obligations; or

- (f) any other circumstance that might otherwise constitute a legal or equitable discharge or defence of a surety or guarantor or any other obligor on any Guarantor's Obligations, other than the payment in full of the Guaranteed Obligations.

4.2 Security

To secure the due payment and punctual performance of each Guarantor's Obligations, each Guarantor shall, execute and deliver to the Lender, among other things:

- (a) contemporaneously with the execution and delivery hereof, a general security agreement creating a first ranking security interest (subject to Permitted Liens) in favour of the Lender in all the Collateral (as this term is defined in the Security Agreement) of such Guarantor; and
- (b) such other security as may be required from time to time under the Credit Agreement.

4.3 No Requirement to Exhaust Recourse

The Lender shall not be bound to seek or exhaust its recourse against the Borrower or any other person nor to enforce, marshal or value any security before being entitled to payment under this Guarantee. Each Guarantor renounces the benefits of discussion and division, if applicable.

4.4 Payment of Guarantor's Obligations

Each Guarantor shall, immediately upon demand of the Lender (which may only be made after an Event of Default occurs and for so long as it is continuing) or forthwith upon the occurrence of an Insolvency Event in relation to any Guarantor or the Borrower, pay to the Lender, at any office of the Lender as notified in writing by the Lender, all amounts (a) then due and payable under any provision of this Guarantee in the case of a demand and (b) payable under this Guarantee, whether or not they are then due, in the case of such an Insolvency Event; in either case in the applicable currencies of the Guaranteed Obligations.

4.5 Postponement

All obligations of a Guarantor to another Guarantor are subordinated and postponed to the prior payment in full of the Guaranteed Obligations and, upon the occurrence of an Event of Default, and for so long as such Event of Default is continuing, unless the following requirement is expressly waived by the Lender in accordance with the applicable terms of the Credit Agreement, all monies received from such Guarantor by or for the account of each other Guarantor shall be received in trust for the Lender, and, forthwith upon receipt, paid over to the Lender for application in accordance with the provisions of this Guarantee, all without prejudice to and without in any way limiting, lessening or releasing the Guarantor's Obligations. Notwithstanding the postponement and subordination contained in the preceding provisions of this Section 4.5, so long as no Event of Default has occurred that is continuing, each Guarantor may from time to time receive and retain payments from another Guarantor to the extent

permitted under the Credit Agreement. However, each Guarantor shall not, in any circumstance, do anything, including take any proceeding, to recover, collect or otherwise exercise or realize upon any rights it may now or hereafter have against such other Guarantor without the prior consent of the Lender.

4.6 Postponed Subrogation

Each Guarantor shall not be subrogated to any right of the Lender until payment in full of the Guaranteed Obligations and the Lender has no remaining obligation to provide any advance, other extension of credit or other financial services under, by reason of, or otherwise in respect of, any of the Secured Documents. Thereafter, such Guarantor may require the Lender to assign to such Guarantor, and each other person that has made payment of the Guaranteed Obligations to the Lender pursuant to any other guarantee, any of its rights then remaining with respect to the Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against the Lender.

4.7 Insolvency

Upon any Insolvency Proceeding or any winding-up being commenced in respect of the Borrower or any other person guaranteeing any Guaranteed Obligations, any sale or other disposition of all or substantially all of the assets of the Borrower or any other person guaranteeing any Guaranteed Obligations or any judicial or extra-judicial receivership, or other similar or comparable proceedings affecting the Borrower or any other person guaranteeing any Guaranteed Obligations, the rights of the Lender under this Guarantee shall not be limited, lessened or released by the omission to prove its claim or to prove its full claim and the Lender may prove such claim as the Lender sees fit and may refrain from proving any claim and, in the discretion of the Lender, the Lender may value as it sees fit or refrain from valuing any security held the Lender, without in any way lessening, limiting or releasing the liability to the Lender of each Guarantor and until payment in full of the Guaranteed Obligations, the Lender shall have the right to include in their claim the amount of all sums paid to the Lender under this Guarantee and to prove and rank for and receive dividends in respect thereof. Each Guarantor irrevocably waives and agrees not to exercise any and all rights to prove and rank for such sums paid by such Guarantor to the Lender or to receive any or all dividends in respect thereto until the Guaranteed Obligations are paid in full.

4.8 Set-Off, Combination of Accounts and Crossclaims

Each Guarantor will pay and perform the Guarantor's Obligations without regard to any equities between any of the Guarantors and the Lender, or any defence or right of set-off which any of the Guarantors may have.

4.9 Powers

The Lender need not inquire into the powers of a Guarantor or its representatives purporting to act on its behalf. All advances, credit or other financial accommodation in fact obtained from the Lender under, by reason of, or otherwise in respect of, any of the Secured Documents in the purported exercise of such powers shall be deemed to be part of the Guaranteed Obligations. No Guarantor will contest the validity of any of the Guaranteed

Obligations on the grounds that the Guaranteed Obligations were incurred by a Guarantor irregularly, fraudulently, defectively or informally or in excess of the powers of such Guarantor or of its representatives, even if the Lender had notice of the limitation on any such powers.

4.10 Survival of Guarantee

Each Guarantor's Obligations shall continue unaffected by any change in the name of any Guarantor, or by any change whatever in the objects, capital structure or constitution of any Guarantor, or by any Guarantor consummating a Business Combination or any other similar or comparable proceeding or continuing under the laws of another jurisdiction. Where the context so admits, each reference in this Guarantee to any Guarantor shall be construed so as to include the respective successors of such Guarantor.

4.11 Further Assurances

Each Guarantor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, documents, assignments and assurances as the Lender may reasonably require in order to give effect to the provisions of this Guarantee.

4.12 Payment of Realization Costs

Each Guarantor shall reimburse or pay the Lender on demand for all losses and expenses paid or incurred by the Lender in connection with the preservation or enforcement of any of the Guaranteed Obligations, the Guarantor's Obligations or any security. Each Guarantor shall pay interest to the Lender, for its own benefit and the rateable benefit of the Lender, on the amount of each such loss and expense from the date paid or incurred until reimbursed or paid to the Lender, for its own benefit and the rateable benefit of the Lender, calculated and payable at the rate and in the manner specified in Section 2.5.

4.13 No Termination

This Guarantee and the Guarantor's Obligations are irrevocable. No Guarantor may determine its liability in regard to any Guaranteed Obligations, including future Guaranteed Obligations.

4.14 Financial Condition of the Guarantors

Each Guarantor acknowledges that it has fully informed itself about the financial condition of each other Guarantor. Each Guarantor assumes full responsibility for keeping fully informed of the financial condition of such other Guarantor and all other circumstances affecting the ability of such other Guarantor to pay or perform the Guaranteed Obligations, and agrees that the Lender has no duty to report to any such Guarantor any information which the Lender has or receives about the financial condition of such other Guarantor or any circumstances bearing on its ability to pay or perform the Guaranteed Obligations.

4.15 Credit Agreement Covenants

Each Guarantor agrees to duly observe, perform and comply with each term, condition, agreement and obligation relative to it which the Borrower has agreed under the Credit Agreement to cause such Guarantor to observe, perform and comply with.

4.16 Withholding Taxes Generally

No Withholding; Gross-Up Requirement. Each payment required to be made by each Guarantor under this Guarantee shall be made without set-off or counterclaim, free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes, except to the extent such deduction or withholding is required by any Applicable Law, as modified by the administrative practice of any relevant governmental authority, then in effect. To the extent and each time such Guarantor is so required to deduct or withhold Indemnified Taxes from or in respect of any such payment to or for the account of the Lender, then such Guarantor will:

- (a) promptly notify the Lender of such requirement;
- (b) pay to the relevant governmental authority when due the full amount required to be deducted or withheld (including the full amount of Indemnified Taxes required to be deducted or withheld from any additional amount paid by such Guarantor to or for the account of the Lender under this Section 4.16);
- (c) promptly forward to the Lender an official receipt (or a certified copy), or other documentation reasonably acceptable to the Lender, evidencing such payment to such governmental authority; and
- (d) forthwith pay to the Lender, in addition to the payment to which the Lender is otherwise entitled under this Guarantee, such additional amount as is necessary to ensure that the net amount actually received by the Lender (free and clear of, and net of, any such Indemnified Taxes, including the full amount of Taxes required to be deducted or withheld from any additional amount paid by such Guarantor under this Section 4.16, whether assessed against such Guarantor or the Lender) will equal the full amount the Lender would have received had no such deduction or withholding been required.

4.17 Indemnity

If any Guarantor fails to pay to the relevant governmental authority when due any Indemnified Taxes that it was required to deduct or withhold under Section 4.16 in respect of any payment to or for the benefit of the Lender under this Guarantee, or fails to promptly furnish the Lender with the documentation referred to in Subsection 4.16(c), such Guarantor shall forthwith on demand indemnify the Lender on a full indemnity after-Taxes basis from and against the full amount of any Taxes (including interest and penalties), losses and expenses which the Lender may suffer or incur as a result of such failure.

4.18 Indemnity for Additional Income Tax

Each Guarantor shall also indemnify the Lender on a full indemnity after-Tax basis, for any additional Taxes on net income that the Lender may be obliged to pay as a result of the payment of additional amounts under any of Sections 4.16 and 4.17.

ARTICLE 5 RIGHTS OF THE LENDER

5.1 Appropriations

The Lender may appropriate monies received hereunder to such Guaranteed Obligations and in such order, as the Lender sees fit, subject always to the terms and conditions of the Secured Documents, and the Lender may change any appropriation at any time. If monies are received or appropriated by the Lender in respect of Guaranteed Obligations not yet due, they may be appropriated and applied as a prepayment thereof or be credited to a cash collateral account opened by the Lender for such purpose in its own records of account, as the Lender may in its discretion decide, and appropriated to the Guaranteed Obligations when due or when directed by any of the Guarantors to do so and it is permitted to do so by applicable law, but subject always to the terms and conditions of the Secured Documents.

5.2 Dealing with Guaranteed Obligations and Security

Without limiting Section 2.6, the Lender may:

- (a) grant or allow any waiver, consent, extension, indulgence or other act or omission in respect of any Secured Document, any other agreement, any of the Guaranteed Obligations or any security;
- (b) enforce or do, or omit to do, anything to enforce any Secured Document, any other agreement, any of the Guaranteed Obligations or any security, with no obligation to marshal any assets, security or guarantee of any Guarantor, the Borrower or any other person;
- (c) give, refuse, cease or refrain from giving any advance, credit or other financial accommodation to any Guarantor;
- (d) vary, compromise, exchange, renew, discharge, release, subordinate, postpone or abandon any Secured Document, any other agreement, any of the Guaranteed Obligations or any security;
- (e) take, refuse or refrain from taking any security;
- (f) apply to the Guaranteed Obligations any payment or recovery (i) from the Borrower, from any other guarantor, maker or endorser of the Guaranteed Obligations or any part of them or (ii) from any other guarantor in such order as provided herein, in each case whether such Guaranteed Obligations are secured or unsecured or guaranteed or not guaranteed by others;

- (g) apply to the Guaranteed Obligations any payment or recovery from any Guarantor of the Guaranteed Obligations or any sum realized from security furnished by such Guarantor upon its indebtedness or obligations to the Lender, in each case whether or not such indebtedness or obligations relate to the Guaranteed Obligations;
- (h) refund at any time any payment received by the Lender in respect of any Guaranteed Obligation, and payment to the Lender of the amount so refunded shall be fully guaranteed hereby even though prior thereto this Guarantee shall have been cancelled or surrendered (or any release or termination of any collateral by virtue thereof), and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any Guarantor hereunder in respect of the amount so refunded (and any collateral so released or terminated shall be reinstated with respect to such obligations);
- (i) refuse or omit to register or otherwise perfect or keep perfected any security; or
- (j) deal with or allow any Guarantor or any other person to deal with goods or property covered by any security,

all when and in such manner and with or without notice as the Lender may deem expedient. The Lender may do, or omit or refuse to do, anything enumerated in this Section 5.2 without thereby lessening, limiting or releasing the Guarantor's Obligations or the rights of the Lender under this Guarantee in any way, even if the effect is to deprive any Guarantor of any right or opportunity to be reimbursed by the Borrower or any other person for any sums paid to the Lender, and even if any such action or omission results from inadvertence or negligence of the Lender or any other person.

5.3 Assignment

This Guarantee and the rights and obligations of the Lender hereunder may be assigned and transferred by the Lender to any successor or assignee of the Lender pursuant to the Credit Agreement and any such assignee and transferee shall be entitled to all of the rights and bound by all of the obligations of the Lender hereunder. No Guarantor may assign this Guarantee or any right or obligation hereunder.

5.4 Lender Accounts to Govern

The amount of the Guaranteed Obligations at any time shall be deemed to be as stated by the Lender based solely on its records, absent manifest error. Each Guarantor shall be bound by any account settled between the Lender and any Guarantor, absent manifest error. Any lawful acceleration of any of the Guaranteed Obligations shall be binding on each Guarantor, even if contested by another Guarantor.

5.5 Guarantee in Addition

The rights of the Lender hereunder are in addition to and not in substitution for any other rights which the Lender has at any time against each Guarantor respecting the Guaranteed Obligations or under any other guarantee or security.

5.6 Set-Off by the Lender

Whenever any of the Guarantor's Obligations is due and payable, the Lender may, without prior demand or notice to the Guarantor,

- (a) appropriate and apply to such Guarantor's Obligations any property, balances, credits, accounts or monies of the Guarantor then in its possession or control, whether received by the Lender for safekeeping, as Lender for collection or transmission or otherwise, and
- (b) set-off against such Guarantor's Obligations any deposits or other sums at any time credited by or due from the Lender to the Guarantor, whether in a special or other account or represented by a certificate of deposit or deposit receipt (and whether or not the liability of any of the Lender therefor is conditional, contingent or unmatured),

all notwithstanding the contrary term of any present or future account or instrument.

**ARTICLE 6
GENERAL**

6.1 Notices

Any notice, demand, consent, approval or other communication (a "Notice") to be made or given under or in connection with this Guarantee shall be in writing and may be made or given by personal delivery, by facsimile, registered mail or by e-mail to the address, facsimile number or e-mail address of the intended recipient set out in its signature page of this Guarantee or, in each case, to such other address as such party may from time to time notify any other in accordance with this Section 6.1. Any Notice made or given by personal delivery shall be conclusively deemed to have been given at the time of actual delivery or, if made or given by facsimile or e-mail, at the time of sending if sent before 4:00 p.m. (in the place of intended receipt) on a Business Day or if sent otherwise at the opening of business on the first Business Day following the transmittal thereof; provided that, the party sending such Notice receives confirmation of receipt from the intended recipient's telecopier or e-mail server.

6.2 Time of the Essence

Time is of the essence of this Guarantee and of each of its provisions.

6.3 Governing Law

This Guarantee shall be governed by, and interpreted and construed in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lender under the laws of any other jurisdiction where the Lender may elect to enforce this Guarantee.

6.4 Guarantee Effective Immediately

Neither the execution of, nor any filing with respect to, this Guarantee shall bind the Lender to make any advance or grant any other credit or other financial accommodation to a Guarantor, but the Guarantor's Obligations shall arise forthwith upon the execution of this Guarantee by each Guarantor. Possession of this instrument by the Lender shall be conclusive evidence against each Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any terms or conditions precedent or subsequent have been complied with.

6.5 Entire Agreement

There are no representations, warranties, conditions, other agreements or acknowledgements, whether direct or collateral, express or implied, that form part of or affect this Guarantee. The execution of this Guarantee has not been induced by, nor does any of the undersigned rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgements not expressly made in this Guarantee or in the agreements and other documents to be delivered pursuant hereto.

6.6 Severability

If any provision of this Guarantee is determined pursuant to a final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable in any jurisdiction, each Guarantor agrees to the fullest extent it may effectively do so that (a) the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and (b) the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby. Each Guarantor shall, at the request of the Lender negotiate in good faith with the Lender to replace any invalid, illegal or unenforceable provision contained in this Guarantee with a valid, legal and enforceable provision which has the economic effect as close as possible to that of the invalid, illegal and unenforceable provision, to the extent permitted by law.

6.7 Judgment Currency Provisions

- (a) If, for the purposes of obtaining or enforcing judgment in any court in any jurisdiction, it becomes necessary to convert into the currency of the jurisdiction giving such judgment (the "**Judgment Currency**") an amount due hereunder in any other currency (the "**Original Currency**"), then the date on which the rate of exchange for conversion is selected by that court is referred to herein as the "**Conversion Date**". If there is a change in the rate of exchange between the

Judgment Currency and the Original Currency between the Conversion Date and the actual receipt by the Lender of the amount due hereunder or under such judgment, the Guarantor shall, notwithstanding such judgment, pay all such additional amounts to the Lender as may be necessary to ensure that the amount received by the Lender in the Judgment Currency, when converted at the rate of exchange prevailing on the date of receipt, will produce the amount due in the Original Currency. The Guarantors' liability under this Section 6.7 constitutes a separate and independent liability which shall not merge with any judgment or any partial payment or enforcement of payment of sums due under this Guarantee.

- (b) If the Lender receives or recovers any amount payable in a currency (the "**Recovered Amount**") which is different than the currency in which the Guaranteed Obligations are expressed (the "**Contract Currency**"), the Lender may, promptly following receipt, convert the Recovered Amount to the Contract Currency at the rate of exchange which the Lender is able, acting in a reasonable manner and in good faith, to purchase the relevant amount of the Contract Currency. The amount of the Contract Currency resulting from any such conversion shall then be applied in accordance with the provisions of Section 5.1 above.

6.8 Successors and Assigns

This Guarantee shall enure to the benefit of the Lender and its respective successors and assigns permitted under the Secured Documents and shall be binding upon each Guarantor, its representatives (including receivers) and its successors. Any reference in this Guarantee to any Guarantor or the Lender shall (to the extent the context so admits) be construed accordingly.

6.9 Changes

No agreement purporting to change (other than an agreement purporting to waive performance or compliance with) any provision of this Guarantee shall be binding upon any Guarantor or the Lender unless that agreement is in writing and signed by such Guarantor and the Lender. No waiver of performance or compliance with any provision hereof shall be binding upon any party hereto unless such waiver is in writing signed by the parties sought to be bound thereby.

6.10 Waiver of Rights

Any waiver of, or consent to depart from, the requirements of any provision of this Guarantee in respect of a specific Guarantor shall be effective only in the specific instance and for the specific purpose for which it has been given and only to the extent contained in a written agreement signed by the specific Guarantor and the Lender. No failure on the part of the Lender to exercise, and no delay in exercising, any right under this Guarantee shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

6.11 Limitation Periods

The Guarantor agrees with the Lender to vary the limitation period under the *Limitations Act, 2002* (Ontario) otherwise applicable to this Guarantee and any claim hereunder to a period of six (6) years.

6.12 Survival

Each Guarantor's Obligations under Sections 4.16, 4.17 and 4.18 shall survive the payment in full of all other Guarantor's Obligations and shall continue in full force and effect until such Guarantor's Obligations are fully performed and irrevocably paid in full.

6.13 Joint and Several Obligations

The Guarantor's Obligations of each Guarantor are joint and several obligations with each other Guarantor.

6.14 Jurisdiction

6.14.1 *Submission to Jurisdiction and Waiver of Objections.* With respect to any claim arising out of this Guarantee, (a) for the exclusive benefit of the Lender, each Guarantor irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the courts of (i) the Province of Ontario, Canada located at Toronto and (ii) the jurisdiction in which the chief executive office of such Guarantor is located or in which it is incorporated or under the laws of which it is formed located at the principal financial center of such jurisdiction, including any appellate court from any thereof, (in this Section 6.14, "**Courts of Primary Jurisdiction**"), (b) each Guarantor irrevocably waives (i) any objection which it may have at any time to the laying of venue of any proceeding arising out of or relating to this Guarantee brought in any Court of Primary Jurisdiction, (ii) any claim that any such proceeding brought in any Court of Primary Jurisdiction has been brought in an inconvenient forum, (iii) the right to object, with respect to such proceeding brought in any Court of Primary Jurisdiction, that such court does not have jurisdiction over such Guarantor and (iv) the right to require the Lender to post security for costs in any proceeding brought in any Court of Primary Jurisdiction.

6.14.2 *Lender May Sue in Another Jurisdiction.* Nothing in this Guarantee will be deemed to preclude the Lender from bringing any proceeding in respect of this Guarantee in any other jurisdiction.

6.14.3 *Final Judgment.* Each Guarantor agrees that a final and unappealable judgment in any proceeding commenced in the Courts of Primary Jurisdiction shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

6.14.4 *Manner of Service.* Each Guarantor irrevocably consents to the service of process out of the Courts of Primary Jurisdiction in accordance with the local rules of civil procedure or by mailing a copy thereof, by registered mail, postage prepaid to such Guarantor at the address of such Guarantor, or by sending a copy thereof by facsimile or e-mail in pdf format to such Guarantor at the facsimile number or e-mail address of such Guarantor set out beside its signature to this Guarantee.

6.14.5 *Appointments of Agents for Service.* Each Guarantor irrevocably designates and appoints each other Guarantor as its agent to accept and acknowledge on its behalf any and all process which may be served in connection with any proceeding arising out of or relating to this Guarantee brought in any of the Courts of Primary Jurisdiction, such service, to the extent permitted by applicable law, being hereby conclusively acknowledged by such Guarantor to be effective and binding service on it in every respect whether or not it is carrying on, or has at any time carried on, business in the jurisdiction in which the Courts of Primary Jurisdiction are located. Each Guarantor irrevocably consents to the service of process out of the Court of Primary Jurisdiction by personal service on such Guarantor or on any such process agent.

6.14.6 *Acceptances of Appointments.* Each Guarantor confirms to the Lender that it has accepted its appointment to act as process agent on behalf of each other Guarantor contained in each Secured Document to which each such other Guarantor is party which may be served in connection with any proceeding arising out of or relating to this Guarantee brought in any of the Courts of Primary Jurisdiction. Until the Guaranteed Obligations are paid in full, each Guarantor covenants and agrees to maintain each such appointment as such process agent.

ARTICLE 7 ADDITIONAL GUARANTORS

7.1 Additional Guarantors

Upon execution and delivery by any Subsidiary of the Borrower to the Lender after the date hereof of a supplement in the form of Schedule 7.1, such Subsidiary shall become a Guarantor hereunder with the same force and effect as if originally named herein as a Guarantor upon acceptance by the Lender of such supplement. The execution and delivery of any document adding an additional Guarantor as a party to this Guarantee shall not require the consent of any other Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Guarantee.

[Remainder of page intentionally left blank.]

TO WITNESS this Guarantee, each Guarantor has caused it to be duly executed and delivered as of the date set out at the commencement hereof.

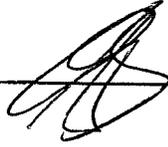
GUARANTORS

Address:
77 Belfield Road
Toronto, ON M9W 1G6

Name: Manny Bettencourt
Telephone: 416 675 6485 ext 306
Facsimile: n/a

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: 
Name:
Title:

By: 
Name:
Title:

Address:
77 Belfield Road
Toronto, ON M9W 1G6

Name: Manny Bettencourt
Telephone: 416 675 6485 ext 306
Facsimile: n/a

**DISTINCT INFRASTRUCTURE GROUP
WEST INC.**

By: 
Name:
Title:

By: 
Name:
Title:

Address:
77 Belfield Road
Toronto, ON M9W 1G6

Name: Manny Bettencourt
Telephone: 416 675 6485 ext 306
Facsimile: n/a

DISTINCTTECH INC.

By: 
Name:
Title:

By: 
Name:
Title:

Address:
77 Belfield Road
Toronto, ON M9W 1G6

Name: Manny Bettencourt
Telephone: 416 675 6485 ext 306
Facsimile: n/a

Address:
77 Belfield Road
Toronto, ON M9W 1G6

Name: Manny Bettencourt
Telephone: 416 675 6485 ext 306
Facsimile: n/a

IVAC SERVICES INC.

By: 
Name:
Title:

By: 
Name:
Title:

IVAC SERVICES WEST INC.

By: 
Name:
Title:

By: 
Name:
Title:

SCHEDULE 7.1

FORM OF SUPPLEMENT FOR ADDITIONAL GUARANTORS

SUPPLEMENT NO. _____ dated as of _____, _____ to the Guarantee dated as of _____, 2017 (the "Guarantee") made by each of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., Distincttech Inc., Ivac Services Inc., and Ivac Services West Inc. in favour of **ROYAL BANK OF CANADA** (the "Lender").

Each word and expression, capitalized or not, defined or given extended meaning in the Guarantee, and not otherwise defined herein, is used in this Supplement with the respective defined or extended meaning assigned in the Guarantee.

BACKGROUND:

- A. Pursuant to the Credit Agreement the Lender has agreed to provide credit to the Borrower upon the terms and subject to the terms and conditions contained therein. It is a condition of the Credit Agreement that the undersigned must, *inter alia*, execute a guarantee of the Secured Obligations owing by the Loan Parties in favour of the Lender.
- B. Section 7.1 of the Guarantee provides that the undersigned will become party to the Guarantee by executing and delivering this Supplement to the Lender.
- C. The undersigned is executing this Supplement in accordance with the requirements of the Credit Agreement and the Guarantee to become a Guarantor in order to satisfy the conditions of the Credit Agreement and to induce the Lender to continue to extend credit to the Loan Parties.

FOR VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), the undersigned covenants, acknowledges, represents and warrants in favour of the Lender as follows:

1. **Additional Guarantor to be bound by the Guarantee**

In accordance with Section 7.1 of the Guarantee, the undersigned hereby (a) agrees to become a Guarantor under the Guarantee with the same force and effect as if originally named therein as a Guarantor and to be bound by all the terms and provisions of the Guarantee applicable to it as a Guarantor thereunder and (b) acknowledges that the Guarantee shall henceforth be read and construed (i) as if the undersigned were a party thereto having all of the rights and obligations of a Guarantor thereunder and (ii) so that all references to a Guarantor shall (to the extent context so permits) include the undersigned and be amended accordingly.

Without limiting the generality of the foregoing, the undersigned hereby (a) unconditionally and irrevocably guarantees to the Lender payment and performance in full the Guaranteed Obligations as they become due from time to time upon such terms and

conditions as are set-out in Section 2.1 of the Guarantee and (b) unconditionally and irrevocably pay to the Lender, all such amounts as shall be required from time to time to ensure that the Lender is fully indemnified against and saved fully harmless from and against all losses and expenses which the Lender may at any time suffer or incur in connection with such matters and upon such terms and conditions as are set out in Section 2.2 of the Guarantee.

2. **Representations and Warranties**

The undersigned hereby makes the representations and warranties contained in Article 3 of the Guarantee with references therein to each Guarantor in the Guarantee being construed respectively as to references to the undersigned and this Supplement and the Guarantee as supplemented by this Supplement.

3. **Miscellaneous**

- (a) *Supplemental Instrument.* Except as expressly supplemented hereby, the Guarantee shall remain in full force and effect. The Guarantee, as supplemented by this Supplement, shall constitute a single agreement.
- (b) *Governing Law.* This Supplement shall be governed by, and interpreted and construed in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, excluding choice of law rules. The undersigned irrevocably attorns to and submits to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related hereto. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lender under the laws of any other jurisdiction where Collateral of the undersigned may be located.
- (c) *Invalidity.* If any provision of this Supplement is determined pursuant to a final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable in any jurisdiction, the undersigned agrees to the fullest extent it may effectively do so that (a) the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and (b) the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby. The undersigned shall, at the request of the Lender negotiate in good faith with the Lender to replace any invalid, illegal or unenforceable provision contained in this Supplement with a valid, legal and enforceable provision which has the economic effect as close as possible to that of the invalid, illegal and unenforceable provision, to the extent permitted by law.
- (d) *Notices.* All communications and notices hereunder shall be in writing and shall be given as provided in the Guarantee. All communications and notices hereunder to the undersigned shall be given to it at the address set forth next to its signature.
- (e) *Costs.* The undersigned shall forthwith reimburse the Lender, on demand and on a full indemnity basis, for all interest, commissions, costs of realization and other

costs and expenses (including legal fees and expenses on a full indemnity basis) incurred by the Lender in connection with the preparation, issuance, protection, enforcement of and advice with respect to this Supplement, including those arising in connection with the protection or enforcement of the rights of the Lender.

IN WITNESS WHEREOF, the undersigned has duly executed this Supplement as of the day and year first written above.

Address:

<@>

<NAME OF ADDITIONAL GUARANTOR>

Attention:

<@>

By: _____

Telecopier:

<@>

Name:

Title:

SUPPLEMENT FOR ADDITIONAL GUARANTORS

SUPPLEMENT NO. 1 dated as of November 21, 2017 to the Guarantee dated as of March 23, 2017 (the "**Guarantee**") made by each of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., Distincttech Inc., iVac Services Inc., and iVac Services West Inc. (collectively, the "**Obligors**") in favour of **ROYAL BANK OF CANADA** (the "**Lender**").

Each word and expression, capitalized or not, defined or given extended meaning in the Guarantee, and not otherwise defined herein, is used in this Supplement with the respective defined or extended meaning assigned in the Guarantee.

BACKGROUND:

- A. Pursuant to the Credit Agreement as amended by a letter agreement dated June 20, 2017, a letter agreement dated August 11, 2017, a letter agreement dated October 31, 2017, and a first amending agreement (the "**First Amending Agreement**") dated as of the date hereof between the Obligors and the Lender (collectively, the "**Amended Credit Agreement**"), the Lender has agreed to provide credit to the Borrower upon the terms and subject to the terms and conditions contained therein. It is a condition of the Amended Credit Agreement that the undersigned must, *inter alia*, execute a guarantee of the Secured Obligations owing by the Loan Parties in favour of the Lender.
- B. Section 7.1 of the Guarantee provides that the undersigned will become party to the Guarantee by executing and delivering this Supplement to the Lender.
- C. The undersigned is executing this Supplement in accordance with the requirements of the Amended Credit Agreement and the Guarantee to become a Guarantor in order to satisfy the conditions of the Amended Credit Agreement and to induce the Lender to continue to extend credit to the Loan Parties.

FOR VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged), the undersigned covenants, acknowledges, represents and warrants in favour of the Lender as follows:

1. Additional Guarantor to be bound by the Guarantee

In accordance with Section 7.1 of the Guarantee, the undersigned hereby (a) agrees to become a Guarantor under the Guarantee with the same force and effect as if originally named therein as a Guarantor and to be bound by all the terms and provisions of the Guarantee applicable to it as a Guarantor thereunder and (b) acknowledges that the Guarantee shall henceforth be read and construed (i) as if the undersigned were a party thereto having all of the rights and obligations of a Guarantor thereunder and (ii) so that all references to a Guarantor shall (to the extent context so permits) include the undersigned and be amended accordingly.

Without limiting the generality of the foregoing, the undersigned hereby (a) unconditionally and irrevocably guarantees to the Lender payment and performance in full the Guaranteed Obligations as they become due from time to time upon such terms and conditions as are set-out in Section 2.1 of the Guarantee and (b) unconditionally and irrevocably pay to the Lender, all such amounts as shall be required from time to time to ensure that the Lender is fully indemnified against and saved fully harmless from and against all losses and expenses which the Lender may at any time suffer or incur in connection with such matters and upon such terms and conditions as are set out in Section 2.2 of the Guarantee.

2. **Representations and Warranties**

The undersigned hereby makes the representations and warranties contained in Article 3 of the Guarantee with references therein to each Guarantor in the Guarantee being construed respectively as to references to the undersigned and this Supplement and the Guarantee as supplemented by this Supplement.

3. **Miscellaneous**

- (a) *Supplemental Instrument.* Except as expressly supplemented hereby, the Guarantee shall remain in full force and effect. The Guarantee, as supplemented by this Supplement, shall constitute a single agreement.
- (b) *Governing Law.* This Supplement shall be governed by, and interpreted and construed in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, excluding choice of law rules. The undersigned irrevocably attorns to and submits to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related hereto. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Lender under the laws of any other jurisdiction where Collateral of the undersigned may be located.
- (c) *Invalidity.* If any provision of this Supplement is determined pursuant to a final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable in any jurisdiction, the undersigned agrees to the fullest extent it may effectively do so that (a) the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and (b) the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby. The undersigned shall, at the request of the Lender negotiate in good faith with the Lender to replace any invalid, illegal or unenforceable provision contained in this Supplement with a valid, legal and enforceable provision which has the economic effect as close as possible to that of the invalid, illegal and unenforceable provision, to the extent permitted by law.
- (d) *Notices.* All communications and notices hereunder shall be in writing and shall be given as provided in the Guarantee. All communications and notices

hereunder to the undersigned shall be given to it at the address set forth next to its signature.

- (c) *Costs.* The undersigned shall forthwith reimburse the Lender, on demand and on a full indemnity basis, for all interest, commissions, costs of realization and other costs and expenses (including legal fees and expenses on a full indemnity basis) incurred by the Lender in connection with the preparation, issuance, protection, enforcement of and advice with respect to this Supplement, including those arising in connection with the protection or enforcement of the rights of the Lender.

IN WITNESS WHEREOF, the undersigned has duly executed this Supplement as of the day and year first written above.

CROWN UTILITIES LTD.

By: 
Name: Hanny Bettencourt
Title: CFO

This is **Exhibit "G"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

Rachel Bengine
A Commissioner for taking Affidavits, etc.
Rachel Bengine

November 29, 2018

Royal Bank of Canada
Special Loans and Advisory Services
222 Bay Street, 24th Floor
Toronto, ON M5K 1G8
Canada

Attention: Gary Ivany, Senior Director
Group Risk Management

Dear Mr. Ivany:

Subject: Borrowings of Distinct Infrastructure Group Inc. from Royal Bank of Canada

Deloitte Restructuring Inc. (the "Firm") is pleased to confirm the terms of our engagement with Royal Bank of Canada ("RBC"). This Engagement Letter is entered into pursuant to the master services agreement between RBC and the Firm, an Ontario registered limited liability partnership, effective as of June 1, 2016 (the "MSA"). This Engagement Letter incorporates the terms and conditions of the MSA, to the extent it applies. For the purposes of this engagement, Section 8 of the MSA shall not apply to this Engagement Letter and the terms and conditions of Section 9 of this Engagement Letter shall instead apply. Notwithstanding the foregoing, all other terms and conditions of the MSA shall apply to this Engagement Letter unless otherwise expressly stated herein. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the MSA.

1. OUR UNDERSTANDING OF YOUR OBJECTIVES

RBC wishes to engage the Firm to act as its consultant to review the operations and financial performance of Distinct Infrastructure Group Inc. and its relevant subsidiaries (e.g. Crown Utilities, iVac Services and DistinctTech) (collectively, the "Distinct Group" or the "Company").

2. SCOPE OF SERVICES

Deloitte will provide the following financial consulting services:

1. Review and assess the Company's business plan (e.g. updated 2018, projected 2019) including financial forecasts, projected cash flows, and the reasonableness of the underlying assumptions and future operating outlook including consideration of the Company's restructuring initiatives and other options available to it;
2. Review of RBC's security position and collateral analysis of the Distinct Group's assets;
3. Review the monthly borrowing base calculations including a detailed analysis of the composition of the Company's receivable, inventory, work in process and payable accounts; and
4. Upon the specific written request of RBC and as agreed to by the parties, any other matters which appear to RBC to be relevant to an assessment of RBC's security position and future course of action.

We will provide such other services as may be mutually agreed to by the Firm and RBC as the engagement progresses and additional information is obtained. If the Firm is requested to perform services in addition to

those described above, the terms and conditions relating to such services will be outlined in a separate letter of agreement and the fees for such services will be negotiated separately and in good faith.

3. REPORTING

The Firm will communicate the status of its work to RBC throughout the engagement and provide to RBC reports of our findings on a monthly basis. The Firm will not release any information or provide copies of any reports to the Company or any of its management or any other person without the prior written consent of RBC.

A draft of the factual sections of the report, excluding the collateral analysis (as this is subject to our judgement), will be shown to the Company. The Company will have the opportunity to review the draft sections prior to submission to RBC and to provide comments thereon. The Firm will ask the Company to confirm that the facts, as stated, are accurate in all material respects and that they are not aware of any material matters that have been excluded. The Firm is, however, under no obligation to change its reports as a result of the Company's comments.

4. REQUIREMENTS FROM RBC

The RBC points-of-contact for this engagement will be Gary Ivany and Philip O'Gorman.

5. TIMING

The timing of the completion of the engagement will be dependent on the cooperation that the Firm receives from the Company and the availability of its senior management and staff. The Firm will be relying on the Company's financial and management information systems as well as operational and management reports being current, accurate, and reliable.

The Firm will use commercially reasonable efforts to carry out its work on a timely basis and will inform RBC of any difficulties it encounters. The production and timing of the Firm's reports (verbal and/or written) assumes that the information it requires to carry out its work will be made available promptly by the Company and will be correct and accurate. Notwithstanding the above, the Firm will inform RBC as soon as possible of any matters of a material nature that come to our attention during the course of our work and note such issues in our reports. Such matters may affect the estimate of professional fees.

6. FEE ARRANGEMENTS

Fees will be billed based on time spent at the RBC preferred hourly rates for each resource as indicated below.

Resource Level	Hourly Rate
Partner / Principal / Director	\$625
Senior Manager	\$500
Manager	\$420
Senior Consultant	\$290
Consultant	\$250
Analyst	\$175

The Firm will forward invoices monthly to the addressee or other contact as advised by RBC.

7. EXPENSES

RBC shall reimburse the Firm for reasonable out-of-pocket expenses (travel, meals and accommodation, if applicable). The Firm's invoices will also include our standard charge of 3% of professional fees for technology, support personnel, telecom, printing and other similar administrative charges.

8. RESOURCES

This engagement will be under the direction of Paul Casey, Senior Vice-President, who will maintain overall responsibility for the engagement on behalf of the Firm and will coordinate daily management of the engagement. The engagement team will include other professionals as necessary to complete the engagement on a timely basis.

Other professionals who will be identified during the course of the engagement may also be included to provide technical support.

9. LIMITATION ON LIABILITY

The provisions of this Section 9 shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. This Section shall survive termination or expiry of the engagement. The provisions of this Section are not applicable to the extent that mandatory provisions of applicable regulatory bodies prohibit a professional financial advisor from limiting liability.

RBC and the Firm agree to the following with respect to the Firm's liability to RBC:

- The Firm shall not be liable to RBC for any direct or indirect claims, liabilities, or expenses relating to a breach of contract, negligence or otherwise for an aggregate amount in excess of five (5) times the fees paid by RBC to the Firm in connection with this engagement, to a maximum of \$1 million, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of the Firm.
- Notwithstanding the foregoing, the Firm shall not be liable for punitive or exemplary loss, damage, or expense relating to this engagement.
- In any action, claim, loss or damage arising out of the engagement, RBC agrees that the Firm's liability will be several and not joint and several and RBC may only claim payment from the Firm of the Firm's proportionate share of the total liability based on the degree of fault of the Firm as finally determined by a court of competent jurisdiction.
- No action, regardless of form, relating to this engagement, may be brought by either party more than two years after the cause of action has accrued, except for an action for non-payment of fees.
- Notwithstanding anything contained in the MSA, RBC shall not be responsible, by way of indemnity or otherwise, for any direct or indirect losses or damages incurred by the Firm as a result of proceedings commenced against it by the Companies, or any individual, corporation or other legal entity in connection with this engagement.

10. CONFIRMATION

Please confirm your acceptance of this agreement by signing this letter in the space provided below and returning one signed copy of the letter to us. We will commence the engagement upon receiving the signed letter.

We appreciate the opportunity to be of assistance to RBC. If you have any questions regarding the matters discussed in this agreement, we would be pleased to discuss them with you.

Should you have any questions, please contact the undersigned by phone, at 416-775-7172, or by email, at paucasey@deloitte.ca.

Yours sincerely,



Paul M. Casey, CPA, CA, FCIRP
Senior Vice-President
Deloitte Restructuring Inc.

Agreed to on behalf of Royal Bank of Canada

By: _____

By: _____

Name: Gary Ivany

Name: _____

Title: Senior Director

Title: _____

Date: Nov 29/18

Date: _____



CONSENT AND AGREEMENT

Distinct Infrastructure Group Inc. and its relevant subsidiaries (e.g. Crown Utilities, iVac Services and DistinctTech) (collectively, the "Distinct Group" or the "Companies") hereby consent and agree to the appointment of Deloitte Restructuring Inc. (the "Firm") as a consultant to Royal Bank of Canada ("RBC") pursuant to a letter of engagement dated November 29, 2018 (the "Engagement Letter"). The Distinct Group acknowledges that they have read and understood the terms and conditions of the Engagement Letter.

The Companies hereby:

1. Agree that the Firm shall have unrestricted access to all information concerning the Companies' undertaking, property and affairs in order to carry out the consulting services to RBC as provided in Section 2 of the Engagement Letter. The Firm shall have complete and open access to all premises, offices, files and records of every kind and description, including all business, accounting, legal and other records, documents and files, including copies thereof (the "Information") of the Companies. The Companies' officers, directors, partners, employees, agents and consultants shall answer all questions put to them truthfully and to the best of their ability and the Companies shall instruct its officers, directors, employees, agents, consultants, bankers, accountants, solicitors and other advisors to provide any and all Information required by the Firm. The Firm may make copies of any and all documents, including electronically stored data and computer records, which the Firm considers necessary to complete its review. The Firm's personnel will communicate its requests for Information and requests for access to the Companies' staff through William Nurnberger and/or Jay Vieira.
2. Understand and agree that the Firm will provide a draft of the factual sections of the Report, excluding the collateral analysis (as this is subject to our judgement), to the Company. The Company will have the opportunity to review the draft sections prior to submission to RBC and to provide comments thereon. The Firm will ask the Company to confirm that the facts, as stated, are accurate in all material respects and that they are not aware of any material matters that have been excluded. The Firm is, however, under no obligation to change its reports as a result of the Company's comments.
3. Agree to use reasonable skill, care and attention to ensure that all information provided to the Firm is accurate and complete and will notify the Firm if it subsequently learns that the Information provided is incorrect or inaccurate or otherwise should not be relied on.
4. Authorize RBC to disclose to the Firm any information RBC has concerning the Companies, its business and affairs. In addition, the Companies authorize the Firm to report any financial or other information gathered by the Firm to RBC and its advisors.
5. Agree that neither RBC nor the Firm shall have any responsibility for any decisions and activities by the Companies during the period of the review by the Firm and that the Firm will have no management responsibilities to the Companies and that nothing herein or done pursuant to this engagement will constitute an arrangement, agreement or relationship between the Companies and the Firm. The Companies will be solely responsible for making all management decisions, performing all management functions and establishing and maintaining internal controls, including, without limitation, monitoring ongoing activities. The Companies shall not hold out to any person that the Firm is acting other than as a consultant to RBC for the purpose of reporting and making recommendations to RBC on the operations and affairs of the Companies.
6. Acknowledge that all of the terms of the security and guarantees given to RBC in relation to the credit facilities and indebtedness and liabilities of the Companies to RBC remain in full force and effect and are in no way waived or restrained, notwithstanding this appointment of the Firm, as consultant. The engagement of the Firm shall not prejudice or impair or adversely affect the rights and remedies of RBC against the Companies or any guarantor or pursuant to any security, guarantees or agreements RBC may have or require RBC to delay in enforcing any of these rights and remedies, nor shall it operate as a waiver by RBC of any defaults or events

of default which may exist in relation to any of the credit facilities of the Companies with RBC or any security, guarantees or other agreements held by RBC.

7. Agree that the Firm may obtain legal advice from RBC's legal advisers relative to this engagement.
8. Agree to indemnify RBC with respect to the fees and expenses of the Firm, including legal costs, related to this engagement and authorizes RBC to debit the Companies' account to cover these costs, including goods and services tax. Any fees paid by RBC on behalf of the Companies shall be treated as an advance to the Companies, secured by RBC's security documentation.
9. Agree that neither the Firm nor RBC shall have any liability, responsibility or obligation to the Companies, or any persons who have provided guarantees to RBC, whatsoever, whether in contract, negligence, tort or otherwise, arising in respect of any cause, matter or thing existing as of the date hereof or arising in respect of this engagement of the Firm by RBC or any addition to or variation thereof, and the Companies agree to indemnify and save each of the Firm and RBC harmless of and from any and all claims, demands, liabilities, losses and expenses sustained or incurred by either or both of them arising out of the engagement of The Firm as consultant in accordance herewith.
10. Agree that during the course of this engagement, the Firm may collect personal information about identifiable individuals ("Personal Information"), either from the Companies or from third parties. The Companies and the Firm agree that the Firm will collect, use and disclose Personal Information solely for purposes related to its appointment as consultant by RBC. Any requests by the Firm for Personal Information will be made through William Nurnberger and Jay Vieira.

By signature of the undersigned signing officer, the Companies further acknowledge and confirm that the Companies have received no commitment, representation or warranty from RBC or the Firm in connection with this engagement, and RBC reserves all rights and remedies, including the rights to enforce and realize on the security and guarantees it holds as it in its sole discretion considers appropriate. The Companies also acknowledge having been informed that, depending upon subsequent events, Deloitte Restructuring Inc. may be appointed to act as agent, interim receiver, receiver, receiver and manager, monitor under the *Companies' Creditors Arrangement Act*, trustee in bankruptcy, trustee under a *Bankruptcy and Insolvency Act* proposal of any of the undertaking, property and assets of the Companies and the Companies agree that they will not object to the appointment of Deloitte Restructuring Inc. in any capacity and that such appointment shall not be a conflict of interest by virtue of Deloitte Restructuring Inc. having been appointed as consultant as provided for herein.

Dated at Toronto, Ontario this 11th day of December, 2018.

Distinct Infrastructure Group Inc.

Per: 
Signature of authorized signing officer

Alex Agius
Print name

Co-Chief Executive Officer
Title

Crown Utilities Ltd.

Per: 
Signature of authorized signing officer

Alex Agius
Print name

Co-Chief Executive Officer
Title

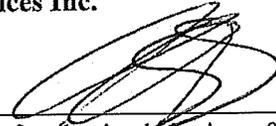
DistinctTech Inc.

Per: 
Signature of authorized signing officer

Alex Agius
Print name

Co-Chief Executive Officer
Title

iVac Services Inc.

Per: 
Signature of authorized signing officer

Alex Agius
Print name

Co-Chief Executive Officer
Title

This is **Exhibit "H"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R Bengine

A Commissioner for taking Affidavits, etc.

Rachel Bengine

Distinct Infrastructure Group Updates Banking Situation and Establishes Special Committee

TSXV: DUG

TORONTO, Feb. 5, 2019 /CNW/ - Distinct Infrastructure Group Inc. ("Distinct" or the "Company") announces that as of September 30, 2018, the Company was in violation of certain financial covenants contained in its Revolving Loan and Term Loan dated November 21, 2017. The Company is currently in discussions with its Senior Lender with respect to potential remedies.

In addition, the board of directors of the Company has formed a special committee whose mandate is, among other things, to (i) oversee the discussions between the Company and its lenders, and (ii) to identify and evaluate potential strategic alternatives.

The Company will provide additional updates as required.

About Distinct Infrastructure Group:

Distinct Infrastructure Group Inc. is a 100% Canadian-owned and operated firm providing design, engineering, construction and maintenance services to telecommunication firms, utilities and governments. Our service offerings include the design, engineering and delivery of underground and aerial construction, as well as inventory management and technical services.

Our mission is to be responsive to the current and future needs of our clients by delivering safe, turnkey solutions that positively impact the communities in which we live and work. We work wherever our clients need us, from our bases in Toronto and Winnipeg.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "anticipated", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Distinct is subject to significant risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. Distinct cannot assure investors that actual results will be consistent with these forward looking statements and Distinct assumes no obligation to update or revise the forward looking statements contained in this release to reflect actual events or new circumstances.

SOURCE Distinct Infrastructure Group Inc.

View original content: <http://www.newswire.ca/en/releases/archive/February2019/05/c5449.html>

%SEDAR: 00033737E

For further information: John Nashmi, Chief Financial Officer, Distinct Infrastructure Group, Email: john.nashmi@diginc.ca

CO: Distinct Infrastructure Group Inc.

CNW 15:26e 05-FEB-19

This is **Exhibit "I"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.



A Commissioner for taking Affidavits, etc.

Rachel Bengino



Royal Bank

Gary Ivany
Senior Director
Group Risk Management

Royal Bank of Canada
20 King Street West, 2nd Floor
Toronto, Ontario M5H 1C4

Tel: (416) 974-2189
Fax: (416) 974-8508
Email: gary.ivany@rbc.com

February 6, 2019

Delivered by Email

Direct Infrastructure Group Inc.
77 Belfield Road
Toronto, ON M9W 1G6

Attention: Joe Lanni, Co-CEO
Alex Agius, Co-CEO

Dear Sirs:

**Re: Credit Facilities made available by Royal Bank of Canada (the “Bank”)
to Distinct Infrastructure Group Inc. (the “Company”)**

Reference is made to the Credit Agreement between the Company and the Bank dated March 23, 2017, as amended (the “**Credit Agreement**”), pursuant to which the Bank made certain credit facilities available to the Company (the “**Credit Facilities**”). All capitalized terms not otherwise defined herein are as defined in the Credit Agreement.

We also refer to the engagement letter dated November 29, 2018 in which the Company and each of DistinctTech Inc., Crown Utilities Ltd., iVac Services Inc. consented to the engagement of Deloitte Restructuring Inc. (the “**Consultant**”) as the Bank’s consultant.

The Company has acknowledged that it is in breach of certain financial covenants under the terms of the Credit Agreement (the “**Covenant Default**”) as at September 30, 2018. Additionally, the Company and the Consultant have recently advised the Bank of certain irregularities that have come to light in the Company’s reporting to the Bank, including in its Borrowing Base calculations. This has resulted in current outstanding borrowings exceeding the permitted availability by at least \$11 million based on the borrowing base certificate delivered to the Bank as at November 30, 2018 (the “**Borrowing Base Default**”) and together with the Covenant Default,

the “**Defaults**”). The Consultant is currently reviewing and considering the impact of the Defaults on the Bank’s security position.

You have advised the Bank that a Special Committee has been formed by the Company to: (i) investigate and review all aspects of the Borrowing Base Default; (ii) oversee discussions with the Bank relating to the Defaults; (iii) monitor liquidity concerns; and (iv) identify and evaluate potential strategic alternatives. You have also advised that the Company’s former VP of Finance, George Parselias, has been suspended indefinitely effective February 1, 2019 and that the Company’s interim CFO and VP Corporate Development, William Nurnberger, will be terminated on February 6, 2019.

The above issues give rise to significant concerns on the part of the Bank.

The Company requested that the Bank grant a waiver of the Covenant Defaults. The Bank has not waived any Defaults to date, and will not consider the request while it is receiving and considering information on an urgent basis regarding the Borrowing Base Default. Rather, the Bank will consider and assess its position and the impact of the Borrowing Base Default (and all Defaults) on a day to day basis as information becomes available, while reserving all of its rights under the Credit Agreement and otherwise. If, after receiving and considering relevant information, the Bank is prepared to offer terms of forbearance in respect of the Defaults, it would be pursuant to a Forbearance Agreement drafted by the Bank’s counsel.

We understand that the Company has retained a Special Committee, and that it is giving this matter its full attention. The Bank has also requested that the Consultant make the review of this issue a top priority as part of its mandate, and we expect (and would ask that you advise if otherwise) that the Company fully supports that request. The Bank will make itself available at any time to discuss information as it arises and provide input and responses on a timeline that reflects the urgency of the situation. In order to ensure that the Bank and the Consultant have the most current information as it becomes available, the Bank expects full transparency and disclosure by the Special Committee and the Company at all times. This includes providing continuing updates on a “real-time” basis, as and when same are received by the Board of Directors.

We would also ask that you please ensure that a draft of any press release to be issued by the Company that refers to the Bank or the Credit Facilities is provided to the Bank in advance, with sufficient time for it to be reviewed by the Bank and its counsel in advance of the intended release. Should we or our counsel have any concerns, we will promptly advise you.

Yours truly,

ROYAL BANK OF CANADA

Per

Gary Ivany
Senior Director, Group Risk Management

c.c. Thornton Grout Finnigan LLP

c.c. Deloitte LLP

This is **Exhibit "J"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R Bengino
A Commissioner for taking Affidavits, etc.
Rachel Bengino



Royal Bank

Gary Ivany
Senior Director
Group Risk Management

Royal Bank of Canada
20 King Street West, 2nd Floor
Toronto, Ontario M5H 1C4

Tel: (416) 974-2189
Fax: (416) 974-8508
Email: gary.ivany@rbc.com

February 8, 2019

Delivered by Email

Direct Infrastructure Group Inc.
77 Belfield Road
Toronto, ON M9W 1G6

Attention: Joe Lanni, Co-CEO
Alex Agius, Co-CEO

Dear Sirs:

**Re: Credit Facilities made available by Royal Bank of Canada (the “Bank”)
to Distinct Infrastructure Group Inc. (the “Company”)**

Reference is made to the Credit Agreement between the Company and the Bank dated March 23, 2017, as amended (the “**Credit Agreement**”), pursuant to which the Bank made certain credit facilities available to the Company (the “**Credit Facilities**”). All capitalized terms not otherwise defined herein are as defined in the Credit Agreement, or in our earlier letter dated February 6, 2019 (the “**February 6 Letter**”).

The February 6 Letter advised that the Bank is currently considering and assessing its position on a day to day basis in view of the various Defaults, while reserving all of its rights. We also refer to a press release issued by the Company on February 5, 2019, confirming that a Special Committee has been engaged to, among other things, oversee discussions with the Bank.

As mentioned in the February 6 Letter, the Bank expects full transparency and disclosure by the Company and the Special Committee on a “real-time” basis. That will include direct, autonomous and unfiltered discussions between the Bank and the Special Committee, and the Bank fully expects the Company to support this request. If for any reason that is not the case, please advise immediately.

The Bank would like to schedule an in-person meeting with the Special Committee as soon as possible to discuss certain matters including: (a) the Special Committee’s governance and reporting structure; (b) the scope of the Special Committee’s review and any limits that may have been placed on such review; (c) any interim findings of the Special Committee; (d) the status of any employee suspensions or terminations; and (e) whether independent counsel has been retained

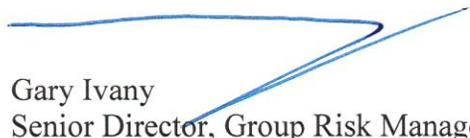
by the Special Committee. In that regard, please confirm whether the Special Committee is available to meet on February 12, 2019 at 9:00 at the Bank, located at 20 King Street West, Second Floor, Toronto, Ontario. The Consultant will attend the meeting and the Special Committee is welcome to invite its financial advisor, if it has retained one.

We understand that a borrowing base for December 2018 as well as a revised cash flow forecast were to be provided to the Bank this week, but has not yet been received by the Bank. The Bank looks forward to receipt of same. Additionally, please provide to the Consultant any additional financial information that can be made available or any other information as may be requested by the Consultant from time to time.

We would ask that you please ensure that a copy of this letter is provided directly to the Company's Board of Directors, and look forward to hearing from you confirming that a meeting between the Special Committee and the Bank will be held as soon as possible. Thank you.

Yours truly,

ROYAL BANK OF CANADA



Gary Ivany
Senior Director, Group Risk Management

c.c. John Nashmi, Chief Financial Officer
c.c. Thornton Grout Finnigan LLP
c.c. Deloitte LLP

This is **Exhibit "K"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R Bengine

A Commissioner for taking Affidavits, etc.

Raehel Bengine



Distinct Infrastructure Group Provides Update

TSXV: DUG

TORONTO, Feb. 13, 2019 /CNW/ - Distinct Infrastructure Group Inc. ("Distinct" or the "Company") is providing an update to its recent Feb. 5, 2019 news release.

The special committee has initiated an investigation, with the assistance of its new chief financial officer, Mr. John Nashmi, into the Company's financial affairs. Pending the results of such investigation, the Company advises that its prior audited and unaudited financial statements for the year ended December 31, 2017 and the three quarterly periods ended March 31, June 30 and Sept. 30, 2018 should no longer be relied upon.

In addition, the Company announced that its former vice president, finance and its former interim chief financial officer (who was, until recently, its vice president, corporate development) are no longer with the Company.

A default has also occurred under the Company's \$10 million unsecured convertible debenture, and the Company and the holder are in discussions with respect to such default.

The Company has advised the TSX Venture Exchange, securities regulators and IIROC of these matters.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable securities legislation. Distinct is subject to significant risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. Distinct cannot assure investors that actual results will be consistent with these forward looking statements.

SOURCE Distinct Infrastructure Group Inc.

View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/February2019/13/c4635.html>

%SEDAR: 00033737E

For further information: John Nashmi, Chief Financial Officer, Distinct Infrastructure Group, Email: john.nashmi@diginc.ca

CO: Distinct Infrastructure Group Inc.

This is **Exhibit "L"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R Bengmo

A Commissioner for taking Affidavits, etc.
Rachel Bengmo

SUBORDINATED PROMISSORY NOTE

TO: JOE LANNI

FROM: DISTINCT INFRASTRUCTURE GROUP INC.

Aggregate Principal Sum: CDN\$500,000

Date: August 3, 2018

Maturity Date: November 3, 2018

Distinct Infrastructure Group Inc. (the “Debtor”), for value received, hereby promises to pay to Joe Lanni (the “Creditor”), at its address specified herein, the aggregate principal sum of CDN\$500,000 pursuant to this Subordinated Promissory Note (the “Note”).

- Principal Payments.** Subject to the provisions of this Note, this Note shall mature and become due and payable on the Maturity Date.
- Interest.** Interest on the Aggregate Principal Sum shall be charged at a rate (the “**Loan Rate**”) which is 12% per annum. All interest charged on the Aggregate Principal Sum shall be accrued and shall be payable on the Maturity Date.
- Prepayment.** Subject to the prior written approval of the Royal Bank of Canada, the Debtor may prepay this Note prior to the Maturity Date either in whole at any time or, when not in default hereunder, in part from time to time at a price equal to the Aggregate Principal Sum being prepaid plus, accrued and unpaid interest on such Aggregate Principal Sum to the date fixed for prepayment and, in the case of prepayment in whole, all other moneys owing hereunder. This right of prepayment is non-cumulative. The Debtor shall have the right to pay the Aggregate Principal Sum at any time without notice or penalty.
- Early Payment.** Subject to the prior written approval of the Royal Bank of Canada, in the event that the Debtor completes an equity or debt offering for minimum gross proceeds of \$10 million, the Debtor shall repay the Aggregate Principal Sum and all accrued and unpaid interest on such Aggregate Principal Sum to the date fixed for early payment.
- Placement Fee.** A placement fee of two percent (2%) of the Aggregate Principal Sum amount shall be deducted from the Aggregate Principal Sum.
- Partial Payments.** In case less than the total Aggregate Principal Sum of this Note is prepaid at any time, the Aggregate Principal Sum so prepaid shall be applied to the Aggregate Principal Sum outstanding at that time.
- Notice and Payments.** Any payments not received by the Creditor by five o'clock p.m. on a Business Day shall be deemed to have been received on the next Business Day. Any notice required or desired to be given hereunder or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to the Creditor or to

the Debtor at their respective addresses set out herein and, in the case of electronic communication, to the facsimile numbers set out herein. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Addresses for notice:

In the case of Debtor:

77 Belfield Road
Suite 102
Toronto, Ontario M9W 1G6

Attention: William Nurnberger
Email: william.nurnberger@diginc.ca

In the case of the Creditor:

9 Warwood Road
Etobicoke, Ontario M9B 5B2

Email: joe.lanni@diginc.ca

8. **Maximum Recovery.** If any amounts, whether on account of interest, fees, bonus or additional consideration, becomes payable to or is received by the Creditor pursuant to this Note, or other agreement which would exceed the maximum amount recoverable under applicable law on moneys advanced by the Creditor:
- (a) any amounts so payable shall be reduced and are hereby limited to the maximum amount recoverable under applicable law;
 - (b) any amounts so received by the Creditor shall, at the Creditor's option, either be returned to the Debtor or, notwithstanding Section 4 hereof, be deemed to have been received by the Creditor as a partial prepayment of this Note and shall be credited against principal payable hereunder in inverse order of maturity; and
 - (c) if paragraph (a) requires the reduction in an amount or amounts payable to the Creditor, the Creditor in its sole discretion shall determine which amount or amounts shall be reduced to ensure compliance with this Section 9.
9. **Events of Default.** At the sole option of the Creditor and without any notice, demand, presentment for payment, division and discussion, or protest of any kind (the benefit of each of which is waived by the Debtor and any guarantor), the whole of the principal balance remaining unpaid together with interest and other moneys owing hereunder shall become immediately due and payable in each of the following events:
- (a) if an event of default should occur; and
 - (b) should the Debtor have a receiver appointed for its affairs, enter into any proceedings

under any bankruptcy or insolvency legislation or otherwise be adjudged as insolvent.

10. **Waiver of Notice.** The extension of time for making any payment which is due and payable hereunder at any time or the failure, delay or omission on the part of the Creditor to exercise or enforce any rights or remedies of the Creditor hereunder shall not constitute a waiver of the right of the Creditor to enforce such rights and remedies thereafter.
11. **No Obligation to Advance.** Neither the issue nor delivery of this Note nor the advance of any funds hereunder shall obligate the Creditor to advance any further funds.
12. **Interpretation.** In this Note:
 - (a) “Affiliate” shall have the meaning ascribed to such term in *Business Corporations Act* (Alberta).
 - (b) “Associate” means: (i) any body corporate of which the person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the body corporate for the time being outstanding; (ii) any partner of that person; (iii) any trust or estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar capacity; (iv) any relative of the person, including the person’s spouse, where the relative has the same home as the person; or (v) any relative of the spouse of the person where the relative has the same home as the person.
 - (c) “Business Day” means any day except Saturday, Sunday or a statutory holiday.
 - (d) “Debtor” means Distinct Infrastructure Group Inc.
 - (e) “Creditor” means Joe Lanni, his successors and assigns and, where applicable, includes those for whom he acts as nominee or agent.
 - (f) “Person” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative.
13. **Invalidity, etc.** Each of the provisions contained in this Note is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Note.
14. **Interest Calculations.** Interest payable on the Note shall be payable both before and after demand, default and judgement at the Loan Rate with interest on overdue interest at the same rate. The yearly rate of interest applicable to amounts owing on this Note shall be calculated on the basis of a 365 day year.
15. **Waiver of Formalities.** The Debtor hereby waives presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour and diligence in collection or bringing suit.

16. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the Province of Ontario applicable therein and the Debtor hereby attorns to the jurisdiction of the courts of such province.
17. **Assignment.** Neither party may assign this Note or any of their respective rights or obligations hereunder without the express written consent of the other party. This Note shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

The Debtor has executed this Note, dated the 3rd day of August, 2018.

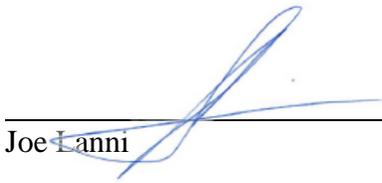
DISTINCT INFRASTRUCTURE GROUP INC.

Per: _____


Name: William Nurnberger
Title: Chief Financial Officer
(I have authority to bind the company)

Accepted By:

Witness _____


Joe Lanni

SUBORDINATED PROMISSORY NOTE

TO: ALEX AGIUS

FROM: DISTINCT INFRASTRUCTURE GROUP INC.

Aggregate Principal Sum: CDN\$500,000

Date: August 3, 2018

Maturity Date: November 3, 2018

Distinct Infrastructure Group Inc. (the “Debtor”), for value received, hereby promises to pay to Alex Agius (the “Creditor”), at its address specified herein, the aggregate principal sum of CDN\$500,000 pursuant to this Subordinated Promissory Note (the “Note”).

- Principal Payments.** Subject to the provisions of this Note, this Note shall mature and become due and payable on the Maturity Date.
- Interest.** Interest on the Aggregate Principal Sum shall be charged at a rate (the “**Loan Rate**”) which is 12% per annum. All interest charged on the Aggregate Principal Sum shall be accrued and shall be payable on the Maturity Date.
- Prepayment.** Subject to the prior written approval of the Royal Bank of Canada, the Debtor may prepay this Note prior to the Maturity Date either in whole at any time or, when not in default hereunder, in part from time to time at a price equal to the Aggregate Principal Sum being prepaid plus, accrued and unpaid interest on such Aggregate Principal Sum to the date fixed for prepayment and, in the case of prepayment in whole, all other moneys owing hereunder. This right of prepayment is non-cumulative. The Debtor shall have the right to pay the Aggregate Principal Sum at any time without notice or penalty.
- Early Payment.** Subject to the prior written approval of the Royal Bank of Canada, in the event that the Debtor completes an equity or debt offering for minimum gross proceeds of \$10 million, the Debtor shall repay the Aggregate Principal Sum and all accrued and unpaid interest on such Aggregate Principal Sum to the date fixed for early payment.
- Placement Fee.** A placement fee of two percent (2%) of the Aggregate Principal Sum amount shall be deducted from the Aggregate Principal Sum.
- Partial Payments.** In case less than the total Aggregate Principal Sum of this Note is prepaid at any time, the Aggregate Principal Sum so prepaid shall be applied to the Aggregate Principal Sum outstanding at that time.
- Notice and Payments.** Any payments not received by the Creditor by five o'clock p.m. on a Business Day shall be deemed to have been received on the next Business Day. Any notice required or desired to be given hereunder or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to the Creditor or to

the Debtor at their respective addresses set out herein and, in the case of electronic communication, to the facsimile numbers set out herein. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Addresses for notice:

In the case of Debtor: 77 Belfield Road
Suite 102
Toronto, Ontario M9W 1G6

Attention: William Nurnberger
Email: william.nurnberger@diginc.ca

In the case of the Creditor: 2938 Coulson Court
Mississauga, Ontario L5M 5S8

Email: alex.agius@diginc.ca

8. **Maximum Recovery.** If any amounts, whether on account of interest, fees, bonus or additional consideration, becomes payable to or is received by the Creditor pursuant to this Note, or other agreement which would exceed the maximum amount recoverable under applicable law on moneys advanced by the Creditor:
- (a) any amounts so payable shall be reduced and are hereby limited to the maximum amount recoverable under applicable law;
 - (b) any amounts so received by the Creditor shall, at the Creditor's option, either be returned to the Debtor or, notwithstanding Section 4 hereof, be deemed to have been received by the Creditor as a partial prepayment of this Note and shall be credited against principal payable hereunder in inverse order of maturity; and
 - (c) if paragraph (a) requires the reduction in an amount or amounts payable to the Creditor, the Creditor in its sole discretion shall determine which amount or amounts shall be reduced to ensure compliance with this Section 9.
9. **Events of Default.** At the sole option of the Creditor and without any notice, demand, presentment for payment, division and discussion, or protest of any kind (the benefit of each of which is waived by the Debtor and any guarantor), the whole of the principal balance remaining unpaid together with interest and other moneys owing hereunder shall become immediately due and payable in each of the following events:
- (a) if an event of default should occur; and
 - (b) should the Debtor have a receiver appointed for its affairs, enter into any proceedings

under any bankruptcy or insolvency legislation or otherwise be adjudged as insolvent.

10. **Waiver of Notice.** The extension of time for making any payment which is due and payable hereunder at any time or the failure, delay or omission on the part of the Creditor to exercise or enforce any rights or remedies of the Creditor hereunder shall not constitute a waiver of the right of the Creditor to enforce such rights and remedies thereafter.
11. **No Obligation to Advance.** Neither the issue nor delivery of this Note nor the advance of any funds hereunder shall obligate the Creditor to advance any further funds.
12. **Interpretation.** In this Note:
 - (a) “Affiliate” shall have the meaning ascribed to such term in *Business Corporations Act* (Alberta).
 - (b) “Associate” means: (i) any body corporate of which the person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the body corporate for the time being outstanding; (ii) any partner of that person; (iii) any trust or estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar capacity; (iv) any relative of the person, including the person’s spouse, where the relative has the same home as the person; or (v) any relative of the spouse of the person where the relative has the same home as the person.
 - (c) “Business Day” means any day except Saturday, Sunday or a statutory holiday.
 - (d) “Debtor” means Distinct Infrastructure Group Inc.
 - (e) “Creditor” means Alex Agius, his successors and assigns and, where applicable, includes those for whom he acts as nominee or agent.
 - (f) “Person” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative.
13. **Invalidity, etc.** Each of the provisions contained in this Note is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Note.
14. **Interest Calculations.** Interest payable on the Note shall be payable both before and after demand, default and judgement at the Loan Rate with interest on overdue interest at the same rate. The yearly rate of interest applicable to amounts owing on this Note shall be calculated on the basis of a 365 day year.
15. **Waiver of Formalities.** The Debtor hereby waives presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour and diligence in collection or bringing suit.

16. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the Province of Ontario applicable therein and the Debtor hereby attorns to the jurisdiction of the courts of such province.
17. **Assignment.** Neither party may assign this Note or any of their respective rights or obligations hereunder without the express written consent of the other party. This Note shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

The Debtor has executed this Note, dated the 3rd day of August, 2018.

DISTINCT INFRASTRUCTURE GROUP INC.

Per:


Name: William Nurnberger
Title: Chief Financial Officer
(I have authority to bind the company)

Accepted By:

Witness

Alex Agits

This is **Exhibit "M"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R. Bengtson

A Commissioner for taking Affidavits, etc.

Rachel Bengtson

POSTPONEMENT AGREEMENT

THIS POSTPONEMENT AGREEMENT is entered into as of September 12, 2018 among Joe Lanni (the “**Holder**”), Distinct Infrastructure Group Inc. (the “**Borrower**”) and Royal Bank of Canada (the “**Bank**”).

WHEREAS:

A. The Borrower is now and may hereafter become further indebted or otherwise liable to the Bank pursuant to a credit agreement dated March 23, 2017 (as amended to the date hereof) between the Borrower and the Bank (the “**RBC Credit Agreement**”) or otherwise in connection with any present or future agreement of any nature or kind from time to time in effect between the Borrower and the Bank, including without limitation, the other Secured Documents, any account, loan, credit, cash management, derivative or other financial services agreement or indemnities for letters of credit or bankers’ acceptances (collectively, the “**Bank Documents**”);

B. The Borrower is now indebted to the Holder pursuant to a subordinated promissory note dated August 3, 2018 in an aggregate principal amount of CAD500,000 issued by the Borrower in favour of the Holder (the “**Promissory Note**”);

C. The parties hereto wish to enter into this Agreement so as to set out the priorities between the Bank Debt and the present and future indebtedness, obligations and liabilities of the Borrower to the Holder arising under or in connection with the Promissory Note, whether on account of principal, interest, premium, fees, expenses, damage claims or otherwise (collectively, the “**Promissory Note Debt**”);

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and adequacy of which are hereby irrevocably acknowledged by each party hereto, the parties agree as follows:

1. Defined Terms. In this agreement, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:

“**Advances**” has the same meaning ascribed to it in the RBC Credit Agreement.

“**Bank Debt**” means all present and future indebtedness, obligations and liabilities of any nature or kind of the Borrower to the Bank arising under or in connection with the Bank Documents, including without limitation, the Secured Obligations (whether on account of principal, interest, premium, fees, expenses, damage claims or otherwise).

“**Borrowing Base**” at any time means the amount equal to the sum (without duplication) of (i) 75% of the Good Accounts Receivables plus (ii) 85% of the Good Designated Accounts Receivables plus (iii) the lesser of 35% of Work In Progress and \$10,000,000. Where any receivable falls within more than one of the categories described above, the Borrower shall elect in the Borrowing Base Report which category that Eligible Receivable is to be included for the purpose

of computing the Borrowing Base. Each defined term used in this definition that is not otherwise defined in this Agreement shall have the meanings ascribed to them in the RBC Credit Agreement.

“**Debt**” means, collectively, the Promissory Note Debt and the Bank Debt.

“**Default**” means any default by the Borrower under any Bank Document.

“**Documents**” means the Bank Documents and the Promissory Note and
“**Document**” means any one of the Documents.

“**Insolvency Law**” means any of the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any similar Canadian or provincial corporation statutes, including without limitation, corporate statutory provisions dealing with arrangements, assignment and preference statutes and fraudulent conveyance legislation, each as now and hereafter in effect, including any successor legislation to such legislation and statutes, and any other applicable insolvency, preference or other similar laws of any jurisdiction.

“**Insolvency Proceeding**” means (a) any voluntary or involuntary case or proceeding under any Insolvency Law with respect to the Borrower; (b) any other voluntary or involuntary insolvency, compromise, arrangement, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to the Borrower or with respect to a material portion of its assets or its creditors and others; (c) any liquidation, dissolution, reorganization, compromise, arrangement or winding-up of the Borrower whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Borrower; or (e) the appointment of a trustee, receiver, receiver-manager, interim receiver, monitor, liquidator, custodian, sequestrator, conservator or any similar official for the Borrower or for or in respect of a substantial part of the property or assets of the Borrower.

“**Leverage Ratio**” has the same meaning ascribed to it in the RBC Credit Agreement.

“**Liquidity**” means, in respect of the Borrower, cash plus the lesser of (x) the amount, if any, by which the Revolver Commitment at such time exceeds the Outstanding Amount of the Advances outstanding under the Revolver at such time and (y) the Borrowing Base.

“**Notice of Default**” means a written notice delivered by the Bank to the Holder of a Default.

“**Outstanding Amount**” has the same meaning ascribed to it in the RBC Credit Agreement.

“**Person**” includes any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership (whether general or limited), governmental authority or other legal entity.

“**Revolver**” as the same meaning ascribed to it in the RBC Credit Agreement.

“**Revolver Commitment**” means CAD\$30,000,000.

“**Secured Documents**” has the same meaning ascribed to it in the RBC Credit Agreement.

“**Secured Obligations**” has the same meaning ascribed to it in the RBC Credit Agreement.

2. Restriction on Promissory Note Payments.

(1) No Promissory Note Debt Payments. Unless previously consented to in writing by the Bank or as otherwise permitted in this Section 2, no payments (whether on account of principal, interest, premium, indemnification, fees, expenses or otherwise) in respect of the Promissory Note may directly or indirectly be paid by the Borrower or any other Person to the Holder or any other Person on the Holder’s behalf, or received and retained by the Holder in cash or other property or by set-off or any other manner prior to the payment in full of all Bank Debt.

(2) Permitted Promissory Note Debt Repayment. Prior to the payment in full of all Bank Debt, the Borrower may pay in full the Promissory Note Debt provided:

- (i) the repayment of the Promissory Note Debt is financed in full from the net proceeds of issuance of common shares in the capital of the Borrower;
- (ii) (x) the pro forma Leverage Ratio of the Borrower following the payment in full of the Promissory Note Debt is less than 4.00:1 and (y) the Borrower has at least \$6,000,000 in Liquidity;
- (iii) subject to the prior written consent of the Bank, the repayment of the Promissory Note Debt is financed in full with other unsecured debt subject to a postponement agreement substantially similar to this Agreement; or
- (iv) subject to the prior written consent of the Bank, the repayment of the Promissory Note Debt is financed in full in connection with a syndicated refinancing of the Bank Debt.

3. Payments Held In Trust. Should any payment be received by the Holder or any other Person on the Holder’s behalf upon or with respect to the Promissory Note prior to the payment in full of the Bank Debt (other than a payment expressly permitted pursuant to Section 2), then the Holder shall forthwith deliver the same to the Bank in the form received by the Holder or such Person (except for endorsement or assignment by the Holder where reasonably required by the Bank) and until so delivered the same shall be held in trust by the Holder as the property of the Bank. The Holder agrees that in the event that all or any part of any payment

made on account of the Bank Debt is recovered from the Bank pursuant to any Insolvency Proceeding as a preference, fraudulent transfer or similar payment under any Insolvency Law, any payment or distribution received by the Holder from the Borrower or any Person on its behalf on the Promissory Note (other than a payment expressly permitted pursuant to Section 2), within the one year period prior to any Insolvency Proceeding, shall be deemed to have been received by the Holder or such other Person in trust for the Bank and the Holder shall promptly or shall promptly cause be paid over to the Bank for application to the Bank Debt until the Bank Debt is paid in full. The Borrower agrees to make all payments (or, as applicable, shall refrain from making payments) to the Bank and the Holder in compliance with this Agreement and the Bank Documents.

4. Payment of Bank Debt. Nothing herein contained shall prevent, limit or restrict the Bank in any manner from exercising all or any of its rights and remedies otherwise permitted by applicable law or under the terms of the Bank Documents. For the purposes of this Agreement, the Bank Debt shall be deemed not to be paid in full until the Bank has received cash in an aggregate amount equal to the Bank Debt at that time or other provision satisfactory to the Bank for payment of the Bank Debt in full has been made and all commitments and other obligations of the Bank to extend credit, make a payment or provide or continue other financial services to the Borrower under all Bank Documents have been permanently cancelled.

5. Postponement and Subordination.

(1) Postponement and Subordination. The Promissory Note Debt is hereby and shall hereafter be postponed and subordinated, on the terms set forth herein, to the prior payment in full of, and shall rank junior and subordinate in all respects to, the Bank Debt.

(2) Insolvency Proceedings. The parties hereto agree that if an Insolvency Proceeding is commenced by a Person other than any of the Holder or the Borrower, the Holder shall be entitled to participate in such Insolvency Proceeding and to vote its Promissory Note Debt and otherwise exercise its rights as a creditor during such Insolvency Proceeding; provided that (i) the Holder shall not be entitled to apply to the court for relief from the stay provisions of such Insolvency Proceeding, (ii) nothing in this Section 5(2) shall entitle the Holder to, and the Holder agrees not to, initiate an Insolvency Proceeding, and (iii) the Holder shall not vote its Promissory Note Debt in favour of a plan or other proposal under an Insolvency Proceeding that would defeat (A) the priority of the Bank Debt provided for hereunder or (B) the rights of the Bank under this Agreement or the Bank Documents.

(3) The Holder agrees that all dividends, distributions or other sums which may be or become payable in respect of the Promissory Note Debt pursuant to any Insolvency Proceeding shall be subject to Section 3.

6. No Challenge, Discharge, Release.

(1) **No Challenge.** The Holder will not, in any manner, contest or bring into question the validity, priority, perfection or enforceability of the Bank Documents or the rights of the Bank thereunder or hereunder, and the Holder agrees that the postponement of the Promissory

Note Debt pursuant to the terms hereof shall not be affected by the invalidity, unenforceability or imperfection of any Bank Document or any security contemplated thereby.

(2) **Further Assurances.** The Holder agrees to execute and deliver, upon request by the Bank, such further instruments and agreements as may be reasonably required by the Bank to confirm and give effect to the provisions of this Agreement. The Holder agrees to execute and deliver, upon request by the Bank, such further instruments and agreements as may be reasonably required by the Bank to confirm and give effect to the provisions of this Agreement.

7. Insolvency Proceedings. In the event of any Insolvency Proceeding, the Bank shall be entitled to receive and retain any payment, distribution or security proceeds upon or with respect to the Bank Debt prior to and in preference to any such payment, distribution or security or proceeds to the Holder upon or with respect to the Promissory Note Debt, and, in order to implement the foregoing, the Holder hereby agrees to account to the Bank in respect of all sums received on account of the Promissory Note Debt imposed with a trust pursuant to Section 3 hereof.

8. Continuing Agreement. This Agreement shall constitute a continuing agreement and shall continue until the Bank Debt has been paid in full.

9. Dealings with Borrower. At any time, and from time to time, the Bank may deal with the Borrower in any manner which it sees fit in accordance with the terms of the Bank Documents and applicable law. The Bank shall have no liability of any nature or kind (in contract, tort or otherwise) to the Holder should any such dealings (including those described below), knowingly or unknowingly, constitute or result in a breach under the Promissory Note.

10. Amendments to the Promissory Note. Neither the Borrower nor the Holder may amend, modify or otherwise vary the terms and conditions of any of the Promissory Note.

11. Amendments to Senior Debt. The Borrower and the Bank may amend, modify or otherwise vary the terms and conditions of the Bank Documents and enter into new Bank Documents. The Holder hereby consents to any such amendment, modification or variation to the Bank Documents and any new Bank Document.

12. Sharing of Information. The Borrower agrees that the Bank and the Holder may share between themselves any information regarding the financial position, property and/or operations of the Borrower and that any such sharing of information shall not breach any express or implied duty of confidentiality to which any party hereto might otherwise be subject.

13. No Waivers. No waiver shall be deemed to be made by any party hereto of any of the rights of such party hereunder unless the same shall be in writing and signed by such party and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall in no way impair the rights of such party except as expressly set forth therein.

14. Successors and Assigns. This Agreement shall be binding on the parties hereto and their respective successors and permitted assigns and shall enure to the benefit of the Bank and the Holder and their respective successors and permitted assigns; provided that neither the

Bank nor the Holder may assign or transfer, in whole or in part, its rights under the Documents to which it is a party or granted in its favour or its rights in respect of the Debt owing to it unless the assignee or transferee contemporaneously therewith becomes bound by this Agreement in its place and stead.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules.

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and there are no representations, warranties or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

17. Communication. All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer of the addressee or sent by facsimile, in each case, to the applicable address set forth on the signature page of this Agreement or to such other address as a party hereto may from time to time designate to the other parties in such manner. Any communication so personally delivered shall be deemed to have been validly and effectively given on the date of such delivery. Communications so sent by facsimile shall be deemed to have been validly and effectively given on the business day next following the day on which it is sent.

18. Borrower Bound. By executing this Agreement, the Borrower acknowledges the existence of this Agreement and agrees to be bound by its terms; provided, however, that nothing in this Agreement shall confer or be deemed to confer any right, benefit or advantage on the Borrower.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered, shall be deemed to be an original, but all of which, when taken together, constitute one and the same instrument.

20. Amendments. This Agreement may not be amended except pursuant to an agreement in writing entered into by the Borrower, the Bank and the Holder; provided, however, that no consent of the Borrower shall be necessary to any amendment of the terms hereof unless the obligations of the Borrower are adversely affected thereby; provided that the Borrower shall not be bound by any amendment to which it is not a party.

[Signatures to follow on next page]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first above written.

DISTINCT INFRASTRUCTURE GROUP
INC.

Address: _____

Attention: _____
Facsimile: _____

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name: Joe Lanni
Title: Co-CEO

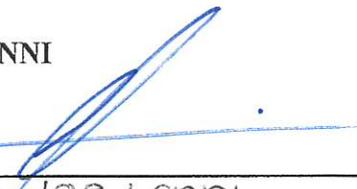
By: _____
Name: Alex Agius
Title: Co-CEO

Joe Lanni

Address: _____

Attention: _____
Facsimile: _____

JOE LANNI

By: 
Name: Joe Lanni
Title: co-ceo

By: _____
Name:
Title:

Witness:

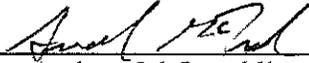
By: _____
Name:  *Aguiar*

Royal Bank of Canada

ROYAL BANK OF CANADA

Address:

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

By: 

Name: Andrew McLauchlin

Title: Vice President

Attention: Andrew McLauchlin, Vice
President

Facsimile: 416 842 4090

POSTPONEMENT AGREEMENT

THIS POSTPONEMENT AGREEMENT is entered into as of September 12, 2018 among Alex Agius (the “**Holder**”), Distinct Infrastructure Group Inc. (the “**Borrower**”) and Royal Bank of Canada (the “**Bank**”).

WHEREAS:

A. The Borrower is now and may hereafter become further indebted or otherwise liable to the Bank pursuant to a credit agreement dated March 23, 2017 (as amended to the date hereof) between the Borrower and the Bank (the “**RBC Credit Agreement**”) or otherwise in connection with any present or future agreement of any nature or kind from time to time in effect between the Borrower and the Bank, including without limitation, the other Secured Documents, any account, loan, credit, cash management, derivative or other financial services agreement or indemnities for letters of credit or bankers’ acceptances (collectively, the “**Bank Documents**”);

B. The Borrower is now indebted to the Holder pursuant to a subordinated promissory note dated August 3, 2018 in an aggregate principal amount of CAD500,000 issued by the Borrower in favour of the Holder (the “**Promissory Note**”);

C. The parties hereto wish to enter into this Agreement so as to set out the priorities between the Bank Debt and the present and future indebtedness, obligations and liabilities of the Borrower to the Holder arising under or in connection with the Promissory Note, whether on account of principal, interest, premium, fees, expenses, damage claims or otherwise (collectively, the “**Promissory Note Debt**”);

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and adequacy of which are hereby irrevocably acknowledged by each party hereto, the parties agree as follows:

1. Defined Terms. In this agreement, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:

“**Advances**” has the same meaning ascribed to it in the RBC Credit Agreement.

“**Bank Debt**” means all present and future indebtedness, obligations and liabilities of any nature or kind of the Borrower to the Bank arising under or in connection with the Bank Documents, including without limitation, the Secured Obligations (whether on account of principal, interest, premium, fees, expenses, damage claims or otherwise).

“**Borrowing Base**” at any time means the amount equal to the sum (without duplication) of (i) 75% of the Good Accounts Receivables plus (ii) 85% of the Good Designated Accounts Receivables plus (iii) the lesser of 35% of Work In Progress and \$10,000,000. Where any receivable falls within more than one of the categories described above, the Borrower shall elect in the Borrowing Base Report which category that Eligible Receivable is to be included for the purpose

of computing the Borrowing Base. Each defined term used in this definition that is not otherwise defined in this Agreement shall have the meanings ascribed to them in the RBC Credit Agreement.

“**Debt**” means, collectively, the Promissory Note Debt and the Bank Debt.

“**Default**” means any default by the Borrower under any Bank Document.

“**Documents**” means the Bank Documents and the Promissory Note and
“**Document**” means any one of the Documents.

“**Insolvency Law**” means any of the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any similar Canadian or provincial corporation statutes, including without limitation, corporate statutory provisions dealing with arrangements, assignment and preference statutes and fraudulent conveyance legislation, each as now and hereafter in effect, including any successor legislation to such legislation and statutes, and any other applicable insolvency, preference or other similar laws of any jurisdiction.

“**Insolvency Proceeding**” means (a) any voluntary or involuntary case or proceeding under any Insolvency Law with respect to the Borrower; (b) any other voluntary or involuntary insolvency, compromise, arrangement, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to the Borrower or with respect to a material portion of its assets or its creditors and others; (c) any liquidation, dissolution, reorganization, compromise, arrangement or winding-up of the Borrower whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Borrower; or (e) the appointment of a trustee, receiver, receiver-manager, interim receiver, monitor, liquidator, custodian, sequestrator, conservator or any similar official for the Borrower or for or in respect of a substantial part of the property or assets of the Borrower.

“**Leverage Ratio**” has the same meaning ascribed to it in the RBC Credit Agreement.

“**Liquidity**” means, in respect of the Borrower, cash plus the lesser of (x) the amount, if any, by which the Revolver Commitment at such time exceeds the Outstanding Amount of the Advances outstanding under the Revolver at such time and (y) the Borrowing Base.

“**Notice of Default**” means a written notice delivered by the Bank to the Holder of a Default.

“**Outstanding Amount**” has the same meaning ascribed to it in the RBC Credit Agreement.

“**Person**” includes any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership (whether general or limited), governmental authority or other legal entity.

“**Revolver**” as the same meaning ascribed to it in the RBC Credit Agreement.

“**Revolver Commitment**” means CAD\$30,000,000.

“**Secured Documents**” has the same meaning ascribed to it in the RBC Credit Agreement.

“**Secured Obligations**” has the same meaning ascribed to it in the RBC Credit Agreement.

2. Restriction on Promissory Note Payments.

(1) No Promissory Note Debt Payments. Unless previously consented to in writing by the Bank or as otherwise permitted in this Section 2, no payments (whether on account of principal, interest, premium, indemnification, fees, expenses or otherwise) in respect of the Promissory Note may directly or indirectly be paid by the Borrower or any other Person to the Holder or any other Person on the Holder’s behalf, or received and retained by the Holder in cash or other property or by set-off or any other manner prior to the payment in full of all Bank Debt.

(2) Permitted Promissory Note Debt Repayment. Prior to the payment in full of all Bank Debt, the Borrower may pay in full the Promissory Note Debt provided:

- (i) the repayment of the Promissory Note Debt is financed in full from the net proceeds of issuance of common shares in the capital of the Borrower;
- (ii) (x) the pro forma Leverage Ratio of the Borrower following the payment in full of the Promissory Note Debt is less than 4.00:1 and (y) the Borrower has at least \$6,000,000 in Liquidity;
- (iii) subject to the prior written consent of the Bank, the repayment of the Promissory Note Debt is financed in full with other unsecured debt subject to a postponement agreement substantially similar to this Agreement; or
- (iv) subject to the prior written consent of the Bank, the repayment of the Promissory Note Debt is financed in full in connection with a syndicated refinancing of the Bank Debt.

3. Payments Held In Trust. Should any payment be received by the Holder or any other Person on the Holder’s behalf upon or with respect to the Promissory Note prior to the payment in full of the Bank Debt (other than a payment expressly permitted pursuant to Section 2), then the Holder shall forthwith deliver the same to the Bank in the form received by the Holder or such Person (except for endorsement or assignment by the Holder where reasonably required by the Bank) and until so delivered the same shall be held in trust by the Holder as the property of the Bank. The Holder agrees that in the event that all or any part of any payment

made on account of the Bank Debt is recovered from the Bank pursuant to any Insolvency Proceeding as a preference, fraudulent transfer or similar payment under any Insolvency Law, any payment or distribution received by the Holder from the Borrower or any Person on its behalf on the Promissory Note (other than a payment expressly permitted pursuant to Section 2), within the one year period prior to any Insolvency Proceeding, shall be deemed to have been received by the Holder or such other Person in trust for the Bank and the Holder shall promptly or shall promptly cause be paid over to the Bank for application to the Bank Debt until the Bank Debt is paid in full. The Borrower agrees to make all payments (or, as applicable, shall refrain from making payments) to the Bank and the Holder in compliance with this Agreement and the Bank Documents.

4. Payment of Bank Debt. Nothing herein contained shall prevent, limit or restrict the Bank in any manner from exercising all or any of its rights and remedies otherwise permitted by applicable law or under the terms of the Bank Documents. For the purposes of this Agreement, the Bank Debt shall be deemed not to be paid in full until the Bank has received cash in an aggregate amount equal to the Bank Debt at that time or other provision satisfactory to the Bank for payment of the Bank Debt in full has been made and all commitments and other obligations of the Bank to extend credit, make a payment or provide or continue other financial services to the Borrower under all Bank Documents have been permanently cancelled.

5. Postponement and Subordination.

(1) Postponement and Subordination. The Promissory Note Debt is hereby and shall hereafter be postponed and subordinated, on the terms set forth herein, to the prior payment in full of, and shall rank junior and subordinate in all respects to, the Bank Debt.

(2) Insolvency Proceedings. The parties hereto agree that if an Insolvency Proceeding is commenced by a Person other than any of the Holder or the Borrower, the Holder shall be entitled to participate in such Insolvency Proceeding and to vote its Promissory Note Debt and otherwise exercise its rights as a creditor during such Insolvency Proceeding; provided that (i) the Holder shall not be entitled to apply to the court for relief from the stay provisions of such Insolvency Proceeding, (ii) nothing in this Section 5(2) shall entitle the Holder to, and the Holder agrees not to, initiate an Insolvency Proceeding, and (iii) the Holder shall not vote its Promissory Note Debt in favour of a plan or other proposal under an Insolvency Proceeding that would defeat (A) the priority of the Bank Debt provided for hereunder or (B) the rights of the Bank under this Agreement or the Bank Documents.

(3) The Holder agrees that all dividends, distributions or other sums which may be or become payable in respect of the Promissory Note Debt pursuant to any Insolvency Proceeding shall be subject to Section 3.

6. No Challenge, Discharge, Release.

(1) **No Challenge.** The Holder will not, in any manner, contest or bring into question the validity, priority, perfection or enforceability of the Bank Documents or the rights of the Bank thereunder or hereunder, and the Holder agrees that the postponement of the Promissory

Note Debt pursuant to the terms hereof shall not be affected by the invalidity, unenforceability or imperfection of any Bank Document or any security contemplated thereby.

(2) **Further Assurances.** The Holder agrees to execute and deliver, upon request by the Bank, such further instruments and agreements as may be reasonably required by the Bank to confirm and give effect to the provisions of this Agreement. The Holder agrees to execute and deliver, upon request by the Bank, such further instruments and agreements as may be reasonably required by the Bank to confirm and give effect to the provisions of this Agreement.

7. Insolvency Proceedings. In the event of any Insolvency Proceeding, the Bank shall be entitled to receive and retain any payment, distribution or security proceeds upon or with respect to the Bank Debt prior to and in preference to any such payment, distribution or security or proceeds to the Holder upon or with respect to the Promissory Note Debt, and, in order to implement the foregoing, the Holder hereby agrees to account to the Bank in respect of all sums received on account of the Promissory Note Debt imposed with a trust pursuant to Section 3 hereof.

8. Continuing Agreement. This Agreement shall constitute a continuing agreement and shall continue until the Bank Debt has been paid in full.

9. Dealings with Borrower. At any time, and from time to time, the Bank may deal with the Borrower in any manner which it sees fit in accordance with the terms of the Bank Documents and applicable law. The Bank shall have no liability of any nature or kind (in contract, tort or otherwise) to the Holder should any such dealings (including those described below), knowingly or unknowingly, constitute or result in a breach under the Promissory Note.

10. Amendments to the Promissory Note. Neither the Borrower nor the Holder may amend, modify or otherwise vary the terms and conditions of any of the Promissory Note.

11. Amendments to Senior Debt. The Borrower and the Bank may amend, modify or otherwise vary the terms and conditions of the Bank Documents and enter into new Bank Documents. The Holder hereby consents to any such amendment, modification or variation to the Bank Documents and any new Bank Document.

12. Sharing of Information. The Borrower agrees that the Bank and the Holder may share between themselves any information regarding the financial position, property and/or operations of the Borrower and that any such sharing of information shall not breach any express or implied duty of confidentiality to which any party hereto might otherwise be subject.

13. No Waivers. No waiver shall be deemed to be made by any party hereto of any of the rights of such party hereunder unless the same shall be in writing and signed by such party and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall in no way impair the rights of such party except as expressly set forth therein.

14. Successors and Assigns. This Agreement shall be binding on the parties hereto and their respective successors and permitted assigns and shall enure to the benefit of the Bank and the Holder and their respective successors and permitted assigns; provided that neither the

Bank nor the Holder may assign or transfer, in whole or in part, its rights under the Documents to which it is a party or granted in its favour or its rights in respect of the Debt owing to it unless the assignee or transferee contemporaneously therewith becomes bound by this Agreement in its place and stead.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules.

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and there are no representations, warranties or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

17. Communication. All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer of the addressee or sent by facsimile, in each case, to the applicable address set forth on the signature page of this Agreement or to such other address as a party hereto may from time to time designate to the other parties in such manner. Any communication so personally delivered shall be deemed to have been validly and effectively given on the date of such delivery. Communications so sent by facsimile shall be deemed to have been validly and effectively given on the business day next following the day on which it is sent.

18. Borrower Bound. By executing this Agreement, the Borrower acknowledges the existence of this Agreement and agrees to be bound by its terms; provided, however, that nothing in this Agreement shall confer or be deemed to confer any right, benefit or advantage on the Borrower.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered, shall be deemed to be an original, but all of which, when taken together, constitute one and the same instrument.

20. Amendments. This Agreement may not be amended except pursuant to an agreement in writing entered into by the Borrower, the Bank and the Holder; provided, however, that no consent of the Borrower shall be necessary to any amendment of the terms hereof unless the obligations of the Borrower are adversely affected thereby; provided that the Borrower shall not be bound by any amendment to which it is not a party.

[Signatures to follow on next page]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date first above written.

DISTINCT INFRASTRUCTURE GROUP
INC.

Address: _____

Attention: _____
Facsimile: _____

**DISTINCT INFRASTRUCTURE GROUP
INC.**

By: _____
Name: Joe Lanni
Title: Co-CEO

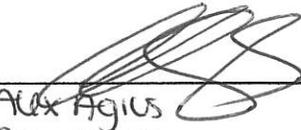
By: _____
Name: Alex Agius
Title: Co-CEO

Alex Agius

Address: _____

Attention: _____
Facsimile: _____

ALEX AGIUS

By:  _____
Name: Alex Agius
Title: CO-CEO

By: _____
Name:
Title:

Witness:

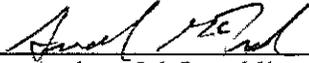
By:  _____
Name: Sanyal

Royal Bank of Canada

ROYAL BANK OF CANADA

Address:

Royal Bank of Canada
National Client Group
4th Floor, North Tower, Royal Bank Plaza
200 Bay Street
Toronto, Ontario, M5J 2W7

By: 

Name: Andrew McLauchlin

Title: Vice President

Attention: Andrew McLauchlin, Vice
President

Facsimile: 416 842 4090

This is **Exhibit "N"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.

R Bengard
A Commissioner for taking Affidavits, etc.
Rachel Bengard

COPY

SUBORDINATED PROMISSORY NOTE

TO: GDNK CONSULTING SERVICES

FROM: DISTINCT INFRASTRUCTURE GROUP INC.

COPY

Aggregate Principal Sum: CDN\$337,500

Date: November 9, 2018

Maturity Date: On Demand

Distinct Infrastructure Group Inc. (the "Debtor"), for value received, hereby promises to pay to GDNK Consulting Services (the "Creditor"), at its address specified herein, the aggregate principal sum of CDN\$337,500 pursuant to this Subordinated Promissory Note (the "Note").

1. **Principal Payments.** Subject to the provisions of this Note, this Note shall mature and become due and payable on the Maturity Date.
2. **Interest.** No interest shall be charged on the Aggregate Principal Sum.
3. **Prepayment.** Subject to the prior written approval of the Royal Bank of Canada, the Debtor may prepay this Note prior to the Maturity Date either in whole at any time or, when not in default hereunder, in part from time to time at a price equal to the Aggregate Principal Sum being prepaid plus, accrued and unpaid interest on such Aggregate Principal Sum to the date fixed for prepayment and, in the case of prepayment in whole, all other moneys owing hereunder. This right of prepayment is non-cumulative. The Debtor shall have the right to pay the Aggregate Principal Sum at any time without notice or penalty.
4. **Early Payment.** Subject to the prior written approval of the Royal Bank of Canada, in the event that the Debtor completes an equity or debt offering for minimum gross proceeds of \$10 million, the Debtor shall repay the Aggregate Principal Sum and all accrued and unpaid interest on such Aggregate Principal Sum to the date fixed for early payment.
5. **Partial Payments.** In case less than the total Aggregate Principal Sum of this Note is prepaid at any time, the Aggregate Principal Sum so prepaid shall be applied to the Aggregate Principal Sum outstanding at that time.
6. **Notice and Payments.** Any payments not received by the Creditor by five o'clock p.m. on a Business Day shall be deemed to have been received on the next Business Day. Any notice required or desired to be given hereunder or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to the Creditor or to the Debtor at their respective addresses set out herein and, in the case of electronic communication, to the facsimile numbers set out herein. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business

COPY

Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Addresses for notice:

In the case of Debtor: 77 Belfield Road
Suite 102
Toronto, Ontario M9W 1G6

Attention: Alex Agius
Email: alex.agiusr@diginc.ca

In the case of the Creditor: 3353 Chimo Court
Mississauga, Ontario L5B 4C4

Attention: George Parselias
Email: george020@sympatico.ca

7. **Maximum Recovery.** If any amounts, whether on account of interest, fees, bonus or additional consideration, becomes payable to or is received by the Creditor pursuant to this Note, or other agreement which would exceed the maximum amount recoverable under applicable law on moneys advanced by the Creditor:
- (a) any amounts so payable shall be reduced and are hereby limited to the maximum amount recoverable under applicable law;
 - (b) any amounts so received by the Creditor shall, at the Creditor's option, either be returned to the Debtor or, notwithstanding Section 4 hereof, be deemed to have been received by the Creditor as a partial prepayment of this Note and shall be credited against principal payable hereunder in inverse order of maturity; and
 - (c) if paragraph (a) requires the reduction in an amount or amounts payable to the Creditor, the Creditor in its sole discretion shall determine which amount or amounts shall be reduced to ensure compliance with this Section 9.
8. **Events of Default.** At the sole option of the Creditor and without any notice, demand, presentment for payment, division and discussion, or protest of any kind (the benefit of each of which is waived by the Debtor and any guarantor), the whole of the principal balance remaining unpaid together with interest and other moneys owing hereunder shall become immediately due and payable in each of the following events:
- (a) if an event of default should occur; and
 - (b) should the Debtor have a receiver appointed for its affairs, enter into any proceedings under any bankruptcy or insolvency legislation or otherwise be adjudged as insolvent.
9. **Waiver of Notice.** The extension of time for making any payment which is due and payable hereunder at any time or the failure, delay or omission on the part of the Creditor to exercise or

enforce any rights or remedies of the Creditor hereunder shall not constitute a waiver of the right of the Creditor to enforce such rights and remedies thereafter.

10. **No Obligation to Advance.** Neither the issue nor delivery of this Note nor the advance of any funds hereunder shall obligate the Creditor to advance any further funds.
11. **Interpretation.** In this Note:
 - (a) "Affiliate" shall have the meaning ascribed to such term in *Business Corporations Act* (Alberta).
 - (b) "Associate" means: (i) any body corporate of which the person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the body corporate for the time being outstanding; (ii) any partner of that person; (iii) any trust or estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar capacity; (iv) any relative of the person, including the person's spouse, where the relative has the same home as the person; or (v) any relative of the spouse of the person where the relative has the same home as the person.
 - (c) "Business Day" means any day except Saturday, Sunday or a statutory holiday.
 - (d) "Debtor" means Distinct Infrastructure Group Inc.
 - (e) "Creditor" means GDNK Consulting Services, its successors and assigns and, where applicable, includes those for whom he acts as nominee or agent.
 - (f) "Person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative.
12. **Invalidity, etc.** Each of the provisions contained in this Note is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Note.
13. **Interest Calculations.** Interest payable on the Note shall be payable both before and after demand, default and judgement at the Loan Rate with interest on overdue interest at the same rate. The yearly rate of interest applicable to amounts owing on this Note shall be calculated on the basis of a 365 day year.
14. **Waiver of Formalities.** The Debtor hereby waives presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour and diligence in collection or bringing suit.
15. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the Province of Ontario applicable therein and the Debtor hereby attorns to the jurisdiction of the courts of such province.

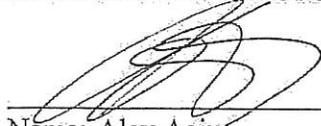
COPY

16. **Assignment.** Neither party may assign this Note or any of their respective rights or obligations hereunder without the express written consent of the other party. This Note shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

The Debtor has executed this Note, dated the 9th day of November, 2018.

DISTINCT INFRASTRUCTURE GROUP INC.

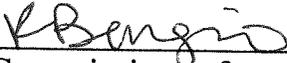
Per:


Name: Alex Agius

Title: Co-Chief Executive Officer

(I have authority to bind the company)

This is **Exhibit "O"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.



A Commissioner for taking Affidavits, etc.
Rachel Bengio

February 23, 2019

VIA ELECTRONIC MAIL

Distinct Infrastructure Group Inc.
77 Belfield Road
Toronto, ON M9W 1G6

Attention: Messrs. John Nashmi and Rob Normandeau

Dear Sirs:

Re: Indebtedness of Distinct Infrastructure Group Inc. (the “Borrower”) to Royal Bank of Canada (the “Bank”)

We are the lawyers for the Bank with respect to the above-captioned matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to the credit agreement dated March 23, 2017, as amended (the “**Credit Agreement**”). As at the close of business on February 21, 2019, the Borrower was indebted to the Bank in the amounts of CAD\$53,373,111.88 and USD\$8,099.16, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are more fully set out in Schedule “A”.

We also refer to the default notification letter dated February 6, 2019 addressed to the Borrower, which confirmed the defaults under the Credit Agreement and reserved all the Bank’s rights and remedies under the Credit Agreement and otherwise.

The Indebtedness under the Credit Agreement is immediately due and payable. **On behalf of the Bank, we hereby demand payment from the Borrower of the Indebtedness, namely the sum of CAD\$53,373,111.88 and USD\$8,099.16, together with accruing interest and costs (including legal costs on a full indemnity basis).**

We refer to your unlimited guarantee of obligations of Crown Utilities Ltd. owing to the Bank dated March 23, 2017 (the “**Guarantee**”). We also refer to the indebtedness owing by Crown Utilities Ltd. to the Bank under the Letter of Credit issued January 7, 2014 and the Visa in

the amounts of \$75,000 and \$5,817.23, respectively, in which we additionally hereby demand payment from you pursuant to the Guarantee.

Please note that this amount will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by the Bank pursuant to the following wire transfer instructions:

USD	Clearing Agent/Pay:	JP Morgan Chase Bank, New York
	Intermediary Field	CHASUS33
	ABA Number	0210-000-21
	SWIFT:	ROYCCAT2
	Name of Account:	Royal Bank of Canada, Toronto
	Address if Applicable:	200 Bay Street, Toronto
	Beneficiary Account Name:	Global Loans Administration
	Beneficiary Account Number:	000024005716
	Reference:	Attn: GLA, Borrower's name and reason for submission

CAD	Clearing Agent/Pay:	
	SWIFT:	ROYCCAT2
	ABA UID No.	NA
	Beneficiary Account:	Global Loans Administration
	Address if Applicable:	200 Bay Street, Toronto
	Transit No.	00002
	Account Number:	000021026830
	Reference:	Attn: GLA, Borrower's name and reason for submission

If full payment, as set forth above, is not received by noon on March 5, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We confirm that, in accordance with the terms of the Credit Agreement, the Bank's obligation to make further credit or other accommodations available to the Borrower under the Credit Facilities is hereby terminated. We further confirm that, in accordance with the engagement letter date November 29, 2018, Deloitte Restructuring Inc. will continue to access the premises and review the Borrower's books and record.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada) together with a consent thereto. If you consent to the Bank enforcing its right and remedies without further delay, please date and execute one copy of the consent attached to the enclosed Notice of Intention to Enforce Security and return same to the undersigned forthwith.

Yours very truly,

Thornton Grout Finnigan LLP



Rachel Bengino

Encl.

*cc: Distinct Infrastructure Group West Inc., as Guarantor
DistinctTech Inc., as Guarantor
iVac Services Inc., as Guarantor
iVac Services West Inc., as Guarantor
Crown Utilities Ltd., as Guarantor*

SCHEDULE “A”

**Indebtedness of Distinct Infrastructure Group Inc. to Royal Bank of Canada
 as at the close of business on February 21, 2019**

Facility	Principal Balance	Accrued Interest and Charges	Fees	Total
Operating Facility (CAD)	CAD\$34,597,017.29	CAD\$92,550.85	N/A	CAD\$34,689,568.14
Operating Facility (USD)	USD\$8,000	USD \$99.16	N/A	USD \$8,099.16
Term Facility	CAD\$18,375,000	CAD\$27,961.64	CAD\$584.19	CAD\$18,403,546
Visa	CAD\$167,604	N/A	N/A	CAD\$167,604
Invoiced and outstanding Legal Fees	N/A	N/A	CAD\$6,636.63	CAD\$6,636.63
Invoiced and outstanding Professional Fees	N/A	N/A	CAD\$105,757.76	CAD\$105,757.76
TOTAL	CAD\$53,139,620.81 USD\$8,000	CAD\$120,512.49 USD\$99.16	CAD\$112,978.58	CAD\$53,373,111.88 USD\$8,099.16

- a) Interest accrues as follows: (a) at the Bank’s Prime Rate plus 3.25% for Floating Rate Loans; (b) at the Bank’s Prime Rate plus 4.25% for Standby Instruments, Libor Loans and Acceptances, and (c) at the Bank’s Prime Rate plus 0.6375% for Standby Fees (each capitalized term as defined in the Credit Agreement). As at February 21, 2019, the Bank’s Prime Rate is 3.95%.

E.&O.E.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: DISTINCT INFRASTRUCTURE GROUP INC. (the “**Insolvent Company**”)

Take notice that:

1. Royal Bank of Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of the Insolvent Company described below:

(a) all property, assets and undertaking of the Insolvent Company, now owned or hereafter acquired, wheresoever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement dated March 23, 2017; and

(b) Unlimited Guarantee dated March 23, 2017.

3. The total amount of the indebtedness secured by the security is CAD\$53,373,111.88 (plus the following amounts owing to the Bank from Crown Utilities Ltd.: CAD\$75,000 under the Letter of Credit dated January 7, 2014 and CAD\$5,817.23 under the Visa) and USD\$8,099.16 as of the close of business on February 21, 2019 plus accruing interest and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s prime rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Insolvent Company consents to an earlier enforcement.

Dated at Toronto this 23rd day of February, 2019.

**ROYAL BANK OF CANADA
by its solicitors herein,
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: ROYAL BANK OF CANADA (the “Bank”)

**FROM: DISTINCT INFRASTRUCTURE GROUP INC., an insolvent company
(the “Insolvent Company”)**

The Insolvent Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Insolvent Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Insolvent Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Insolvent Company.

DATED at this day of , 2019.

**DISTINCT INFRASTRUCTURE GROUP
INC.**

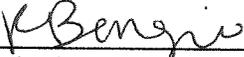
Per: _____ c/s

Name:

Title:

(I have authority to bind the Corporation)

This is **Exhibit "P"**, referred to in the
Affidavit of Gary Ivany, sworn before me
this 28th day of February, 2019.



A Commissioner for taking Affidavits, etc.
Rachel Bengino

February 23, 2019

VIA ELECTRONIC MAIL

Distinct Infrastructure Group West Inc.
77 Belfield Road
Toronto, ON M9W 1G6

Attention: Messrs. John Nashmi and Rob Normandeau

Dear Sirs:

Re: Indebtedness of Distinct Infrastructure Group Inc. (the “Borrower”) to Royal Bank of Canada (the “Bank”)

We are the lawyers for the Bank with respect to the above-captioned matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to the credit agreement dated March 23, 2017, as amended (the “**Credit Agreement**”). As at the close of business on February 21, 2019, the Borrower was indebted to the Bank in the amounts of CAD\$53,373,111.88 and USD\$8,099.16, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are more fully set out in Schedule “A”.

We also refer to your unlimited guarantee of the Borrower’s indebtedness to the Bank dated March 23, 2017 (the “**Guarantee**”). Pursuant to the Guarantee, you guaranteed the Indebtedness plus interest and costs owing to the Bank. Your obligations under the Guarantee are payable on demand.

On behalf of the Bank, we hereby demand payment from you of the same sum of CAD\$53,373,111.88 and USD\$8,099.16, together with accruing interest thereon and all costs (including legal and consultant costs on a full indemnity basis) in respect of the Indebtedness.

We also refer to the indebtedness owing by Crown Utilities Ltd. to the Bank under the Letter of Credit issued January 7, 2014 and the Visa in the amounts of CAD\$75,000 and CAD\$5,817.23, respectively, in which we additionally hereby demand payment from you

pursuant to the Guarantee.

Please note that this amount will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by the Bank pursuant to the following wire transfer instructions:

USD	Clearing Agent/Pay:	JP Morgan Chase Bank, New York
	Intermediary Field	CHASUS33
	ABA Number	0210-000-21
	SWIFT:	ROYCCAT2
	Name of Account:	Royal Bank of Canada, Toronto
	Address if Applicable:	200 Bay Street, Toronto
	Beneficiary Account Name:	Global Loans Administration
	Beneficiary Account Number:	000024005716
	Reference:	Attn: GLA, Borrower's name and reason for submission

CAD	Clearing Agent/Pay:	
	SWIFT:	ROYCCAT2
	ABA UID No.	NA
	Beneficiary Account:	Global Loans Administration
	Address if Applicable:	200 Bay Street, Toronto
	Transit No.	00002
	Account Number:	000021026830
	Reference:	Attn: GLA, Borrower's name and reason for submission

If full payment, as set forth above, is not received by noon on March 5, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada) together with a consent thereto. If you consent to the Bank enforcing its right and remedies without further delay, please date and execute one copy of the consent attached to the enclosed Notice of Intention to Enforce Security and return same to the undersigned forthwith.

Yours very truly,

Thornton Grout Finnigan LLP



Rachel Bengino

Encl.

SCHEDULE “A”

**Indebtedness of Distinct Infrastructure Group Inc. to Royal Bank of Canada
 as at the close of business on February 21, 2019**

Facility	Principal Balance	Accrued Interest and Charges	Fees	Total
Operating Facility (CAD)	CAD\$34,597,017.29	CAD\$92,550.85	N/A	CAD\$34,689,568.14
Operating Facility (USD)	USD\$8,000	USD \$99.16	N/A	USD \$8,099.16
Term Facility	CAD\$18,375,000	CAD\$27,961.64	CAD\$584.19	CAD\$18,403,546
Visa	CAD\$167,604	N/A	N/A	CAD\$167,604
Invoiced and outstanding Legal Fees	N/A	N/A	CAD\$6,636.63	CAD\$6,636.63
Invoiced and outstanding Professional Fees	N/A	N/A	CAD\$105,757.76	CAD\$105,757.76
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- a) Interest accrues as follows: (a) at the Bank’s Prime Rate plus 3.25% for Floating Rate Loans; (b) at the Bank’s Prime Rate plus 4.25% for Standby Instruments, Libor Loans and Acceptances, and (c) at the Bank’s Prime Rate plus 0.6375% for Standby Fees (each capitalized term as defined in the Credit Agreement). As at February 21, 2019, the Bank’s Prime Rate is 3.95%.

E.&O.E.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: DISTINCT INFRASTRUCTURE GROUP WEST INC. (the “Insolvent Company”)

Take notice that:

1. Royal Bank of Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of the Insolvent Company described below:

(a) all property, assets and undertaking of the Insolvent Company, now owned or hereafter acquired, wheresoever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement dated March 23, 2017; and

(b) Unlimited Guarantee dated March 23, 2017.

3. The total amount of the indebtedness secured by the security is CAD\$53,373,111.88 (plus the following amounts owing to the Bank from Crown Utilities Ltd.: CAD\$75,000 under the Letter of Credit dated January 7, 2014 and CAD\$5,817.23 under the Visa) and USD\$8,099.16 as of the close of business on February 21, 2019 plus accruing interest and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s prime rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Insolvent Company consents to an earlier enforcement.

Dated at Toronto this 23rd day of February, 2019.

**ROYAL BANK OF CANADA
by its solicitors herein,
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: ROYAL BANK OF CANADA (the “Bank”)

FROM: DISTINCT INFRASTRUCTURE GROUP WEST INC., an insolvent company (the “Insolvent Company”)

The Insolvent Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Insolvent Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Insolvent Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Insolvent Company.

DATED at this day of , 2019.

**DISTINCT INFRASTRUCTURE GROUP
WEST INC.**

Per: _____ c/s
Name:
Title:
(I have authority to bind the Corporation)

February 23, 2019

VIA ELECTRONIC MAIL

DistinctTech Inc.
77 Belfield Road
Toronto, ON M9W 1G6

Attention: Messrs. John Nashmi and Rob Normandeau

Dear Sirs:

Re: Indebtedness of Distinct Infrastructure Group Inc. (the “Borrower”) to Royal Bank of Canada (the “Bank”)

We are the lawyers for the Bank with respect to the above-captioned matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to the credit agreement dated March 23, 2017, as amended (the “**Credit Agreement**”). As at the close of business on February 21, 2019, the Borrower was indebted to the Bank in the amounts of CAD\$53,373,111.88 and USD\$8,099.16, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are more fully set out in Schedule “A”.

We also refer to your unlimited guarantee of the Borrower’s indebtedness to the Bank dated March 23, 2017 (the “**Guarantee**”). Pursuant to the Guarantee, you guaranteed the Indebtedness plus interest and costs owing to the Bank. Your obligations under the Guarantee are payable on demand.

On behalf of the Bank, we hereby demand payment from you of the same sum of CAD\$53,373,111.88 and USD\$8,099.16, together with accruing interest thereon and all costs (including legal and consultant costs on a full indemnity basis) in respect of the Indebtedness.

We also refer to the indebtedness owing by Crown Utilities Ltd. to the Bank under the Letter of Credit issued January 7, 2014 and the Visa in the amounts of CAD\$75,000 and CAD\$5,817.23, respectively, in which we additionally hereby demand payment from you

pursuant to the Guarantee.

Please note that this amount will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by the Bank pursuant to the following wire transfer instructions:

USD	Clearing Agent/Pay:	JP Morgan Chase Bank, New York
	Intermediary Field	CHASUS33
	ABA Number	0210-000-21
	SWIFT:	ROYCCAT2
	Name of Account:	Royal Bank of Canada, Toronto
	Address if Applicable:	200 Bay Street, Toronto
	Beneficiary Account Name:	Global Loans Administration
	Beneficiary Account Number:	000024005716
	Reference:	Attn: GLA, Borrower's name and reason for submission

CAD	Clearing Agent/Pay:	
	SWIFT:	ROYCCAT2
	ABA UID No.	NA
	Beneficiary Account:	Global Loans Administration
	Address if Applicable:	200 Bay Street, Toronto
	Transit No.	00002
	Account Number:	000021026830
	Reference:	Attn: GLA, Borrower's name and reason for submission

If full payment, as set forth above, is not received by noon on March 5, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada) together with a consent thereto. If you consent to the Bank enforcing its right and remedies without further delay, please date and execute one copy of the consent attached to the enclosed Notice of Intention to Enforce Security and return same to the undersigned forthwith.

Yours very truly,

Thornton Grout Finnigan LLP



Rachel Bengino

Encl.

SCHEDULE “A”

**Indebtedness of Distinct Infrastructure Group Inc. to Royal Bank of Canada
 as at the close of business on February 21, 2019**

Facility	Principal Balance	Accrued Interest and Charges	Fees	Total
Operating Facility (CAD)	CAD\$34,597,017.29	CAD\$92,550.85	N/A	CAD\$34,689,568.14
Operating Facility (USD)	USD\$8,000	USD \$99.16	N/A	USD \$8,099.16
Term Facility	CAD\$18,375,000	CAD\$27,961.64	CAD\$584.19	CAD\$18,403,546
Visa	CAD\$167,604	N/A	N/A	CAD\$167,604
Invoiced and outstanding Legal Fees	N/A	N/A	CAD\$6,636.63	CAD\$6,636.63
Invoiced and outstanding Professional Fees	N/A	N/A	CAD\$105,757.76	CAD\$105,757.76
TOTAL	CAD\$53,139,620.81 USD\$8,000	CAD\$120,512.49 USD\$99.16	CAD\$112,978.58	CAD\$53,373,111.88 USD\$8,099.16

- a) Interest accrues as follows: (a) at the Bank’s Prime Rate plus 3.25% for Floating Rate Loans; (b) at the Bank’s Prime Rate plus 4.25% for Standby Instruments, Libor Loans and Acceptances, and (c) at the Bank’s Prime Rate plus 0.6375% for Standby Fees (each capitalized term as defined in the Credit Agreement). As at February 21, 2019, the Bank’s Prime Rate is 3.95%.

E.&O.E.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: DISTINCTTECH INC. (the “**Insolvent Company**”)

Take notice that:

1. Royal Bank of Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of the Insolvent Company described below:

(a) all property, assets and undertaking of the Insolvent Company, now owned or hereafter acquired, wheresoever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement dated March 23, 2017; and

(b) Unlimited Guarantee dated March 23, 2017.

3. The total amount of the indebtedness secured by the security is CAD\$53,373,111.88 (plus the following amounts owing to the Bank from Crown Utilities Ltd.: CAD\$75,000 under the Letter of Credit dated January 7, 2014 and CAD\$5,817.23 under the Visa) and USD\$8,099.16 as of the close of business on February 21, 2019 plus accruing interest and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s prime rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Insolvent Company consents to an earlier enforcement.

Dated at Toronto this 23rd day of February, 2019.

**ROYAL BANK OF CANADA
by its solicitors herein,
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: ROYAL BANK OF CANADA (the “Bank”)

FROM: DISTINCTTECH INC., an insolvent company (the “Insolvent Company”)

The Insolvent Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Insolvent Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Insolvent Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Insolvent Company.

DATED at this day of , 2019.

DISTINCTTECH INC.

Per: _____ c/s

Name:

Title:

(I have authority to bind the Corporation)

February 23, 2019

VIA ELECTRONIC MAIL

iVac Services Inc.
77 Belfield Road
Toronto, ON M9W 1G6

Attention: Messrs. John Nashmi and Rob Normandeau

Dear Sirs:

Re: Indebtedness of Distinct Infrastructure Group Inc. (the “Borrower”) to Royal Bank of Canada (the “Bank”)

We are the lawyers for the Bank with respect to the above-captioned matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to the credit agreement dated March 23, 2017, as amended (the “**Credit Agreement**”). As at the close of business on February 21, 2019, the Borrower was indebted to the Bank in the amounts of CAD\$53,373,111.88 and USD\$8,099.16, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are more fully set out in Schedule “A”.

We also refer to your unlimited guarantee of the Borrower’s indebtedness to the Bank dated March 23, 2017 (the “**Guarantee**”). Pursuant to the Guarantee, you guaranteed the Indebtedness plus interest and costs owing to the Bank. Your obligations under the Guarantee are payable on demand.

On behalf of the Bank, we hereby demand payment from you of the same sum of CAD\$53,373,111.88 and USD\$8,099.16, together with accruing interest thereon and all costs (including legal and consultant costs on a full indemnity basis) in respect of the Indebtedness.

We also refer to the indebtedness owing by Crown Utilities Ltd. to the Bank under the Letter of Credit issued January 7, 2014 and the Visa in the amounts of CAD\$75,000 and CAD\$5,817.23, respectively, in which we additionally hereby demand payment from you pursuant to the Guarantee.

Please note that this amount will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by the Bank pursuant to the following wire transfer instructions:

USD	Clearing Agent/Pay:	JP Morgan Chase Bank, New York
	Intermediary Field	CHASUS33
	ABA Number	0210-000-21
	SWIFT:	ROYCCAT2
	Name of Account:	Royal Bank of Canada, Toronto
	Address if Applicable:	200 Bay Street, Toronto
	Beneficiary Account Name:	Global Loans Administration
	Beneficiary Account Number:	000024005716
	Reference:	Attn: GLA, Borrower's name and reason for submission

CAD	Clearing Agent/Pay:	
	SWIFT:	ROYCCAT2
	ABA UID No.	NA
	Beneficiary Account:	Global Loans Administration
	Address if Applicable:	200 Bay Street, Toronto
	Transit No.	00002
	Account Number:	000021026830
	Reference:	Attn: GLA, Borrower's name and reason for submission

If full payment, as set forth above, is not received by noon on March 5, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada) together with a consent thereto. If you consent to the Bank enforcing its right and remedies without further delay, please date and execute one copy of the consent attached to the enclosed Notice of Intention to Enforce Security and return same to the undersigned forthwith.

Yours very truly,

Thornton Grout Finnigan LLP

Rachel Bengino

Encl.

SCHEDULE “A”

**Indebtedness of Distinct Infrastructure Group Inc. to Royal Bank of Canada
 as at the close of business on February 21, 2019**

Facility	Principal Balance	Accrued Interest and Charges	Fees	Total
Operating Facility (CAD)	CAD\$34,597,017.29	CAD\$92,550.85	N/A	CAD\$34,689,568.14
Operating Facility (USD)	USD\$8,000	USD \$99.16	N/A	USD \$8,099.16
Term Facility	CAD\$18,375,000	CAD\$27,961.64	CAD\$584.19	CAD\$18,403,546
Visa	CAD\$167,604	N/A	N/A	CAD\$167,604
Invoiced and outstanding Legal Fees	N/A	N/A	CAD\$6,636.63	CAD\$6,636.63
Invoiced and outstanding Professional Fees	N/A	N/A	CAD\$105,757.76	CAD\$105,757.76
TOTAL	CAD\$53,139,620.81 USD\$8,000	CAD\$120,512.49 USD\$99.16	CAD\$112,978.58	CAD\$53,373,111.88 USD\$8,099.16

- a) Interest accrues as follows: (a) at the Bank’s Prime Rate plus 3.25% for Floating Rate Loans; (b) at the Bank’s Prime Rate plus 4.25% for Standby Instruments, Libor Loans and Acceptances, and (c) at the Bank’s Prime Rate plus 0.6375% for Standby Fees (each capitalized term as defined in the Credit Agreement). As at February 21, 2019, the Bank’s Prime Rate is 3.95%.

E.&O.E.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: IVAC SERVICES INC. (the “Insolvent Company”)

Take notice that:

1. Royal Bank of Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of the Insolvent Company described below:

(a) all property, assets and undertaking of the Insolvent Company, now owned or hereafter acquired, wheresoever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement dated March 23, 2017; and

(b) Unlimited Guarantee dated March 23, 2017.

3. The total amount of the indebtedness secured by the security is CAD\$53,373,111.88 (plus the following amounts owing to the Bank from Crown Utilities Ltd.: CAD\$75,000 under the Letter of Credit dated January 7, 2014 and CAD\$5,817.23 under the Visa) and USD\$8,099.16 as of the close of business on February 21, 2019 plus accruing interest and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s prime rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Insolvent Company consents to an earlier enforcement.

Dated at Toronto this 23rd day of February, 2019.

**ROYAL BANK OF CANADA
by its solicitors herein,
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: ROYAL BANK OF CANADA (the “Bank”)

FROM: IVAC SERVICES INC., an insolvent company (the “Insolvent Company”)

The Insolvent Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Insolvent Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Insolvent Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Insolvent Company.

DATED at this day of , 2019.

IVAC SERVICES INC.

Per: _____ c/s

Name:

Title:

(I have authority to bind the Corporation)

February 23, 2019

VIA ELECTRONIC MAIL

iVac Services West Inc.
77 Belfield Road
Toronto, ON M9W 1G6

Attention: Messrs. John Nashmi and Rob Normandeau

Dear Sirs:

Re: Indebtedness of Distinct Infrastructure Group Inc. (the “Borrower”) to Royal Bank of Canada (the “Bank”)

We are the lawyers for the Bank with respect to the above-captioned matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to the credit agreement dated March 23, 2017, as amended (the “**Credit Agreement**”). As at the close of business on February 21, 2019, the Borrower was indebted to the Bank in the amounts of CAD\$53,373,111.88 and USD\$8,099.16, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are more fully set out in Schedule “A”.

We also refer to your unlimited guarantee of the Borrower’s indebtedness to the Bank dated March 23, 2017 (the “**Guarantee**”). Pursuant to the Guarantee, you guaranteed the Indebtedness plus interest and costs owing to the Bank. Your obligations under the Guarantee are payable on demand.

On behalf of the Bank, we hereby demand payment from you of the same sum of CAD\$53,373,111.88 and USD\$8,099.16, together with accruing interest thereon and all costs (including legal and consultant costs on a full indemnity basis) in respect of the Indebtedness.

We also refer to the indebtedness owing by Crown Utilities Ltd. to the Bank under the Letter of Credit issued January 7, 2014 and the Visa in the amounts of CAD\$75,000 and CAD\$5,817.23, respectively, in which we additionally hereby demand payment from you pursuant to the Guarantee.

Please note that this amount will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by the Bank pursuant to the following wire transfer instructions:

USD	Clearing Agent/Pay:	JP Morgan Chase Bank, New York
	Intermediary Field	CHASUS33
	ABA Number	0210-000-21
	SWIFT:	ROYCCAT2
	Name of Account:	Royal Bank of Canada, Toronto
	Address if Applicable:	200 Bay Street, Toronto
	Beneficiary Account Name:	Global Loans Administration
	Beneficiary Account Number:	000024005716
	Reference:	Attn: GLA, Borrower's name and reason for submission

CAD	Clearing Agent/Pay:	
	SWIFT:	ROYCCAT2
	ABA UID No.	NA
	Beneficiary Account:	Global Loans Administration
	Address if Applicable:	200 Bay Street, Toronto
	Transit No.	00002
	Account Number:	000021026830
	Reference:	Attn: GLA, Borrower's name and reason for submission

If full payment, as set forth above, is not received by noon on March 5, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada) together with a consent thereto. If you consent to the Bank enforcing its right and remedies without further delay, please date and execute one copy of the consent attached to the enclosed Notice of Intention to Enforce Security and return same to the undersigned forthwith.

Yours very truly,

Thornton Grout Finnigan LLP

Rachel Bengino

Encl.

SCHEDULE “A”

**Indebtedness of Distinct Infrastructure Group Inc. to Royal Bank of Canada
 as at the close of business on February 21, 2019**

Facility	Principal Balance	Accrued Interest and Charges	Fees	Total
Operating Facility (CAD)	CAD\$34,597,017.29	CAD\$92,550.85	N/A	CAD\$34,689,568.14
Operating Facility (USD)	USD\$8,000	USD \$99.16	N/A	USD \$8,099.16
Term Facility	CAD\$18,375,000	CAD\$27,961.64	CAD\$584.19	CAD\$18,403,546
Visa	CAD\$167,604	N/A	N/A	CAD\$167,604
Invoiced and outstanding Legal Fees	N/A	N/A	CAD\$6,636.63	CAD\$6,636.63
Invoiced and outstanding Professional Fees	N/A	N/A	CAD\$105,757.76	CAD\$105,757.76
TOTAL	CAD\$53,139,620.81 USD\$8,000	CAD\$120,512.49 USD\$99.16	CAD\$112,978.58	CAD\$53,373,111.88 USD\$8,099.16

- a) Interest accrues as follows: (a) at the Bank’s Prime Rate plus 3.25% for Floating Rate Loans; (b) at the Bank’s Prime Rate plus 4.25% for Standby Instruments, Libor Loans and Acceptances, and (c) at the Bank’s Prime Rate plus 0.6375% for Standby Fees (each capitalized term as defined in the Credit Agreement). As at February 21, 2019, the Bank’s Prime Rate is 3.95%.

E.&O.E.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: IVAC SERVICES WEST INC. (the “Insolvent Company”)

Take notice that:

1. Royal Bank of Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of the Insolvent Company described below:

(a) all property, assets and undertaking of the Insolvent Company, now owned or hereafter acquired, wheresoever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement dated March 23, 2017; and

(b) Unlimited Guarantee dated March 23, 2017.

3. The total amount of the indebtedness secured by the security is CAD\$53,373,111.88 (plus the following amounts owing to the Bank from Crown Utilities Ltd.: CAD\$75,000 under the Letter of Credit dated January 7, 2014 and CAD\$5,817.23 under the Visa) and USD\$8,099.16 as of the close of business on February 21, 2019 plus accruing interest and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s prime rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Insolvent Company consents to an earlier enforcement.

Dated at Toronto this 23rd day of February, 2019.

**ROYAL BANK OF CANADA
by its solicitors herein,
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: ROYAL BANK OF CANADA (the “Bank”)

FROM: IVAC SERVICES WEST INC., an insolvent company (the “Insolvent Company”)

The Insolvent Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Insolvent Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Insolvent Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Insolvent Company.

DATED at this day of , 2019.

IVAC SERVICES WEST INC.

Per: _____ c/s

Name:

Title:

(I have authority to bind the Corporation)

February 23, 2019

VIA ELECTRONIC MAIL

Crown Utilities Ltd.
77 Belfield Road
Toronto, ON M9W 1G6

Attention: Messrs. John Nashmi and Rob Normandeau

Dear Sirs:

Re: Indebtedness of Distinct Infrastructure Group Inc. (the “Borrower”) to Royal Bank of Canada (the “Bank”)

We are the lawyers for the Bank with respect to the above-captioned matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to the credit agreement dated March 23, 2017, as amended (the “**Credit Agreement**”). As at the close of business on February 21, 2019, the Borrower was indebted to the Bank in the amounts of CAD\$53,373,111.88 and USD\$8,099.16, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are more fully set out in Schedule “A”.

We also refer to your unlimited guarantee of the Borrower’s indebtedness to the Bank dated March 23, 2017 (pursuant to the Supplement No. 1 dated November 21, 2017, the “**Guarantee**”). Pursuant to the Guarantee, you guaranteed the Indebtedness plus interest and costs owing to the Bank. Your obligations under the Guarantee are payable on demand.

On behalf of the Bank, we hereby demand payment from you of the same sum of CAD\$53,373,111.88 and USD\$8,099.16, together with accruing interest thereon and all costs (including legal and consultant costs on a full indemnity basis) in respect of the Indebtedness.

We also refer to the indebtedness owing by you to the Bank under the Letter of Credit dated January 7, 2014 and the Visa in the amounts of CAD\$75,000 and CAD\$5,817.23, respectively, in which we additionally hereby demand payment from you.

Please note that these amounts will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by the Bank pursuant to the following wire transfer instructions:

USD	Clearing Agent/Pay:	JP Morgan Chase Bank, New York
	Intermediary Field	CHASUS33
	ABA Number	0210-000-21
	SWIFT:	ROYCCAT2
	Name of Account:	Royal Bank of Canada, Toronto
	Address if Applicable:	200 Bay Street, Toronto
	Beneficiary Account Name:	Global Loans Administration
	Beneficiary Account Number:	000024005716
	Reference:	Attn: GLA, Borrower's name and reason for submission

CAD	Clearing Agent/Pay:	
	SWIFT:	ROYCCAT2
	ABA UID No.	NA
	Beneficiary Account:	Global Loans Administration
	Address if Applicable:	200 Bay Street, Toronto
	Transit No.	00002
	Account Number:	000021026830
	Reference:	Attn: GLA, Borrower's name and reason for submission

If full payment, as set forth above, is not received by noon on March 5, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada) together with a consent thereto. If you consent to the Bank enforcing its right and remedies without further delay, please date and execute one copy of the consent attached to the enclosed Notice of Intention to Enforce Security and return same to the undersigned forthwith.

Yours very truly,

Thornton Grout Finnigan LLP

Rachel Bengino

Encl.

SCHEDULE “A”

**Indebtedness of Distinct Infrastructure Group Inc. to Royal Bank of Canada
 as at the close of business on February 21, 2019**

Facility	Principal Balance	Accrued Interest and Charges	Fees	Total
Operating Facility (CAD)	CAD\$34,597,017.29	CAD\$92,550.85	N/A	CAD\$34,689,568.14
Operating Facility (USD)	USD\$8,000	USD \$99.16	N/A	USD \$8,099.16
Term Facility	CAD\$18,375,000	CAD\$27,961.64	CAD\$584.19	CAD\$18,403,546
Visa	CAD\$167,604	N/A	N/A	CAD\$167,604
Invoiced and outstanding Legal Fees	N/A	N/A	CAD\$6,636.63	CAD\$6,636.63
Invoiced and outstanding Professional Fees	N/A	N/A	CAD\$105,757.76	CAD\$105,757.76
TOTAL	CAD\$53,139,620.81 USD\$8,000	CAD\$120,512.49 USD\$99.16	CAD\$112,978.58	CAD\$53,373,111.88 USD\$8,099.16

- a) Interest accrues as follows: (a) at the Bank’s Prime Rate plus 3.25% for Floating Rate Loans; (b) at the Bank’s Prime Rate plus 4.25% for Standby Instruments, Libor Loans and Acceptances, and (c) at the Bank’s Prime Rate plus 0.6375% for Standby Fees (each capitalized term as defined in the Credit Agreement). As at February 21, 2019, the Bank’s Prime Rate is 3.95%.

E.&O.E.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: CROWN UTILITIES LTD. (the “**Insolvent Company**”)

Take notice that:

1. Royal Bank of Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of the Insolvent Company described below:

(a) all property, assets and undertaking of the Insolvent Company, now owned or hereafter acquired, wheresoever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement dated March 23, 2017;

(b) Supplement to General Security Agreement dated November 21, 2017;

(c) Unlimited Guarantee dated March 23, 2017; and

(d) Supplement to Guarantee dated November 21, 2017.

3. The total amount of the indebtedness secured by the security is CAD\$53,373,111.88 (plus CAD\$75,000 owing to the Bank under the Letter of Credit dated January 7, 2014 and CAD\$5,817.23 owing to the Bank under the Visa) and USD\$8,099.16 as of the close of business on February 21, 2019 plus accruing interest and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s prime rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Insolvent Company consents to an earlier enforcement.

Dated at Toronto this 23rd day of February, 2019.

**ROYAL BANK OF CANADA
by its solicitors herein,
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

- and -

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-_____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**AFFIDAVIT OF GARY IVANY
(Sworn February 28th, 2019)**

Thornton Grout Finnigan LLP

TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
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Lawyers for the Applicant, Royal Bank of Canada

TAB 3

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

- and -

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-_____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

CONSENT

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
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TAB 4

"Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Gary Ivany sworn February 28, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, [the Special Committee] and the Receiver, no one else appearing or served, and on reading the consent of Deloitte Restructuring Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, arranging for provision of utilities,

the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby

conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (r) to make an assignment in bankruptcy on behalf of any or all of the Debtors; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, including but not limited to, Joe (Giuseppe) Lanni, Alex Agius and George Parselias, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure. All such Persons shall preserve the Records in their original format and shall not alter, amend, erase or destroy any Records without the prior written consent of the Receiver.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall preserve such Records in their original format and shall not alter, amend, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least

seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or

relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Bank by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that, pending further Order of the Court, for a period of fifteen (15) calendar days following the date of this Order (the "**Interim Comeback Period**"), the Receiver's Borrowing Charge shall not extend to collateral that is subject to a properly perfected security interest that is in priority to the Bank's security, including purchase money security interests. Any secured creditor that wishes to take the position that the priority charges granted pursuant to this Order should not extend to collateral subject to their security interest shall serve a motion on notice to the Receiver and the Bank within fifteen (15) calendar days of the date of this Order, seeking such relief. In the absence of an Order being granted in respect of such motion that is served within the Interim Comeback Period, all priority charges under this Order including the Receiver's Borrowings Charge set forth in paragraph 21 above, will apply to all assets, including those subject to purchase money security interests, equipment leases or other

interests that may be in priority to the Bank's security, immediately upon the conclusion of the Interim Comeback Period without any further steps being taken.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.insolvencies.deloitte.ca/en-ca/dig.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, email, or facsimile transmission to the Debtors' creditors or other interested parties at their respective

addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery, email, or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

RETENTION OF LAWYERS

28. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Thornton Grout Finnigan LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may arise.

GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Debtors.

31. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Application security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (together, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 28th day of February, 2019 (the "**Order**") made in an action having Court file number CV-19-►, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

Deloitte Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

- and -

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**ORDER
(appointing Receiver)**

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Lawyers for the Applicant, Royal Bank of Canada

TAB 5

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
JUSTICE _____)
)
) DAY OF ~~WEEKDAY~~THURSDAY, THE #28TH
)
) DAY OF ~~MONTH~~FEBRUARY, 20~~YR~~19

~~PLAINTIFF~~[†]

~~Plaintiff~~

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

[†]The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

**DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE
GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES
WEST INC., and CROWN UTILITIES LTD.**

Respondents

**ORDER
(appointing Receiver)**

THIS ~~MOTION~~APPLICATION made by ~~the Plaintiff~~²Royal Bank of Canada (the "Applicant") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~Deloitte Restructuring Inc. as receiver ~~and manager~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME] (the "Debtor~~Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Gary Ivany sworn ~~[DATE]~~February 28, 2019 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, [the Special Committee] and the Receiver, no one else appearing ~~for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] or served~~, and on reading the consent of ~~[RECEIVER'S NAME]~~Deloitte Restructuring Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated³ so that this ~~motion~~Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

²Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

³If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the ~~Debtor~~Debtors acquired for, or used in relation to a business carried on by the ~~Debtor~~Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, arranging for provision of utilities, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the ~~Debtor~~Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors and to exercise all remedies of the ~~Debtor~~Debtors in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Debtors, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

⁴~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

- (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~500,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~1,500,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for section 31 of the Ontario *Mortgages Act*, as the case may be,~~⁵ shall not be required, ~~and in each case the Ontario *Bulk Sales Act* shall not apply.~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Debtors;

⁵~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Debtors may have;
- (r) to make an assignment in bankruptcy on behalf of any or all of the Debtors; and
- (s) ~~(+)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the ~~Debtor~~Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the ~~Debtor~~Debtors, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, including but not limited to, Joe (Giuseppe) Lanni, Alex Agius and George Parselias, and all other persons acting on ~~its~~their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Debtors, and any computer programs, computer tapes, computer disks, or

other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure. All such Persons shall preserve the Records in their original format and shall not alter, amend, erase or destroy any Records without the prior written consent of the Receiver.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall preserve such Records in their original format and shall not alter, amend, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any

applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the ~~Debtor~~Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the ~~Debtor~~Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the ~~Debtor~~Debtors to carry on any business which the ~~Debtor is~~Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,

licence or permit in favour of or held by any of the DebtorDebtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the DebtorDebtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the DebtorDebtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor'sDebtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the DebtorDebtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the DebtorDebtors shall remain the employees of the DebtorDebtors until such time as the Receiver, on the Debtor'sDebtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any

employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the

Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass ~~its~~their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

⁶~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Bank by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that, pending further Order of the Court, for a period of fifteen (15) calendar days following the date of this Order (the "Interim Comeback Period"), the Receiver's Borrowing Charge shall not extend to collateral that is subject to a properly perfected security interest that is in priority to the Bank's security, including purchase money security interests. Any secured creditor that wishes to take the position that the priority charges granted pursuant to this Order should not extend to collateral subject to their security interest shall serve a motion on notice to the Receiver and the Bank within fifteen (15) calendar days of the date of this Order, seeking such relief. In the absence of an Order being granted in respect of such motion that is served within the Interim Comeback Period, all priority charges under this Order including the Receiver's Borrowings Charge set forth in paragraph 21 above, will apply to all

assets, including those subject to purchase money security interests, equipment leases or other interests that may be in priority to the Bank's security, immediately upon the conclusion of the Interim Comeback Period without any further steps being taken.

23. ~~22.~~ THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. ~~23.~~ THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. ~~24.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. ~~25.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL-
'@': www.insolvencies.deloitte.ca/en-ca/dig.

27. ~~26.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other

correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, email, or facsimile transmission to the ~~Debtor's~~Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~Debtors and that any such service or distribution by courier, personal delivery, email, or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

RETENTION OF LAWYERS

28. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Thornton Grout Finnigan LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may arise.

GENERAL

29. ~~27.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. ~~28.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the ~~Debtor~~Debtors.

31. ~~29.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. ~~30.~~ THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,

for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Application security or, if not so provided by the ~~Plaintiff~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's estate~~Debtors' estates with such priority and at such time as this Court may determine.

34. ~~32.~~ THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (together, the "Debtors") acquired for, or used in relation to a business carried on by the ~~Debtor~~ Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 28th day of February, 2019 (the "**Order**") made in an action having Court file number CV-CL-19-19, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

~~[RECEIVER'S NAME]~~ Deloitte Restructuring Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

Document comparison by Workshare 9 on February-27-19 5:29:00 PM

Input:	
Document 1 ID	interwovenSite://TGF-WSS01/Client/2561223/1
Description	#2561223v1<Client> - Model Receivership Order
Document 2 ID	interwovenSite://TGF-WSS01/Client/2561222/1
Description	#2561222v1<Client> - Receivership Order (Feb 27, 2019 draft)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	115
Deletions	115
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	230

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

ROYAL BANK OF CANADA

- and -

DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-_____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**APPLICATION RECORD
(Returnable on February 28, 2019)**

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